

Branstetter, Jennifer

From: Ammerman, Paula [REDACTED]
Sent: Wednesday, December 14, 2011 5:54 PM
Subject: Update 7 from President Erickson

Importance: High

President Erickson asked that I distribute the below message for your information.

DATE: December 14, 2011
FROM: Rodney A. Erickson
TO: Members of the Board of Trustees
UPDATE 7

As discussed, it is my intent to provide updates on a regular basis.

- A message was sent to the University Community earlier in the week; the text of that message is included below:

Common Questions - December 13, 2011

Since I was appointed President nearly six weeks ago, I have received thousands of letters and emails from individuals across the University and around the world. These notes run the gamut from strong support to questions to suggestions to dissatisfaction with my decisions or the pace of our progress. I appreciate all of the input-I value your opinions and I am committed to listening to your concerns. We weigh many factors in our decision-making process, and your feedback is important.

My staff and I are doing our best to respond personally to all the mail in a timely fashion. However, given the volume, I wanted to take this opportunity to answer a few of the most common questions that are coming across my desk.

1. What is your reaction to the allegations in the Grand Jury presentment?

These are very serious allegations, and we are fully cooperating with the investigations under way. I am very concerned and will do whatever I can to further the process. However, I'm also trying to focus on the future of Penn State. We are a great university, with outstanding academic accomplishments, a remarkable research enterprise, and extraordinary students, faculty, staff and alumni. We need to tell that story too.

2. Actions speak louder than words: what is Penn State doing to help combat the problem of child abuse?

Penn State has committed \$1.5 million of its share of Big Ten bowl game revenues to the Pennsylvania Coalition Against Rape and the Notional Sexual Violence Resource Center to assist in the efforts to raise awareness about child sexual abuse and develop outreach educational programming across the Commonwealth and beyond. Last week we announced the launch of a Center for the Protection of Children at the Hershey Medical Center that will be devoted to the prevention and treatment of child abuse. The Center, which will also be supported by bowl revenues, is the first piece of a University-wide institute that will bring together many existing and expanding resources at Penn State related to the prevention and treatment of child abuse. Late last month the University opened a Sexual Assault and Relationship Violence Hotline at 800-550-7575 (TTY 866-714-7177) that can be accessed 24 hours a day, seven days a week, for all Penn State Campuses. See http://live.psu.edu/tag/Penn_State_Promise for the latest updates.

3. Last week USA Today reported that Penn State is rethinking the role of the football program. What does that mean?

Intercollegiate athletics, including our very successful football program, will always be a part of who we are, but the University needs to emphasize the balance between athletics and our core mission and our long-standing academic excellence. Athletics is part of a broader picture, and Penn State's academic efforts also deserve to be heralded. I intend to see that our stellar academic program becomes a more important face of Penn State.

4. Despite the fact that the vast majority of Penn Staters had nothing to do with the incidents under investigation, it feels like the entire University is being judged. How can we move forward?

I get this question frequently from students, faculty, staff, parents and alumni, and I understand the concerns. As a community, we need to work together to refocus on our educational goals and to rebuild the enthusiasm and pride that has characterized Penn State for more than 155 years. Although it will take some time to return to a more normal situation, we must make every effort to take note of and publicize the many wonderful things that Penn Staters are doing every day inside and outside the University. We should also take time to participate in and enjoy the performances, lectures, exhibits, extracurricular activities, athletic competitions, and holiday events. Together, let's try to rebuild our sense of community through our conduct, communications and interactions with one another, and our participation in uplifting campus and community experiences.

5. What investigations are currently under way at Penn State, and how do we know they are sufficiently independent?

We are voluntarily cooperating with all of the investigations under way. The Board of Trustee's Special Investigations Task Force has charged Judge Louis Freeh, former director of the FBI, with conducting the investigation into all aspects of the University's actions with regard to the allegations of child abuse involving a former Penn State employee contained in the recent Grand Jury report. Judge Freeh is known for his honesty, integrity and due diligence. He has pledged to conduct a thorough investigation and the Trustees have promised to make the results public. He is an independent investigator, and I have complete confidence in his objectivity. In addition, Penn State is being investigated by the U.S. Department of Education, and the Pennsylvania Attorney General's criminal investigation continues. The NCAA and the Big Ten have also notified us that future investigations could be launched. At Penn State, we are committed to an open and honest discovery process; the knowledge gained will be critical for the future well-being of our institution.

6. How do I report ethics violations? Are there new procedures?

Penn State has had a longstanding, confidential Ethics and Compliance Hotline, and we taking steps to publicize it and to educate the community about these important issues. The purpose of the 24/7 hotline-800-560-1637-is to report problems including financial matters such as fraud, theft, conflict of interest and other violations of University policy, including research compliance matters, discrimination, athletics-compliance issues and more. Additional resources can be found here: <http://live.psu.edu/stary/56545> and at the University Ethics web site: <http://www.universityethics.psu.edu/policies.shtml>.

There are many more questions, and I will continue to keep you updated to the best of my ability. I look forward to greeting the Class of 2011, faculty, staff and families at Commencement this weekend. For those who will be traveling, please enjoy a sofe and relaxing semester break.

*Again, thank you for being a part of Penn State!
President Rodney Erickson*

- Today, we were able to announce the appointment of David J. Gray as senior vice president for Finance and Business, subject to the Board's approval in January. David will begin his responsibilities in early February; he is an outstanding choice for this position. He comes to us from the University of Massachusetts, where he was the chief financial and administrative officer. He brings a breadth of financial and operating experience that also includes information technology, and his previous work with the Pennsylvania State System of Higher Education

has given him valuable experience in working in a multi-campus environment. You'll have the opportunity to meet him in January.

- Continuing my promise to listen, I've met several groups over the past week including the Eberly College of Science Faculty and Staff; and spent most of Tuesday meeting with the Senate and House leadership, both Democratic and Republican. I also met with Governor Corbett and Secretary Branstetter. The meetings were very cordial and the support for Penn State and our challenges seemed quite strong.
- On Saturday, I attended the Pennsylvania Society Dinner in New York City and had the pleasure of introducing the Gold Medal Honoree, Guion S. Bluford, Colonel, USAF [Retired], NASA Astronaut (Former). Guy, as you know, is a Penn State alumnus and a Distinguished Alumnus of the University. It was an honor to be a part of his recognition and I, along with others, was very moved by his comment, "I take a great deal of pride in the fact that I am a Pennsylvanian, a Philadelphian and a Penn Stater."
- We're also working on several items for the January Board of Trustees meeting. You'll recall that the agenda item regarding Proposed Changes to Room and Board Charges for the 2012 Fall Semester had been deferred from the November meeting. Since that time, we've reviewed the data in order to mitigate the increase as much as possible. We are proposing a modest increase of 2.86 percent that will cover all increases in our operating costs (a 4.86 percent increase had been initially proposed). We were able to accomplish this by reducing the funding allocated for deferred maintenance from prior levels by \$1,239,000 (a decrease of \$3,252,000 from the November proposed rates; the increase for the Double Room and Meal Plan 3 Rate is \$125 vs. a previously proposed increase of \$210 per semester). Obviously, this will have a cumulative effect over the years and will increase the pressure for higher increases in the future.
- President's Council continues to meet on an almost daily basis to receive updates on the initiatives identified.
- We've continue to distribute daily Issues Updates electronically to all members of the Board--this will help to keep you apprised of the issues in the headlines and other events.

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