

Monitoring Report to the  
Middle States Commission on Higher Education

From

**THE PENNSYLVANIA STATE UNIVERSITY**  
University Park, PA 16802

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September 27, 2012

Monitoring Report in  
Response to the Commission's Letter  
Dated August 8, 2012

“To warn the institution that its accreditation is in jeopardy based on information contained in the institutionally commissioned Report of the Special Investigative Counsel (Freeh, Sporkin & Sullivan, LLP, July 12, 2012) and the Binding Consent Decree Imposed by the National Collegiate Athletic Association and Accepted by the Pennsylvania State University (July 23, 2013 *[sic]*) and insufficient evidence that the institution is currently in compliance with the Requirements of Affiliation 5 (compliance with all applicable government policies, regulations, and requirements) and 9 (institution's governing body responsibility for the quality and integrity of the institution, for ensuring that the institution's mission is being carried out, and for making freely available to the Commission accurate, fair, and complete information on all aspects of the institution and its operations) and with Standard 4 (Leadership and Governance) and Standard 6 (Integrity). To note that the institution remains accredited while on warning. To request a monitoring report due by September 30, 2012 documenting steps that have been taken and are planned to ensure the institution's full compliance with Requirements of Affiliation 5 and 9 as well as Accreditation Standards 4 and 6. In addition, to request that the monitoring report also address Accreditation Standard 3 (Institutional Resources) with regard to the institution's capacity and plans for addressing financial obligations that will or may result from the investigation and related settlements, etc. A small team visit will follow submission of the monitoring report. To remind the institution that the Commission must continue to be informed of any further significant related developments, including the provision of copies of any and all relevant external reports. The due date for the next evaluation visit will be established when accreditation is reaffirmed.”

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## EXECUTIVE SUMMARY

Penn State appreciates the spirit and intent of the August 8, 2012, request from the Middle States Commission on Higher Education, based on information from the Report of the Special Investigative Counsel (Freeh, Sporkin & Sullivan, LLP, July 12, 2012; hereafter referred to as Freeh Report; [www.TheFreehReportonPSU.com](http://www.TheFreehReportonPSU.com)) and the Binding NCAA Consent Decree Imposed by the National Collegiate Athletic Association (July 23, 2012; hereafter referred to as NCAA Consent Decree; <http://www.ncaa.com/content/penn-state-conclusions>).

Since the events of November 2011, Penn State has complied with a request from the Commission to provide an Informational Report (December 21, 2011; hereafter referred to as 2011 Informational Report; <http://www.psu.edu/dept/vprov/pdfs/middlestatesinfort12-21-11.pdf>) and similarly has been keeping the Commission informed about the status and results of ongoing investigations as relevant developments have occurred.

This Monitoring Report is being presented to ensure confidence that the University is in compliance with Requirements of Affiliation 5 (compliance with government policies, regulations and requirements); Requirements of Affiliation 9 (governing body responsibility); Standard 4 (Leadership and Governance); and Standard 6 (Integrity). In addition, this Report also responds to the narrow request for information specific to Standard 3 (Institutional Resources) regarding capacity and plans for fulfilling financial responsibilities specific to the current situation.

Following this Executive Summary, the report will be divided into seven sections. First, the Introduction will provide a brief overview of Penn State with background and contextual information that may be assistive to Commission reviewers, including a summary of significant changes in institutional leadership. Following this introductory information, Requirements of Affiliation 9 as well as Accreditation Standard 4, Leadership and Governance, will be reviewed. This combined section will affirm, under Requirements of Affiliation 9, the University's willingness to make information available to the Commission, as well as provide comprehensive information to address Standard 4 to include the role of the Board of Trustees (with supporting links to important documents), and will also provide a sequential look at changes or significant events related to University governance during 2012. The next section will present information covering Accreditation Standard 3 addressing the request regarding the University's financial capacity. The focus in the next section will be on Requirements of Affiliation 5, to provide detailed information regarding the University's compliance specific to applicable laws. This section will highlight matters specific to the Clery Act, with information about the Pennsylvania Child Protective Services Law mandated reporting efforts noted in other areas of the Monitoring Report, including the new policy specific to this effort, as well as training and outreach efforts that go beyond the requirements of the law. The following section will focus on Integrity (Accreditation Standard 6) and will augment information from the 2011 Informational Report by providing updated examples and efforts that have occurred since submission of that 2011 Informational Report. Recent Actions and Initiatives will then be detailed in order to extend to the reviewer an overview of the Special Investigations Task Force (Freeh Report) as well as the NCAA Consent Decree (including the Athletics Integrity Agreement), along with other activities

and initiatives to provide a broad perspective on the University's efforts moving forward. The report will then end with some concluding thoughts regarding the University's progress and status.

In the Executive Summary of the 2011 Informational Report, it was noted that the compilation of that report provided a timely opportunity for critical reflection and assessment. This Monitoring Report provides yet another opportunity for the University to not only re-explore the elements specifically contained in the Commission's current request, but also embrace the reality that our institutional stance and commitment to our core values remain not only intact, but also on a path of renewal and optimism for the University's future.

# INTRODUCTION

## History, Mission and Background

Penn State was chartered in 1855 at the urging of the Pennsylvania State Agricultural Society as a publicly-supported agricultural college (then named the Farmers' High School). Designated in 1863 as the state's land-grant institution under the Morrill Land-Grant Act (1862), the University (then named Agricultural College of Pennsylvania) was created with a three-part mission of teaching, research, and public service.

Penn State is one of four universities in the Commonwealth that are considered "state-related" (along with the University of Pittsburgh, Temple University, and Lincoln University). While not state-owned or state-operated, these institutions receive a state appropriation. Penn State's 32-member Board of Trustees includes four ex officio representatives of the Commonwealth and six gubernatorial appointees. More specific information regarding the governance structure will be contained in the next section of this report.

While Penn State's largest campus is located at University Park, the University is comprised of 24 campuses throughout the Commonwealth (note that one of these, the Pennsylvania College of Technology, is independently accredited through MSCHE). This structure provides access to programs and services throughout the Commonwealth, reinforcing the University's support of the land-grant mission. All Penn State campuses report through a single President and adhere to a common mission:

### *Mission*

*Penn State is a multicampus public research university that educates students from Pennsylvania, the nation and the world, and improves the well being and health of individuals and communities through integrated programs of teaching, research, and service.*

*Our instructional mission includes undergraduate, graduate, professional, and continuing education offered through both resident instruction and online delivery. Our educational programs are enriched by the cutting edge knowledge, diversity, and creativity of our faculty, students, and staff.*

*Our research, scholarship, and creative activity promote human and economic development, global understanding, and progress in professional practice through the expansion of knowledge and its applications in the natural and applied sciences, social sciences, arts, humanities, and the professions.*

*As Pennsylvania's land-grant university, we provide unparalleled access and public service to support the citizens of the Commonwealth. We engage in collaborative activities with industrial, educational, and agricultural partners here and abroad to generate, disseminate, integrate, and apply knowledge that is valuable to society.*

This report's description of the initiatives and programs that the University has undertaken in support of the standards and recommendations in the most recent Commission submissions (2005 Self Study, 2010 Periodic Review Report, 2011 Informational Report, and 2012 Progress Report, all of which can be found at <http://www.psu.edu/vpaa/accreditation.htm>), makes it evident that the University's initiatives and priorities are also aligned with the spirit of Penn State's vision to be "a global university, committed to excellence, with a passion for creating knowledge and educating students to be leaders for a better tomorrow." In addition to the University's mission and vision, the Penn State Principles (<http://www.psu.edu/ur/pdf/principles.pdf>) are designed to support and contribute to the values and rich history of Penn State.

The Penn State Fact Book (<http://www.budget.psu.edu/factbook/>) provides significant data about all aspects of the University; and, in particular, "Facts about Students" (<http://www.budget.psu.edu/FactBook/StudentDynamic/StudentTableofContents.aspx>) provides a platform for reviewing enrollment data looking at various factors including campus locations, part-time/full-time enrollment status, race/ethnicity, etc.

Almost half of the student enrollment is at University Park, which is also the administrative hub for the University and home for 12 academic units that each fall under the leadership of a dean: Agricultural Sciences, Arts and Architecture, Business, Communications, Earth and Mineral Sciences, Education, Engineering, Health and Human Development, Information Sciences and Technology, Liberal Arts, Nursing, and Science. Nineteen campuses fall under the leadership of the Vice President for Commonwealth Campuses: Abington, Altoona, Beaver, Berks, Brandywine, DuBois, Erie, Fayette, Greater Allegheny, Harrisburg, Hazleton, Lehigh Valley, Mont Alto, New Kensington, Schuylkill, Shenango, Wilkes-Barre, Worthington Scranton and York. Five of these campuses (Abington, Altoona, Berks, Erie and Harrisburg) have stand-alone college status, with the remaining 14 comprising the University College. In addition, the University also has four campuses with unique, professional education missions: Penn State Great Valley supports the needs of working adults through graduate professional studies; located in Williamsport, the Pennsylvania College of Technology offers certificate, associate, and baccalaureate degree studies with a strong focus on technology; the College of Medicine at the Penn State Milton S. Hershey Medical Center (located in Hershey) delivers medical education; and, The Dickinson School of Law (with a dual-campus arrangement at University Park and Carlisle) focuses on legal education. Penn State's World Campus, launched in 1998, now provides distance education programs to students in all 50 states, more than 40 countries, and on all 7 continents.

## **Events of 2011-12**

On November 5, 2011, former University employee Gerald Sandusky was arrested on 40 criminal accounts related to child sexual abuse, with additional charges brought forward on December 7, 2011. On June 22, 2012, he was found guilty on 45 charges, with sentencing expected on October 9.

On November 9, 2011, Rodney Erickson assumed the responsibilities of Penn State's 17<sup>th</sup> president. While assuming this position under extraordinary and unprecedented circumstances, President Erickson quickly established a tone for the University community that focused on rebuilding trust and confidence, as well as resolve to move the University community forward. Prior to his presidency, he served as Executive Vice President and Provost, a position he had held since 1999.

Robert Pangborn was named Interim Executive Vice President and Provost on November 15, 2011. From 2006 until the time of this appointment, he served as Penn State's Vice President and Dean for Undergraduate Education. The University has recently launched a national search, assisted by an external search firm, for the position of executive vice president and provost.

On January 20, 2012, Karen Peetz was elected chair of Penn State's Board of Trustees, replacing Steve Garban, and Keith Masser was elected vice chair, replacing John Surma.

David Gray, former chief financial and administrative officer at the University of Massachusetts, assumed the position of Senior Vice President for Finance and Business/Treasurer on February 6, 2012. On July 16, 2012, Stephen Dunham assumed the position of Vice President and General Counsel, joining Penn State from Johns Hopkins University, with Ronald Daniels (president of Johns Hopkins) noting that "Steve is probably the most highly respected university attorney in the United States today."

Bill Mahon, Vice President for University Relations, announced in early September that he will be stepping down from that position to accept a teaching position within the University's College of Communications. A national search will be conducted to identify a new person to lead marketing and communications efforts.

Penn State is currently in the midst of a national search, assisted by an external search firm, to identify the University's inaugural Director of University Compliance, a position that will report to the Senior Vice President for Finance and Business/Treasurer as well as the Board of Trustees Committee on Legal and Compliance.

Finally, President Erickson has announced his expectation to retire on or before June 30, 2014. A Trustee Presidential Selection Council will be formed to establish the criteria, qualifications and experience the University will be seeking in its search for the University's 18<sup>th</sup> president. The Council will set a timetable and establish a screening committee to work closely with a national search firm in this effort, which is anticipated to begin in November 2012.

## **REQUIREMENTS OF AFFILIATION 9**

### **ACCREDITATION STANDARD 4: LEADERSHIP AND GOVERNANCE**

The Board of Trustees is responsible for the quality and integrity of the institution and for ensuring that the University's mission is carried out. The Board affirms that the University will make freely available to the Commission accurate, fair and complete information on all aspects of the University and its operations.

#### **Role of the Board of Trustees in University Governance**

The Board of Trustees is the corporate body established, by charter, with complete responsibility for the government and welfare of the University, and all interests specific to students, faculty, staff and alumni. The Board is guided by the following policies (this statement on the general policies of the Board was initially approved on June 11, 1970, and underwent subsequent amendments, the most recent being January 19, 1996):

1. The authority for day-to-day management and control of the University, and the establishment of policies and procedures for the educational program and other operations of the University, shall be delegated to the President, and by him/her, either by delegation to or consultation with the faculty and the student body in accordance with a general directive of the Board.

This delegation of authority requires that the Board rely on the judgment and decisions of those who operate under its authority. However, this reliance of the Board must be based upon its continuing awareness of the operations of the University. Therefore, the Board shall receive and consider thorough and forthright reports on the affairs of the University by the President or those designated by the President. It has a continuing obligation to require information or answers on any University matter with which it is concerned.

Finally, upon request the Board shall advise the President on any University matter of concern to him/her.

2. The Board of Trustees shall carry out certain responsibilities as a Board, without delegation. These responsibilities are:
  - a) The selection of the President of the University.
  - b) The determination of the major goals of the University and the approval of the policies and procedures for implementation of such goals.
  - c) The review and approval of the operating and capital budget of the University.
  - d) Such other responsibilities as law, governmental directives, or custom require the Board to act upon.



3. The Board of Trustees shall inform the citizens of the Commonwealth of Pennsylvania of the University's performance of its role in the education of the youth of Pennsylvania.
4. The Board of Trustees shall assist the President in the development of effective relationships between the University and the various agencies of the Commonwealth of Pennsylvania and the United States of America which provide to the University assistance and direction.

For the benefit of Commission reviewers, below is a listing of pertinent documents that provide important foundational elements for the Board of Trustees (and specific sub-references that may be assistive):

#### Charter

<http://www.psu.edu/trustees/pdf/charter.pdf>

The Charter of The Pennsylvania State University consists of the acts of assembly when the Farmers' High School was created by special act of the legislature of Pennsylvania in 1855. Subsequent revisions enacted by the assembly are also incorporated in the document. The Charter also provides that the Board of Trustees can enact bylaws, ordinances, and rules as may be required.

#### Bylaws

<http://www.psu.edu/trustees/pdf/bylaws.pdf>

The Bylaws of the corporation contain provisions concerning organization and meetings of the Board; qualifications for membership; officers of the corporation and their duties; committees, liability and indemnification; conflict of interest; and other miscellaneous provisions.

- Qualifications for Membership <http://www.psu.edu/trustees/pdf/qualificationsformembership.pdf>

#### Standing Orders

<http://www.psu.edu/trustees/pdf/standingorders.pdf>

The Standing Orders of the corporation contain provisions for special committees and subcommittees; special assignments; attendance; matters requiring approval; matters to be presented for information; procedures for the election of trustees by alumni; rules and regulations for the conduct of public meetings; governance of the University; delegation of corporate authority; and trustee emeriti.

- Statement of Trustees Responsibilities <http://www.psu.edu/trustees/pdf/statementoftrusteesresponsibilities.pdf>
- Statement of Expectations of Membership <http://www.psu.edu/trustees/pdf/statementofexpectationsofmembership.pdf>



## 2012 University Governance – A Chronological Perspective

On January 20, 2012, Karen Peetz was elected chair of Penn State’s Board of Trustees, and Keith Masser was elected vice chair. Chairman Peetz, Vice Chair and Chief Executive Officer of Financial Markets and Treasury Services at The Bank of New York (BNY), holds a bachelor of science degree from Penn State and a master of science degree from Johns Hopkins. Vice Chairman Masser, a graduate of Penn State with a degree in agricultural engineering, is President of Sterman Masser Inc., a family-owned potato farming company in Sacramento, Pennsylvania.

In assuming her leadership role, Chairman Peetz reiterated three core principles that would guide her leadership. First, she reaffirmed with the highest priority the need to assist abuse victims to receive justice. Second, she focused on the need and commitment of the Board to increase transparency with the public and to work with President Erickson to enhance and improve the entire University’s quest for more openness. This led her to express her desire for the Board to form a task force to determine what changes could be made to improve Board oversight of the University, including taking into account thoughts and reflections shared by the University community. Lastly, she emphasized the importance of working with President Erickson to strive for a proper balance between athletics and academics.

Beginning in January 2012, Board meetings have been made available online in real time and via video archive.

In the continuing spirit of more openness and access of information, President Erickson and Chairman Peetz announced the launching of a new website in February. That website, originally referred to as an “openness” website (<http://openness.psu.edu/>), was designed to be a resource for information specific to the ongoing investigations and related matters. In June, the second iteration of that site was announced, and referred to as the “progress” website (<http://progress.psu.edu/progress>), containing similar information, while adding new focused content, functionality and updates. And, in the spirit of transparency, the initial site is currently being maintained for access of archived content and material.

In February 2012, several members of the Board met with various constituent groups as part of an ongoing listening tour designed to improve communication, openness, and gathering of thoughts and opinions from the broad Penn State community. Board leaders met with the University Staff Advisory Council, the Faculty Advisory Committee of the University Faculty Senate, the Academic Leadership Council, President’s Council, the executive committee of *For the Future: The Campaign for Penn State Students*, staff within the Office of University Development, graduate and undergraduate student leaders, and the president of the Alumni Association. Additionally, the Board met with the Student Leadership Roundtable, a diverse group of student leaders formed as an advisory group to the Vice President for Student Affairs, that includes leaders from student government organizations, affiliated student organizations, fraternity and sorority councils, student advocacy/activist organizations, and politically-based groups. In addition, the Board of Trustees’ student member is also a member of the Roundtable.

Continuing with the theme of more open dialogue and engagement within the Penn State community, Chairman Peetz and Vice Chairman Masser addressed the University Faculty Senate

on March 13, 2012, explaining the Board's role in governance, discussion of potential changes to committee structures, and fielding questions. Chairman Peetz emphasized the need for openness and embracing dialogue from all members of the Penn State community, noting that the Board is "interested in opening up a debate . . . of what is the best practice Penn State can have in terms of how we govern ourselves and how we move forward."

On March 15, 2012, the Chair of the University Faculty Senate charged a Special Committee on University Governance. That committee has been asked to examine functions, practices and processes of the Board vis-à-vis interactions with various constituent groups, and identify ways to improve and enhance interactions and communications with students, faculty, staff, and administration. The committee is chaired by professor emeritus and former Senate chair John Nichols. Central administration has supported the committee's work. Staff support has been provided by the Office of the President, and Board Chairman Peetz and Vice Chairman Masser have met with this committee. A committee report is expected later this fall. More information about the Special Committee on University governance is included in a later section of this Report.

At the Board of Trustees meeting on March 16, 2012, changes to the bylaws and standing orders were approved, replacing three standing committees (educational policy, campus environment, and finance and physical plant) with five new committees more closely aligned to University operations and intended to better facilitate the operational and management aspects of the University. The standing committees and their functions, approved at that March meeting (additional refinement of the below committee structure was adopted in July 2012, with further detail later in this section):

Committee on Academic Affairs and Student Life.

- Considers and reports on issues involving faculty, instruction, research, continuing education and student life.

Committee on Finance, Business and Capital Planning.

- Focuses on matters related to finance, business, budgets, human resources, investments, contracts, grants, fees, room and board charges, long-range financial planning and development of the University, any related matters.
- Responsible for capital planning as well as long-range comprehensive physical plant and infrastructure development at each campus.
- Three subcommittees:
  - Architecture/Engineer Selection
  - Finance
  - Human Resources

#### Committee on Governance and Long-Range Planning.

- Provides counsel and advice to the Board concerning the development of strategies, policies and practices that orient, educate, organize, motivate and assess the performance of trustees.
- Oversees changes to Board membership expectations and code of conduct as well as consideration of candidates for election to the Board's executive committee and possible recommendations for emeritus status for retiring trustees.
- Participates in the University's strategic planning process.

#### Committee on Audit, Risk, Legal and Compliance.

- Responsible for understanding and interpreting the University's financial statements and reviewing financial trends and evaluation of impact of economic events on the University.
- Oversees regular audits of financial activities.
- Ensures adherence to legal and fiduciary responsibilities.
- Two subcommittees:
  - Audit Subcommittee
  - Legal Subcommittee

#### Committee on Outreach, Development and Community Relations.

- Focuses on internal and external University constituents.
- Educates faculty, staff, students, alumni, government officials and the public about the role and responsibilities of the Board.
- Communicates the value of all of Penn State's locations to constituents and develops communications plans consistent with University priorities.

The Board's commitment to openness and accessibility was evident in May 2012 when the Board of Trustees launched a new website which provides a presence for the Penn State community and public to access information about the Board (<http://www.psu.edu/trustees/>). In addition to information about the Board's responsibilities, future meetings, and agendas, recent news items are on the website and links are available to critical information such as the committee structure, charter, bylaws, and standing orders as well as membership information, staff contacts, past information such as Board minutes, and an overview of the history of the Board. In unveiling the new website, Chairman Peetz noted that this "is information that a lot of Penn Staters have sought in recent months."

In June 2012, President Erickson invited five additional representatives to participate in Board meetings and committee participation. This expanded upon a standing order (in place since the mid-1970s) by which three faculty members and three student representatives have been invited by the President to attend and participate in governance. The new representatives are the president of the Penn State Alumni Association, chair and immediate past chair of the University Staff Advisory Council, chair of the University Faculty Senate's University Planning Committee, and vice president of the University Park Undergraduate Association.

On July 12, 2012, the Freeh Report was released. While more details and information about that report will be found later in this Monitoring Report, Mr. Freeh stated that his investigation yielded no evidence of awareness on the part of the Board regarding the 1998 and 2001 allegations regarding former employee Gerald Sandusky. But Mr. Freeh also noted his view that this lack of awareness “does not shield the Board from criticism” and that “the Board – despite its duties of care and oversight of the University and its officers – failed to create an environment which held the University’s most senior leaders accountable to it.” On July 13, Chairman Peetz noted that “the Board of Trustees, a group that has paramount accountability for overseeing and ensuring the proper functioning and governance of the University, accepts full responsibility of the failures that occurred.”

At the July 2012 meeting of the Board, further refinement of the committee structure occurred that assisted in clarifying the breadth of responsibilities. The Committee on Audit, Risk, Legal and Compliance was split into two committees, thus establishing the Committee on Audit and Risk and the Committee on Legal and Compliance. This brought the number of standing committees to six:

- Committee on Academic Affairs and Student Life
- Committee on Finance, Business and Capital Planning
- Committee on Governance and Long-Range Planning
- Committee on Legal and Compliance
- Committee on Audit and Risk
- Committee on Outreach, Development and Community Relations

Also at the July meeting, continued efforts to facilitate and enhance the public exchange of ideas and expression of views were announced. The Board’s standing orders indicate that visitors to public meetings of the Board (including news media representatives) are present as observers (not participants). That rule does not apply to invited guests, typically faculty and student representatives. A third category of invited guests was approved at the July 2012 meeting. Thirty minutes per Board meeting will be allocated for public comments and questions, with a maximum of ten speakers scheduled for each meeting, and each individual speaker permitted up to three minutes. Preference in speakers will be given to those addressing subjects that pertain to the agenda of the relevant board meeting. In September, Public Expression Guidelines ([http://www.psu.edu/trustees/public\\_expression\\_guidelines.html](http://www.psu.edu/trustees/public_expression_guidelines.html)), which include a *Request to Address Form*, were made available in order to support this opportunity for expression of public views at Board meetings. Several individuals participated in the public comment period at the September 14 Board meeting.

Effective with terms beginning July 1, 2013, and after, term limits for elected Board members will be reduced to twelve years; this provision does not apply to elected members who serve in the capacity of chair or vice chair.

On Sunday, August 12, a special meeting of the Board was conducted to discuss and review concerns raised regarding the Freeh Report and the NCAA Consent Decree, and to clarify any misunderstanding or misperceptions regarding the Board’s and University’s position. Chairman Peetz in her opening remarks indicated that President Erickson’s authority to execute the NCAA

Consent Decree had been challenged publicly by some trustees, but that no vote was necessary because President Erickson had the legal authority to execute the NCAA Consent Decree, and he had done so. Additional contextual information regarding the NCAA sanctions will be found in a later section of this report specific to the NCAA Consent Decree.

On August 25 and 26, the Board participated in a series of special meetings that included several public sessions that were also streamed live online (and available via archived video). This two-day retreat allowed for dedicated time and discussion specific to several important operational and strategic areas. On August 25, discussion items included an overview of a governance model that would be used for implementation of the Freeh Report recommendations and Athletics Integrity Agreement (both of which will be discussed elsewhere in this Report), including a conversation about Board oversight of the review and implementation of the Freeh Report recommendations. In addition, each Committee met in seminar (Committee on Audit and Risk, and Committee on Legal and Compliance meeting jointly) to discuss positioning of the Freeh Report recommendations specific to their focus area. On August 26, among several items, discussion included exploration of the strategic framework for the University specifically and the role of higher education more broadly, the upcoming presidential search timeline and process, and the opportunity for committees to report on their prior day's seminar discussions.

On September 14, the Board of Trustees received training on NCAA compliance as well as the University's training for recognizing child abuse and mandated reporting.

## **ACCREDITATION STANDARD 3: INSTITUTIONAL RESOURCES (NARROWED REQUEST REGARDING FINANCIAL CAPACITY)**

### **Status of Current Litigation**

#### Pending Litigation

Four civil cases have been filed against the University by John Doe A, C. Miller, John Doe B and John Doe C. Only John Doe C is a victim identified in the Grand Jury Presentment. All four cases have been filed in Philadelphia. The allegations against the University in the John Doe A and John Doe C complaints include negligence, negligent supervision, premises liability, intentional infliction of emotional distress, and conspiracy to endanger children. The University anticipates that the other cases, when complaints are filed, will raise similar causes of action.

At the University's request, the John Doe A case and the C. Miller case have been stayed pending criminal proceedings (currently scheduled for January 2013) against the University's Director of Athletics (currently on leave), and former Senior Vice President for Finance and Business/Treasurer. The case filed by John Doe B was filed via a writ of summons (essentially a notice of intent to sue) and therefore, no response from the University is currently required. The John Doe C complaint was only recently filed and the University's motion to stay is pending.

With respect to criminal matters, the University continues to support the defense costs of the aforementioned individuals. After having met its \$100,000 deductible, the University's Directors & Officers liability insurer has paid 100% of those costs. As will be discussed later in this section, the University maintains General Liability and Directors & Officers insurance policies which are expected to cover the defense of claims brought against the University and its officers, employees and trustees. No charges have been brought to date against any other current or former University officer, employee, or trustee.

#### Potential/Threatened Litigation

There were ten victims identified (by "victim number," not by name) in the Grand Jury Presentment and during the Sandusky criminal case. The University understands that all ten have retained civil litigation counsel. In addition, lawyers for several other individuals have contacted the University with respect to a potential claim. Accordingly, the University expects that 10-15 additional cases may be filed. The number of other Sandusky victims who remain unidentified is unknown. Based on historical, anecdotal data provided by experts, and other information gathered, there could be more individuals who have not yet come forward. For purposes of its analysis, based on this information, the University is estimating that the total number will be more than fifteen.



## Proposed Claims Resolution Process

The University has announced that it plans to offer all potential plaintiffs an opportunity to resolve claims against the University in a private, efficient manner through a process of facilitated claims resolution. On September 20, the University announced that it has retained Feinberg Rozen LLP to design and lead this process (<http://live.psu.edu/story/61432>).

## **Status of Investigations, Inquiries and Reviews**

### NCAA

The fine stipulated by the NCAA Consent Decree is \$60 million and the financial impact of the Big Ten sanction on bowl revenues is estimated to be approximately \$13 million over four years (<http://www.ncaa.com/content/penn-state-conclusions>; additional information about the NCAA Consent Decree will be addressed later in this report, including information regarding the Athletic Integrity Agreement). Because internal Athletic Department reserves are currently insufficient to pay the full \$60 million NCAA fine, the central University will issue up to five individual \$12 million internal loans to the Athletic Department and charge debt service to the program over thirty years. As a result, long term financial modeling of the Athletic Department operation is being performed and re-budgeting is expected to occur within the restrictions imposed by the NCAA Consent Decree.

The Athletic Department is prepared to significantly reduce future capital expenditures over the five year period to minimize projected operating deficits, and the University is prepared to provide bridge funding over the period of the sanctions. Additionally, existing internal loans to the Athletic Department that are being satisfied over the next few years will present some budgetary flexibility for the Department to better manage the annual operating budget. Once the NCAA Consent Decree is fulfilled/completed, the University will review the overall status and financial health of the Athletic Department to determine if longer term adjustments in program scope and/or budget are necessary.

### U.S. Department of Education

The Department of Education is conducting a program review of the University's compliance with the Clery Act (additional information about the University's Clery Act compliance is included later in this report, specific to Requirements of Affiliation 5). The investigation is continuing and the outcome is unknown. Fines and recommendations are likely. The University has received no information that it will lose Pell Grant or other Title IV student aid program funding as a result of these investigations.

## Other

Regarding research funding, there are no indications that the University's research portfolio will be materially impacted by these events. An assessment of the Debarment and Suspension policies has been performed and there is no reason to believe the recent events will trigger debarment or suspension.

The University is prepared to discuss all of these matters in further detail during the upcoming visit of the Commission's assigned evaluators.

## **Institutional Capacity – Penn State's Current Financial Profile**

The University's long term general obligation bonds are currently rated Aa1 and AA by Moody's Investors Service (Moody's) and Standard and Poor's (S&P), respectively, placing the University among the most highly rated public higher education institutions in the nation from a credit perspective. As such, the ratings currently reflect "high investment grade" quality and stability with respect to the University's underlying finances. In light of recent events, both agencies are reviewing the existing ratings for possible modification in the upcoming months; however, the University's longstanding conservative financial practices have established a pool of institutional resources and financial capacity easily demonstrated on several key measures.

The University's audited financial statements and accompanying analysis for the fiscal years ending June 30, 2011, and June 30, 2010, can be found at <http://www.controller.psu.edu/Divisions/ControllersOffice/docs/FinStmts/2011FinStmts.pdf> and <http://www.controller.psu.edu/Divisions/ControllersOffice/docs/FinStmts/2010FinStmts.pdf> respectively. A draft of the June 30, 2012, financial statements is currently being prepared and will be available during the upcoming visit of the Commission's assigned evaluators. The University expects the financial measures referenced herein to remain strong and consistent with prior years.

Please refer to the table on the following page for a summary of the University's financial ratios as compared to public university Aa1 medians published by Moody's. These medians are calculated from institutional financial statements and serve as widely accepted benchmarks for assessing relative financial strength within higher education among peer institutions with similar credit. 2011 median data is expected to be published shortly and this information will be updated when that data becomes available.

## Selected Moody's Medians vs. PSU Actuals

	Moody's "Aa1" Median 2010	PSU 2010	PSU 2011
<b>Key Financial Statistics</b>			
Debt Outstanding (\$, in millions)	\$989.3	\$1,236.4	\$1,189.7
Total Financial Resources (\$, in millions)	\$1,824.3	\$3,148.2	\$3,861.5
Annual Liquidity (\$, in millions)	\$994.4	\$3,111.3	\$3,743.6
Operating Revenue (\$, in millions)	\$2,104.5	\$4,331.0	\$4,555.9
Total Expenses (\$, in millions)	\$1,963.6	\$4,005.9	\$4,140.6
<b>Market Data &amp; Ratios</b>			
Total Enrollment FTE	42,864	83,612	84,697
% Change Enrollment FTE	1.4%	4.8%	1.3%
Primary Selectivity (%)	68.9%	82.0%	77.0%
Primary Matriculation (%)	38.5%	33.2%	32.4%
Net Tuition per Student (\$)	\$9,721	\$16,189	\$16,912
Educational Expenses per Student (\$)	\$26,282	\$23,300	\$23,073
State Appropriation per Student (\$)	\$8,713	\$4,196	\$3,942
<b>Capital Ratios</b>			
Unrestricted Financial Resources-to-Debt (x)	0.71	1.44	1.85
Expendable Financial Resources-to-Debt (x)	1.39	1.70	2.31
Total Financial Resources-to-Debt (x)	2.08	2.55	3.25
Debt-per-Student (\$)	\$18,824	\$14,787	\$14,046
Debt-to-Total Capitalization (%)	20.6%	20.0%	17.0%
Debt Service to Operations (%)	3.0%	2.3%	2.5%
Variable Rate Exposure - Before Swaps (%)	17%	14%	15%
Age of Plant (Number of Years) (x)	11.4	11.5	11.9
<b>Balance Sheet Ratios</b>			
Unrestricted Financial Resources-to-Operations (x)	0.29	0.44	0.53
Expendable Financial Resources-to-Operations (x)	0.63	0.53	0.67
Annual Days Cash on Hand (x)	140	300	349
Total Financial Resources-per-Student (\$)	\$47,551	\$37,653	\$45,591
<b>Operating Ratios</b>			
Operating margin (%)	4.5%	7.5%	9.1%
Debt Service Coverage (x)	3.8	6.1	6.7
Return on Net Assets (%)	8.5%	12.3%	14.8%
Return on Financial Resources (%)	10.7%	17.4%	20.3%

Another operating measure tracked by Moody's is Monthly Days Cash on Hand. The University's Monthly Days Cash on Hand for 2011 was 358.5 days, as compared to the Moody's Aa1 median of 140.1, illustrating the University's liquidity relative to its peers. In context of this and many other financial measures, the University's financial profile actually resembles a higher Aaa/AAA credit when considering some of the most recently available median information.

### **Additional Financial Resources Available – Insurance Coverage**

The University has purchased Directors & Officers insurance coverage as well as comprehensive and commercial liability insurance throughout its history. This includes significant increases in coverage beginning in policy years 1993 and 1996. The University annually benchmarks its insurance policies and limits against its peer institutions in the Big Ten and against other large higher education institutions. Consistent with its heritage of conservative financial management, the University has routinely noted that it carries among the broadest coverage of its peer group. While confidentiality precludes full disclosure of the coverage limits within the context of this written response, additional details will be provided during the upcoming visit of the Commission's assigned evaluators.

The University purchased comprehensive and commercial general liability insurance policies from the Pennsylvania Manufacturers' Association Insurance Company (PMA) from the 1950s to the present. PMA's policies cover, among other things, liability for bodily injury claims and attorneys' fees incurred in defending the University against such claims. It is important to note that PMA represents a small fraction of the University's total tower of liability coverage and that the remainder of the coverage does not automatically "follow form" to PMA.

PMA has filed suit against the University in the Philadelphia County Court of Common Pleas. In the Philadelphia County Action, PMA seeks a judicial declaration that 1) only one of PMA's policies applies to the John Doe A Lawsuit, either its 1991-92 or 1992-93 policy; 2) if PMA's 1992-93 policy applies, PMA has no duty to defend or indemnify the University in the John Doe A Lawsuit because it claims that an "Abuse or Molestation Exclusion" in that policy applies to exclude coverage; and 3) it would be contrary to public policy for PMA to provide insurance coverage under any policy issued to the University after this date due to the University's alleged "concealment" of Sandusky's conduct and "failure to take appropriate action to prevent" future abuse by Sandusky. The University wholly disagrees with PMA's contentions and will continue to seek rulings in court that PMA owes duties under its many years of insurance policies sold to the University to protect the University's interests in suits against the University.

On February 15, 2012, the University filed suit against PMA in the Centre County Court of Common Pleas asserting claims for breach of contract and bad faith claims handling. In the Centre County Action, the University asserts that 1) all of PMA's policies in effect during the entire time period that John Doe A alleges that he suffered injury due to Sandusky's alleged misconduct apply; 2) it has the legal right to select the insurance policy year that will apply because the Doe A complaint alleges continuing bodily injury over many years; and 3) even if only the 1992-93 PMA policy applies, the University's claim for coverage is not excluded by that policy's "Abuse or Molestation Exclusion." The litigation regarding the full extent of

PMA's obligations under the policies issued to the University is ongoing. As mentioned earlier, PMA represents only a small fraction of the University's total coverage and the outcome of the PMA proceedings does not set form for the substantial coverage provided by other carriers who have to date been cooperative and supportive in the University's proceedings on these matters.

### **Resources Identified to Cover Known and Anticipated Costs**

The below provides incremental costs incurred by the University through June 30, 2012, as a result of the Sandusky matter, with some of the fees and costs set forth below expected to be reimbursed under the University's insurance policies.

▪ Internal Investigation and Crisis Communications:	\$ 9,972,854
▪ University Legal Services/Defense:	\$ 3,941,776
▪ Externally Initiated Investigations:	\$ 56,182
▪ Officers Legal Defense*:	\$ 1,611,445
▪ Other Institutional Expenses:	\$ 1,171,892
▪ Total as of June 30, 2012:	\$16,754,149

\*The Bylaws of Penn State state that "except as prohibited by law, every trustee and officer of the University shall be entitled as of right to be indemnified by the University against expenses (including counsel fees) and any liability (including judgments, fines, penalties, excise taxes and amounts paid in settlement) paid or incurred by such person in connection with any actual or threatened claim, action, suit or proceeding, civil, criminal, administrative, investigative or other." Article 5, Section 2 (a).

It routinely takes 40-45 days until the University receives all invoices for a particular month.

The above information is routinely updated and can be found at <http://progress.psu.edu/faqs> by referencing the FAQ: "How much money is the University paying for legal fees, consultants and PR firms associated with the Sandusky matter?" The incremental costs surrounding legal defense and public relations efforts for the University associated with the Sandusky matter are not funded by student tuition, taxpayer funds, or donations. The University is currently reviewing these costs for insurance coverage and, in addition, has already identified an initial pool of approximately \$51 million to pay for any unrecovered costs, including future legal costs and settlements.

This \$51 million pool of funds available represents interest proceeds repaid and anticipated from past internal loans to self-supporting units of the University, such as the Penn State Milton S. Hershey Medical Center and the Athletic Department. Nearly \$34 million of this pool has already been committed from existing funds while the remaining \$17 million is to be accumulated over the coming years. The \$34 million already earmarked for this purpose represents approximately 1.5% of the University's \$2.2 billion of unrestricted net assets in excess of plant funds as of June 30, 2011. \$51 million would represent about 2.3% of those net

assets. Looking at a \$51 million commitment in terms of the University total non-endowed cash and investments available as of July 31, 2012 (\$3.15 billion of assets) yields a relatively small 1.6%.

The University expects that insurance coverage and the existing pool of available funds will cover a significant portion of the total incremental expenditures and settlements related to facts known as of this time. However, additional similar sources of unrestricted funds are already currently available and will continue to become available as the University's self-supporting units continue to repay internal capital loans and commitments over time. All of these repayments will be continuously evaluated in the future as facts and circumstances emerge with respect to litigation and settlement issues that may suggest further need.

In the event of more dire circumstances, the University is prepared to make additional modifications in its overall financial plans going forward. Specifically, as University management designs and reviews the next five year capital plan (2014-2018) with the Board of Trustees, much flexibility will be programmed into the plan. For example, in acknowledgement of the need to provide up to \$60 million of bridge funding for payment of the fine to the NCAA, a first draft of the new capital plan has already been reduced from \$1.6 billion to \$1.55 billion in scope (a 3.1% reduction). While this can and will result in some unfortunate reductions in deferred maintenance and other projects being requested by the self-supporting units of the University, there will be additional accommodations built into the plan which will allow for the University to deal with other unforeseen circumstances.

## REQUIREMENTS OF AFFILIATION 5

### **Clery Act: U.S. Department of Education Request and Status of Freeh Report Recommendations**

On November 9, 2011, Penn State received a written request from the U.S. Department of Education for information needed to conduct a Program Review of the University's compliance with the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (Clery Act) ([http://www.psu.edu/ur/2011/DoE\\_Letter\\_110911.pdf](http://www.psu.edu/ur/2011/DoE_Letter_110911.pdf)). The University immediately hired Margolis Healy & Associates to conduct a pre-Program Review check and assist the University in preparing for the initial visit by the Program Review Team. Margolis Healy provided an initial report and recommendations prior to the Department of Education's first visit.

As of September 13, 2012, staff from the U.S. Department of Education have visited the University Park campus four times. During each of those visits, the Program Review Team conducted interviews with key personnel throughout the University including members of President's Council, Police and Public Safety, Office of Student Conduct, Residence Life, and the Athletic Department, among others. Along with conducting interviews, members of the Program Review Team requested and received a large amount of data pertaining to the University's Clery Act compliance. The University is cooperating fully with this investigation and has taken a proactive approach to implementing improvements to Clery Act compliance at the University. The U.S. Department of Education has not announced a date for its report.

The University received preliminary recommendations from the Special Investigative Counsel (Freeh Group) on January 19, 2012, and among those recommendations to address findings of historical shortcomings, several were specific to actions to enhance the University's compliance efforts regarding the Clery Act. These recommendations largely mirrored those of Margolis Healy and, as such, work had already commenced on some of these recommendations. The July 2012 Freeh Report acknowledged that improvements in the University's Clery Act Compliance have occurred, with those specific interim recommendations received by the University in January already in place or at various stages of implementation.

In the Informational Report submitted to Middle States in December 2011, reference was made (page 31) of the University's intent to establish a new position to ensure the University's overall compliance with the Clery Act (this is also noted in the Freeh Report; Recommendation 4.2). On March 26, Gabriel Gates was hired into this position, reporting to the Assistant Vice President for Police and Public Safety (<http://live.psu.edu/story/58968>). In this position, Mr. Gates provides administrative and advisory support to senior management and the University-wide community. Prior to Mr. Gates' appointment, the responsibility for Clery Act Compliance was distributed to several members of the Police and Public Safety leadership team. With Mr. Gates assuming this position, substantial efforts have already been undertaken to enhance University-wide compliance efforts. Mr. Gates is responsible for coordinating Clery Act compliance at University Park as well as the Commonwealth Campuses and works in collaboration with various offices at the University to develop, implement, and oversee programs that ensure the institution's overall compliance with the Clery Act.

Section 4.0 of the Recommendations section of the Freeh Report is specific to Risk and Reporting Misconduct, with reference to recommendations for consideration to ensure compliance with various laws and mandates, with particular note regarding the Clery Act.

Recommendation 4.1 of the Freeh Report is for the establishment of a chief compliance officer. Chaired by Tom Poole, Vice President for Administration, a twelve-person Search Advisory Committee was appointed in April by President Erickson and David Gray, Senior Vice President for Finance and Business/Treasurer, to recommend candidates for the inaugural Director of University Compliance position. This position will report to the Senior Vice President for Finance and Business/Treasurer and the Board's Committee on Legal and Compliance. The Board of Trustees has authorized this position to have direct access to the President as well as the Board of Trustees, and will be the key leader in orchestrating the daily and long-term management of compliance across the University, including guidance of organizational functionality, policies and procedures, training efforts, and strategic decision making. In August, preliminary interviews were conducted for this position. Assisted by a search consultant, seven highly qualified individuals spent time with the Search Advisory Committee, and three individuals have been invited for further consideration to include extensive discussions over a multi-day visit with a broad range of constituents, including representatives from the Board of Trustees. Following those final interviews, feedback will be gathered from participants prior to President Erickson and Senior Vice President Gray making a decision.

Updating and regularly prioritizing the University's institutional risks is noted in Recommendation 4.3. This ongoing commitment and effort will be further refined by the creation of a University Compliance Council, which will be led by the above-referenced Director of University Compliance. The University's Risk Officer will be a member of the Compliance Council.

Communicating and publicizing reporting obligations and avenues is a high priority, and the University has extended such efforts taking into account the intent of Recommendations 4.4 and 4.5 of the Freeh Report.

Recommendation 4.4 addresses the importance of communicating to the University community the responsibility of reporting misconduct. Each semester (started in Summer Semester 2012), all faculty, staff, and students receive an e-mail message that provides resources available to report suspected illegal or unethical conduct, and/or information for those seeking personal assistance. The most recent communication via e-mail is as follows:

*As we welcome new and returning students to campus for the fall semester, all members of the Penn State community are asked to be mindful of their individual responsibility to help keep the University a safe and ethical institution. The following resources are available for faculty, staff, students and others to report any suspected illegal or unethical conduct, and to seek assistance:*

*Reporting a crime: Contact the campus police or security office. In an emergency, dial 911.*



*Assistance for victims of sexual violence, sexual abuse or sexual harassment:*

- *The Penn State Sexual Assault and Relationship Violence Hotline at 800-550-7575 (TIY 866-714-7177), available 24/7.*
- *The University-wide designated sexual harassment resource person for students: The Director of Center for Women Students at 814-863-2027, at <http://studentaffairs.psu.edu/womenscenter/> online.*
- *A list of sexual assault resources for each campus location: <http://studentaffairs.psu.edu/womenscenter/resources/ccsar.shtml> online.*

*If a child is a victim of any kind of abuse, including sexual abuse: Contact the Pennsylvania Child Welfare Services “ChildLine” at 800-932-0313.*

*Reporting ethical violations (including fraud, theft, conflict of interest and violations of University policy, including research compliance, discrimination and athletics-compliance issues):*

- *The Penn State Ethics and Compliance Hotline at 800-560-1637 or <http://www.mycompliancereport.com/brand/psu> online, both anonymous and available 24/7.*
- *The Penn State Ethics website provides a listing of contacts at [http://www.universityethics.psu.edu/contact\\_us.shtml](http://www.universityethics.psu.edu/contact_us.shtml) online.*

*The following University offices also are available:*

- *The Affirmative Action Office at 814-863-0471.*
- *The Employee Relations Division of the Office of Human Resources at 814-865-1412.*
- *The Office of Internal Audit at 814-865-9596.*
- *College and administrative unit Human Resources Representatives listing at <http://ohr.psu.edu/hr-representatives> online.*

*If it is not clear where to turn for assistance, any of these offices will guide the individual to someone who can help.*

*Training is available on many of the above topics. Please contact the Office of Human Resources’ Center for Workplace Learning and Performance at 814-865-8216.*

*The University does not condone wrongful conduct by any member of the Penn State community no matter what his or her position is. Members of the University community are urged to speak up if they see or suspect illegal or unethical conduct, and to be assured that the University will protect them from retaliation.*

Publicizing the University's Ethics and Compliance Hotline has been ongoing and in accordance with Recommendation 4.5, the University has increased and broadened those efforts. As noted in the 2011 Informational Report, the University's Ethics and Compliance Hotline (<http://www.internalaudit.psu.edu/hotline/>) was established in 2005 to provide an anonymous avenue for employees to raise questions or voice concerns on workplace issues, including possible fraud, theft, conflicts of interest, misconduct or violations of University policy (in areas such as research compliance), discrimination, or athletics-compliance. In addition to the previously provided information in the Informational Report, in early 2012 the University undertook a significant informational campaign with respect to the Hotline. The University distributed informational post cards to all full-time employees describing the purpose of the hotline along with the telephone number and website address to access the Hotline. Additionally, redesigned bulletin board postings were distributed in June to all areas of the University (<http://live.psu.edu/story/60154>). Also, a University Internet Newswire story was released that also addressed in greater detail the use and purpose of the Hotline. Finally, all of the budget operating units, both academic and administrative, added information to their web home pages that included the telephone number and webpage for the Hotline. These efforts were mostly completed in the spring and since that time (from the period starting June 1, 2012, to the end of August), the University has seen a significant increase in calls, with the number of calls for that three-month period alone approaching 1½ times the number of calls for the entire 2011 calendar year. The University plans to continue such efforts by updating and redistributing this information on a regular basis, as well as running Newswire stories at least annually promoting the Hotline.

### **Clery Act – Where We Are Now and Moving Forward**

In addition to the preceding discussion of Mr. Gates' appointment in March, and collaborations with other University offices, it is important to provide a sense of the ongoing efforts and how the University is approaching its current program as it moves forward.

The University continues to be committed to complying with the provisions of all federal and state regulations, including those outlined in the Clery Act. In order to ensure and improve upon this compliance, the University has developed a partnership with the Clery Center For Security On Campus (CCSOC), a leading nonprofit organization dedicated to preventing violence and other crimes in campus communities (<http://www.securityoncampus.org/>). On June 20 and 21, the partnership with CCSOC was highlighted with a "train the trainer" course at University Park. Fifty University administrators and safety personnel from all campuses participated in the event. This course provided attendees with the knowledge and resources required to successfully train University employees with Clery Act responsibilities on federal requirements and crime reporting procedures. The University is pleased to be the first university to collaborate with CCSOC in this fashion and is eager to share with other colleges and universities the benefits of such a partnership.

Penn State is a complex institution, and working closely with Human Resources Representatives from around the University, a centralized list was created of approximately 3,000 University employees who have responsibilities to ensure compliance with the Clery Act. The Clery Act

defines each of these individuals as “Campus Security Authorities” (CSAs) and requires that they report crime when they become aware of an incident. While most of these individuals may have been aware of their CSA responsibilities, each of these individuals have been notified of their responsibilities. Mr. Gates, with some assistance from others who have completed the “train the trainer” session with CCSOC, has provided classroom instruction to small groups of CSAs from a variety of departments and backgrounds. Mr. Gates has personally conducted over 50 of these CSA training sessions since May 2012. All identified CSAs have either completed or been scheduled for their initial classroom training. The University expects this training to be completed no later than the end of calendar year 2012. After all CSA designees have received their first classroom training, they will be required to complete annual online refresher training. This online module is in progress and should be fully functional by the summer of 2013.

In addition to formal training, dozens of “informative sessions” with units throughout the University have been held. These sessions engage the University community on Clery Act requirements, practices, and future endeavors. These sessions have been conducted with a variety of audiences, including executive and academic leadership from University Park as well as campuses, University Faculty Senate leaders, and Intercollegiate Athletics staff.

Along with providing education and increasing awareness to the campus community, organizational changes to the way the University collects, classifies, and counts crime on and around campuses have been implemented. Mr. Gates has employed a *Campus Security Authority Incident Report Form* which is a new mechanism for University employees to report crimes. An “audit trail” has been developed to clearly show how the University has determined the specific number of crimes to be counted and reported to the U.S. Department of Education and the campus community. Procedural changes include the institution of an annual review that will reconcile every arrest with student conduct referrals in order to eliminate the possibility of duplicate reporting. This data review involves intense scrutiny of each reportable incident to ensure proper classification and applicability.

Standardization has been an evolving process across the University. Providing templates, instructions, and best practices to all campuses for crime reporting has been critical in ensuring accurate and complete data as defined by the Department of Education (<http://www.police.psu.edu/documents/Campus%20Security%20Authority%20Incident%20Report%20Form%202.pdf>). This process is, and will remain, ongoing and of high priority. The University has instituted an audit program to be conducted annually at each campus. Mr. Gates has worked closely with Facilities Resources and Planning (a unit of the University’s Office of Physical Plant) to draft “Clery Maps” to identify all relevant geographic boundaries as outlined in the Clery Act.

As noted earlier, the University has partnered with Margolis Healy, an industry leader in Clery Act compliance, to ensure total cooperation, transparency, and compliance with the Department of Education during the current program review. Margolis Healy has provided valuable insight and guidance throughout the review. Along with consultation services surrounding the program review, Margolis Healy has been contracted to assist the University in the preparation of the Annual Security Report for each campus of the University. The goal of the University is to go above and beyond what is required by the Clery Act for each Annual Security Report. Margolis

Healy is currently reviewing the reports and working with University staff to validate that, when filed by October 1, 2012, the reports exceed Department of Education expectations.

Since the University received the recommendations from Margolis Healy and recommendations from the Freeh Group investigation, the University has made substantial strides to examine and overhaul its Clery Act program efforts to ensure compliance with all requirements. The University is confident that its current program and reporting is fully compliant with the Clery Act in all respects but will continuously review efforts and make additional changes and enhancements as appropriate.

The University is prepared to discuss all of these matters in further detail during the upcoming visit of the Commission's assigned evaluators.

## ACCREDITATION STANDARD 6: INTEGRITY

The request for the 2011 Informational Report was specific, in its entirety, to Standard 6. This section of the Monitoring Report will focus on updates and actions since the 2011 Informational Report, using (when appropriate) similar general headings and themes as portrayed in the 2011 Informational Report (<http://www.psu.edu/dept/vprov/pdfs/middlestatesinforpt12-21-11.pdf>).

### Foundational Elements Through Policies, Guidelines, and Other Established Practices

While not exhaustive, policies and guidelines specific to the intentions of Standard 6 were noted on pages 4-11 of the 2011 Informational Report. A similar listing is provided below, with appropriate notations (in bullets) to reveal new policies or updates since December 2011.

#### General

*AD67: Disclosure of Wrongful Conduct and Protection from Retaliation*

<http://guru.psu.edu/policies/AD67.html>

Frames the University's commitment to maintaining the highest standards of ethics and conduct, consistent with applicable legal requirements and University policies, and encourages and protects from retaliation those who desire to report potential violations of standards.

*AD47: General Standards of Professional Ethics*

<http://guru.psu.edu/policies/AD47.html>

Sets forth statements of general standards of professional ethics to serve as a reminder of the variety of obligations assumed by all members of the Penn State community.

*AD41: Sexual Harassment*

<http://guru.psu.edu/policies/Ad41.html>

Affirms Penn State's commitment to maintaining an academic and work environment free of sexual harassment, a commitment to preventing and eliminating sexual harassment, and resolution of complaints through the University's Affirmative Action Office.

*AD12: Sexual Assault, Relationship and Domestic Violence, and Stalking*

<http://guru.psu.edu/policies/ad12.html>

States the policy and stance of non-tolerance of such acts along with the prosecution of such acts and support for victims.

*AD39: Minors Involved in University-Sponsored Programs or Programs Held at the University and/or Housed in University Facilities (formerly Programs Involving Minors Housed in University Facilities)*

<http://guru.psu.edu/policies/AD39.html>

Provides for appropriate supervision of minors who are involved in University-sponsored programs.

- April 11, 2012, revisions reflect improvements to the process, including clarifications about procedure, training, clearances, responsibilities and reporting of incidents for individuals supervising minors who are participating in programs and activities covered by the policy. The policy states that if a dangerous or a potentially dangerous situation is suspected, minors will be removed, and mandatory written notification will be submitted to the Department of Public Welfare within 48 hours of oral notification, as well as required notification to Pennsylvania's Childline toll-free number. Mandatory reporting also includes notification to representatives within the University (University Policy, University Vice President and General Counsel, the risk management department, and the applicable program director). Any allegation requires removal of the relevant adult from his or her role until the allegation has been satisfactorily investigated.
- June 7, 2012, clarifications added, including update of requirement for high school students visiting on pre-enrollment visits with Penn State students, clarification of reporting process and exclusion of client representation clinics in Dickinson School of Law from policy.

*AD72: Reporting Suspected Child Abuse*

<http://guru.psu.edu/policies/AD72.html>

Provides guidance to University employees regarding mandated reporting requirements, per the University and the Pennsylvania Child Protective Services Law; states that employees with reasonable suspicion of child abuse must report and outlines how to report.

- New policy effective May 14, 2012.
- Pages 49-50 of this report provides information on supportive efforts regarding implementation of this policy.

*AD73: Accessing Athletic and Recreational Facilities*

<http://guru.psu.edu/policies/AD73.html>

Establishes parameters for use of athletic and recreational facilities at all University locations; does not apply when such facilities are used for authorized events (ticketed or non-ticketed) which are designated for the public to attend.

- New policy effective July 9, 2012.

*AD29: Statement on Intolerance*

<http://guru.psu.edu/policies/AD29.html>

States the University's definition of acts of intolerance based on characteristics such as age, ancestry, color, disability or handicap, genetic information, national origin, political belief, race, religious creed, sex, sexual orientation, gender identity, and veteran status, and describes procedures and resources that the University has committed to prevent and eliminate such acts of intolerance by faculty, staff and students; includes provisions to protect individuals reporting concerns and complaints about acts of intolerance.

*AD42: Statement on Nondiscrimination and Harassment*

<http://guru.psu.edu/policies/AD42.html>

Establishes the University's policy on discrimination against or harassment of any person because of age, ancestry, color, disability or handicap, genetic information, national origin, race, religious creed, sex, sexual orientation, gender identity or veteran status; provides guidelines to protect individuals reporting such discrimination.

*HR35: Public Service and Political Endorsements by Members of the Faculty and Staff*

<http://guru.psu.edu/policies/OHR/hr35.html>

Outlines the policy under which faculty or staff members may provide public service, with membership on the faculty or staff carrying additional responsibilities of citizenship which reflect a) the educator's function as a source of informed, objective counsel; and b) the compact through which the University receives public funds for use in meeting society's educational and research needs.

*HR42: Payment of Personal Compensation by a State Agency or Department of the Commonwealth*

<http://guru.psu.edu/policies/OHR/hr42.html>

Outlines the conditions governing personal compensation for services rendered by faculty or staff members to agencies or departments of the Commonwealth of Pennsylvania, including submission of a written statement to the President of the University covering a description of the service rendered, a statement of time required, amount of personal compensation anticipated, and the effect of such service on the individual's obligations to the University.

*HR91: Conflict of Interest*

<http://guru.psu.edu/policies/OHR/hr91.html>

States that in order to avoid the possibility of misunderstandings concerning the appropriate conduct of faculty and staff members in regard to all transactions touching upon their University duties, faculty and staff shall conduct themselves in an honest and fair manner and shall not make personal use of or gain from University property or knowledge acquired from their position at the University. Faculty and staff shall disclose to appropriate University personnel any potential conflict(s) of interest.

*RA10: Handling Inquiries/Investigations into Questions of Ethics in Research and in Other Scholarly Activities*

<http://guru.psu.edu/policies/RA10.html>

Affirms that public trust in the integrity and ethical behavior of scholars is essential if research and other scholarly activities are to play their proper role in the University and in society. The maintenance of high ethical standards is a central and critical responsibility of faculty and administrators of academic institutions. This policy sets forth statements of general standards of professional ethics within the academic community.

*RAG20: Guidance on the Disclosure of Significant Financial or Business Interest(s)*

Provides an overview of general University policies and procedures regarding the disclosure of significant business interest(s) and management of real or perceived conflicts of interest involving research, education, and University service in order to protect the credibility and integrity of the University's faculty and staff so that public trust and confidence in the University's activities are ensured.

- Currently under revision; therefore no link provided.
- Refer to RA20.

*HR76: Faculty Rights and Responsibilities*

<http://guru.psu.edu/policies/OHR/hr76.html>

Defines the procedures to be followed when issues involving faculty rights and responsibilities have not been successfully resolved through normal administrative channels. Included in this policy is the use of ombudspersons as well as the University Faculty Senate's Committee on Faculty Rights and Responsibilities.

*HR79: Staff Grievance Procedure*

<http://guru.psu.edu/policies/OHR/hr79.html>

Defines the procedure for staff to appeal alleged or perceived violations of their rights under established rules and regulations.

*HR99: Background Check Process*

<http://guru.psu.edu/policies/OHR/hr99.html>

Ensures that background checks are completed for all individuals, age 18 and over, who are engaged by Penn State in any work capacity with the effective date of this policy.

- New policy effective July 5, 2012.
- This comprehensive policy incorporates previous policies HR69 (Conducting Employment Investigations), HR95 (Academic Appointment Background Checking) and HR 96 (Reference and Background Checking for Other-Than-Academic Appointments).
- Now requires current employees who are considered to be in "sensitive/critical" positions to complete background checks (if not already completed).



- Policy covers all academic and nonacademic positions, unpaid positions, and third-party employees (such as interns, adjunct faculty, consultants, temporary employees, and contractors) working on the University's behalf.
- Confirms the University's responsibilities under the Fair Credit Reporting Act.
- Policy incorporates a comprehensive procedure that ensures compliance with recently-issued U.S. Equal Employment Opportunity Commission guidelines on background checks.

## Purchasing

### *BS07: Authority and Procurement*

<https://guru.psu.edu/policies/BS07.html>

Provides guidance for buying or selling items with University funds and accepting gifts. This includes individuals or businesses in which the individual or a related family member has a significant interest.

- Revised to clarify the appropriate approval protocol for multi-year prepaid agreements, contracts and purchase orders.

## Instruction

### *AD17: Royalty Payments for Course Materials*

<http://guru.psu.edu/policies/AD17.html>

Outlines certain conditions under which faculty may receive royalties, and reminds faculty to avoid conflicts of interest in making academic and/or financial decisions regarding students.

### *RA17: Courseware*

<http://guru.psu.edu/policies/RA17.html>

Provides definitions of computer-based content and course materials that allow teaching without live physical interaction with the student. Conflicts of interest can occur when University personnel develop courseware and courseware methods for personal financial gain rather than for the benefit of their teaching responsibilities for the University.

## Private Consulting

### *HR80: Private Consulting*

<http://guru.psu.edu/policies/OHR/hr80.html>

Provides guidance on how individuals with private consulting practices should conduct themselves to avoid conflict with their primary responsibilities as an employee of the University, and also indicates necessary disclosures.

## Research and Technology Transfer

### *RA11: Patents and Copyrights (Intellectual Property)*

<http://guru.psu.edu/policies/ra11.html>

Provides a cross-reference of appropriate actions for employees who have access to and/or create certain items and their responsibilities with respect to conflicts of interest.

### *RA12: Technology Transfer and Entrepreneurial Activity (Faculty Research)*

<http://guru.psu.edu/policies/RA12.html>

States appropriate policies for technology transfer activities, including the establishment of faculty companies and consulting, and identifying and reducing the potential for conflicts of interest.

### *RA14: The Use of Human Participants in Research*

<http://guru.psu.edu/policies/RA14.html>

Provides for ethical treatment of human participants in all research activities and the assumption for safeguarding human rights and welfare by establishing standards for the protection of human participants of research.

### *RA20: Disclosure and Management of Significant Financial Interests (formerly, Individual Conflict of Interest)*

<http://guru.psu.edu/policies/RA20.html>

States purpose of maintaining objectivity and integrity of research and to ensure transparency in relationships with outside entities and individuals related to the academic and scholarly mission.

- Formerly entitled Individual Conflict of Interest; has been renamed and revised effective August 16, 2012, to reflect current operations.

### *RA21: Institutional Financial Conflict of Interest Involving Sponsored Projects, Dedicated Gifts, Research, Scholarship, and Technology Transfer*

<http://guru.psu.edu/policies/RA21.html>

Provides institutional safeguards to sustain a climate in which sponsored projects, dedicated gifts, research, scholarship, artistic endeavors, and technology transfer are carried out responsibly, and in so doing foster an atmosphere of openness and integrity.

### *RAG13: Special Student Intellectual Property Agreement Forms*

<http://guru.psu.edu/policies/RAG13.html>

Establishes rights and responsibilities for intellectual property created by the University's students.

*RAG16: The Responsible Conduct of Research*

<http://guru.psu.edu/policies/rag16.html>

Describes a set of values, principles and standards to guide decision-making and conduct throughout the research process with the intent of increasing awareness of research integrity, and outlines the University's expectations for ethical behavior among researchers in order to foster integrity in the conduct of research.

*RAG17: Acceptance of Donated Intellectual Property by The Pennsylvania State University*

<http://guru.psu.edu/policies/RAG17.html>

Establishes guidelines for acceptance of donated intellectual property to the University.

At the September 14 meeting of the Board of Trustees, the Board approved moving forward with proposed recommendations specific to policies regarding the handling of instructional intellectual property. The anticipated rewritten policies will become a new category of policies, Intellectual Property Policies, and will replace those already in place related to intellectual property that are currently spanned in other policy categories (administrative, human resources, research administration, and research administration guidelines). Information about these upcoming considerations can be found in the September 14 agenda of the Board of Trustees (<http://www.psu.edu/trustees/pdf/september2012agendafull.pdf>), including Appendix III, the report from the ad hoc Committee on Instructional Intellectual Property.

Penn State has created and publicized several codes that highlight the importance of and commitment to ethical, integrity-based practices and conduct.

*Student Code of Conduct*

<http://studentaffairs.psu.edu/conduct/codeofconduct/>

Describes behaviors inconsistent with essential values of the University community, and provides links to applicable Penn State policy statements that inform the Code of Conduct.

*Faculty Senate Policy 49-20: Academic Integrity*

<http://www.psu.edu/dept/ufs/policies/47-00.html#49-20>

<http://www.psu.edu/dept/oue/aappm/G-9.html>

Indicates the importance of academic integrity, including a commitment by all members of the Penn State community not to engage in or tolerate acts of falsification, misrepresentation or deception as such conduct violates the fundamental ethical principles of the University community. [Note: On November 1, 2011, under the umbrella of the University's Faculty Senate, an

Academic Integrity/Honor Code Task Force was charged to review the existing policy and to prepare a report on findings, including possible merits of developing an institution-wide honor code.]

- In January 2012, the Academic Integrity/Honor Code Task Force presented a report to the University Faculty Senate which included the recommendation that the University adopt a single, unified, and compact statement of honor and integrity; and the chair of the Task Force will chair a Senate group tasked with drafting a University-wide statement of honor and integrity.

#### *General Research Ethics*

<http://www.research.psu.edu/orp>

Sets forth, under the purview of the Office of the Vice President for Research, general research ethics expectations, information, and resources to ensure that research is conducted responsibly and in accordance with regulations protective of human participants, animals, students, and personnel.

#### *Responsible Conduct of Research Initiatives*

<http://www.research.psu.edu/orp/education/rcr>

Articulates the Office of Research Protections' Responsible Conduct of Research (RCR) initiatives aimed at fostering a culture of research integrity and ensuring that all researchers share the ideal to conduct research in a responsible manner.

#### *Purchasing Code of Ethics*

<http://www.purchasing.psu.edu/codeofethics.shtml>

Sets forth, under the umbrella of Auxiliary and Business Services, a strict code of purchasing ethics established by the National Association of Educational Buyers that includes the importance of common sense and good judgment given that members of the Penn State community "live in a small community and our actions are observed."

## **Structural and Process Foundations**

### Rock Ethics Institute

Penn State's Rock Ethics Institute (<http://rockethics.psu.edu/>) was established in 2001 to promote ethical awareness and inquiry. The 2011 Informational Report provided background information about the Institute and some activities that occurred as of the date of that submission. Some updates from the 2011 Informational Report may be assistive to illustrate the continued presence and efforts of the Institute.

The Institute is housed within the College of the Liberal Arts, and the College is investing in new faculty focused on ethics and bio-ethics, beginning with the 2012-13 hiring season. These faculty members will bring their talents and expertise to supporting and expanding the initiatives noted below, as well as other initiatives that will be planned.

The Institute is working on a new initiative on the topic of sexual violence, designed to raise awareness of the ethical dimensions of this topic. The Institute is partnering with the Schreyer Institute for Teaching Excellence (a unit that strives to enhance effective teaching and develop excellence in Penn State's learning community) to develop resources and support workshops designed to assist faculty and graduate students teaching this topic. The seminars will provide instruction for them to include a discussion of the ethical dimensions of this topic when they teach a class that deals with relevant topics (such as slavery, genocide, and sexuality) and in this way enhance the moral literacy of students and faculty. The Institute has begun to compile extensive online materials on sexual violence that will be available this fall through the Institute's website as a resource for faculty, students, staff, and community members.

### **Foundations of Programmatic and Educational Offerings**

The information below provides some non-exhaustive examples of the continual emphasis on programmatic and educational offerings that have occurred since the 2011 Informational Report.

#### Sexual Assault and Child Abuse Awareness

Two learning modules (Penn State Aware and Penn State SAFE) were revised by the Division of Student Affairs and offered to all incoming first-year undergraduate students during the summer of 2012. Penn State Aware is a comprehensive learning module about rape, sexual assault, Pennsylvania sexual violence laws, University policies on sexual assault, and campus and community resources for victims. Penn State SAFE is an alcohol education module that also contains content about sexual assault. As of September 2012, these modules had been completed by over 12,000 incoming first-year students. Another learning module, "Sexual Violence Education at Penn State," is available to all University students at <http://edge.psu.edu/>.

Since the submission of the 2011 Informational Report, the Center for Women Students (CWS) has provided 17 sexual assault programs for 673 participants and provided support, advocacy, and counseling to 50 students who were victims of sexual assault. In addition, the director and assistant director partnered with the Women's Studies department (in the College of the Liberal Arts) to develop and facilitate a teach-in week of programming in April on institutional responses to sexual assault and child sexual abuse. The CWS website has been updated to provide comprehensive sexual assault resource information available for each Penn State campus (<http://studentaffairs.psu.edu/womenscenter/resources/ccsar.shtml>), and includes location specific information on medical assistance, emotional support, referral and advocacy, and transportation.

In January, the University indicated it would pay for counseling for any individual who may have suffered abuse by Gerald Sandusky. In March, it was announced that the University partnered with Praesidium, Inc., to provide such confidential counseling opportunities to victims and their support network of friends or family, with reassurance that such service would be completely confidential.

The month of April was Sexual Assault Awareness Month and National Child Abuse Prevention Month, which provided for a variety of programs, counseling services, activities and awareness opportunities at University Park and other campuses (<http://live.psu.edu/story/58815>; <http://live.psu.edu/story/58814>; <http://live.psu.edu/story/58817>). One of the many activities that occurred was screening of the documentary “In a Town This Size” (<http://www.inatownthissize.com/inatownthissize.com/Welcome.html>) by Patrick Viersen Brown, which provided his personal narrative of his sexual abuse as a child, as well as other victims’ stories. This was the second local screening of the film, the first having been held in January. Following the film, a post-film discussion was facilitated by members of the Centre County Women’s Resource Center and members of the University community.

### University Health Services

University Health Services (UHS) conducted a comprehensive review of all UHS policies and procedures relating to treatment of minors. In addition, a review of the Clinical Services Sexual Assault Procedure occurred with revisions included to specifically focus on victims who are minors and associated UHS staff reporting responsibilities. Enhancements of existing training and collaborative efforts have always been, and continue to be, a focus of UHS.

UHS arranged for Centre County Children and Youth Services to conduct a one-hour training session for clinical services staff. All workshops conducted by UHS include sexual assault information.

UHS is represented on the Centre County Domestic and Sexual Violence Task Force, which includes agency representatives who respond to community needs. In addition, UHS has a continual presence at quarterly meetings of the Penn State Coalition to Address Relationship and Sexual Violence (CARSV). This coalition provides oversight and advocacy for policies and procedures related to student sexual assault, relationship/domestic violence, and stalking.

### Counseling and Psychological Services

Addressing concerns in a caring and supportive climate is a critical mission of Counseling and Psychological Services (CAPS). In addition to general service, training and resource information for students, the CAPS website also contains critical information for individuals impacted by recent events as well as crisis contact information (<http://studentaffairs.psu.edu/counseling/>). Some selected examples (from many) of initiatives specific to the current situation include:

CAPS staff assisted a student survivor of child sexual abuse in a “Voices for Victims” letter-writing campaign, to send letters of support to victims who were witnesses in the trial against Gerald Sandusky, and to let the victims know of the community support. Boxes to collect these letters were placed in the Student Health Center and CAPS waiting room.

An emphasis in CAPS programming and materials has been, and will continue to be, “Don’t be a bystander, Show you care.” For the 2012-13 academic year, there will be a “Show You Care” campaign to include posters, a website, advertisements, workshops,

and a student contest about reaching out to each other, referring students in distress, standing up for causes, and engaging in self-care. The goals are to reduce stigma about mental health and emotional issues and encourage students to intervene to prevent suicide, sexual assault, violence, and hate crimes.

A CAPS psychologist facilitated three “Darkness to Light: Stewards for Children” programs as part of a campus and community partnership to increase recognition of signs of child sexual abuse, child abuse reporting information, as well as prevention policies for organizations such as the YMCA and Little League.

### Center for Ethics and Religious Affairs

As indicated in the 2011 Informational Report (page 11), the University’s Center for Ethics and Religious Affairs, a unit in the Division of Student Affairs, has provided workshops on ethical decisionmaking, social justice and spiritual and moral development. Among many program offerings in those various topical areas, several programs offered by the Center focused specifically on child abuse or incorporated child abuse into the discussion:

February 20 – *Making Ethical Decisions*

A program focusing on the decision-making process, theories, and considerations.

March 22 – *Using Moral and Faith Development Theories*

Incorporating morals and the teachings of many faiths into our lives.

April 4 – *Honoring Survival: Transforming the Spirit*

A healing program for abuse victims and allies.

### **Setting the Tone: Presidential Leadership**

In mid-January, President Erickson reached out to Penn State alumni through three town hall meetings in Pittsburgh, Philadelphia, and New York City. These events were well attended and provided an opportunity for ongoing engagement and interaction as members of the University community continued to grasp the current situation and share their views with President Erickson. In the February 17 episode of “Conversations from Penn State,” aired on both WPSU-FM and WPSU-TV, President Erickson reflected on those meetings, noting the extreme depth of feelings and emotions expressed in those settings. In particular, he mentioned the strong sense of commitment and that “individuals, even who might be expressing dismay with the University, still have the underlying sense of hope, that sense of inspiration, that sense of what the University did for them and what it can do for the next generation of students.”

On June 22, when the verdict in the Gerald Sandusky case was rendered, President Erickson reached out to the University community acknowledging the suffering caused to the victims and the anticipation that the verdict may help the victims move forward in their healing. President Erickson affirmed that “(w)hile we cannot change what happened, we can and do accept the

responsibility to take action on the societal issue of child sexual abuse – both in our community and beyond.”

President Erickson also reached out to the University community upon the release of the Freeh Report, emphasizing the importance of remembering the victims while focusing on ensuring that such circumstances never occur again. Particularly compelling, he stated that:

*My heart remains heavy for the victims of this tragedy, which has been a sobering reminder of what can occur when we fail to protect society’s weakest and most vulnerable. As one learned scholar so aptly said, “All that’s necessary for the force of evil to win in the world is for enough good men to do nothing.”*

In that same statement, he continued by stating that “(a)s we face the difficult weeks and months ahead I ask that you keep the victims in mind and continue to uphold the high standards of excellence that will take this great University into the future.”

On August 27, 2012, President Erickson welcomed in the new academic year with an e-mail message to the Penn State community, noting that while there are difficult issues the University must continue to address, “(t)ogether we have the opportunity to show the world the values that underlie our Penn State pride and our dedication to excellence in all of our endeavors.”

### **Setting the Tone: Teachable Moments Through the Core Mission of the University – Teaching, Research and Service**

The 2011 Informational Report relayed compelling examples and evidence of actions supporting Penn State’s core mission of teaching, research, and service (pages 17-23) as it directly related to the situation Penn State was experiencing. Some selected additional examples and evidence of such commitment that have occurred since the 2011 Informational Report may be assistive to illustrate the ongoing commitment and integration of actions. This non-exhaustive narrative is presented, for ease of reading, in a similar format to that used in the 2011 Informational Report.

#### Teaching and Learning Opportunities Through Communication and Actions

Encouraging students to learn more about the topic of child sexual abuse was evident when students from Patricia Koch’s biobehavioral health classes were encouraged to augment their classroom learning by attending “Promoting Sexual Safety and Health for Kids,” a workshop presented by Janet Rosenzweig, Interim Executive Director of Prevent Child Abuse Pennsylvania, on April 18. Student attendees, faculty, administrators, and community members benefited from this comprehensive workshop that addressed family, community, and school climate with tips for dealing with external factors that influence children’s sexual safety. As noted by Dr. Koch, Professor of Biobehavioral Health, attendees “commented upon the benefit of learning about specific tools and techniques to prevent child sexual assault.”

In response to the release of the Freeh Report, many University leaders reached out to their respective communities. Lori Bechtel-Wherry, Chancellor of Penn State Altoona, noted in



communications to her campus community that “(w)e can create a greater institution where we have both learned from the lessons of our past, while at the same time reaching out for the better and wiser selves that we can still become.” Wayne Smutz, Executive Director of the World Campus and Associate Vice President for Academic Outreach, challenged students on the importance of extending their learning environment by reflecting upon the Freeh Report. In particular, he noted the importance of incorporating the matters and events that have unfolded into their own learning agenda, challenging that “(w)hat can you use to guide your choices about your actions and your life? Too often, formal education can be seen as a process of simply jumping through hoops. It’s not. Each of us must take important lessons from this tragic episode in the history of Penn State.”

On July 16, Damon Sims, Vice President for Student Affairs, sent an e-mail to all Penn State students acknowledging that recent events may have “left many of you confused and concerned about the University’s identity and moral standing.” Vice President Sims goes on to further acknowledge the range of emotions that the community has felt and will continue to feel, yet expresses the importance of purposeful force moving forward, noting that:

*No wrongs done by others, no matter how egregious, can keep us from the noble work of rebuilding the integrity of this great public university. The transformed institution that moves forward from this scandal will maintain the extraordinary academic and extracurricular strengths that have long defined the Penn State student experience. But those proud qualities must be joined by a new humility that is characterized by a persistent belief that our University must always be better and do more.*

### Extension and Application in the Research Arena

Penn State’s University Libraries has compiled an interdisciplinary research guide that focuses on the topic of child abuse and maltreatment

(<http://www.libraries.psu.edu/psul/researchguides/socialsciences/childabuseandneglect.html>).

This site assists researchers, as well as the general public, in learning more about the topic of abuse and maltreatment. This effort, led by Steven Herb, Head of the Education and Behavioral Science Library and Director of the Pennsylvania Center for the Book, involved a team of librarians from across the University. As noted by Dr. Herb, “(t)he interdisciplinary nature of this topic required a statewide effort.” And, that effort has appeared to be very well received and utilized. After an initial usage spike when the site was announced, the site has continued to receive steady use and attention, with the most significant finding being that the average amount of time spent on some aspect of this site is nearly 13 minutes per user, well above the University Libraries web page average of about 2.5 minutes per visit.

As part of the response to the current situation, the Rock Ethics Institute (noted previously in this report) has indicated its continual commitment to further explorations of institutional ethics and is working to foster dialogue regarding ethical issues the University is confronting. As noted in the 2011 Informational Report, the Institute has prepared and posted an online document entitled *Resources for Ethical Deliberation* to help instructors who may be having conversations about the crisis in their classrooms (<http://rockethics.psu.edu/deliberation.shtml>). The Institute’s “Speak Up” blog is available for anyone in the University community to extend suggestions on

how to reflect upon and move forward from the recent challenges. In addition, the Institute's initiative on sexual violence will include a Spring 2013 workshop on sexual violence that will have two objectives: 1) to bring together faculty on campus currently conducting research in this area for conversation, and 2) to bring to campus several leaders in the field of sexual violence to present their research. The goal is to enhance scholarship in this important field of ethics.

Established in 2006 as a nonpartisan, interdisciplinary center on issues of civic engagement and democratic deliberation, Penn State's Center for Democratic Deliberation (CDD) (<http://cdd.la.psu.edu/>) provides resources for deliberating about the current situation at Penn State. In "Deliberation in the Midst of Crisis" (<http://cdd.la.psu.edu/education/deliberation-in-the-midst-of-crisis>), frameworks, guidelines, and materials are provided to help individuals think about these issues critically and to learn how to deliberate about such community and social issues in real time. After the release of the Freeh report, CDD leaders started a new blog to model and encourage ethical deliberation online. The blog is devoted to issues raised by the Sandusky scandal and the Freeh Report and includes deliberation guidelines that, if practiced, will lead to much more productive online deliberation about the scandal. Those guidelines may be found at <http://blogs.la.psu.edu/cdd/2012/07/guidelines-for-deliberation.html>. Finally, the CDD is developing a set of resources for teaching, studying, and deliberating about the Freeh Report, with anticipated availability during Fall Semester 2012.

#### Service and Outreach Efforts

In December 2011, Penn State Great Valley initiated "Penn Staters Against Child Abuse," a campaign designed to raise donations and increase awareness of child abuse prevention efforts. Contributions raised were presented to the Exchange Club Family Center, a nationwide network of child abuse centers. Penn State Great Valley has pledged continued support to the Center's abuse prevention efforts and awareness campaign.

Penn State Law's Center on Children and the Law sponsored a program on January 24, developed for an audience of faculty, students, and staff. This panel discussion, "Responding to Child Sexual Abuse: Legal, Medical, and Ethical Perspectives," was attended by 100 individuals with an additional broadcast live via podcast and the Internet. Panelists included Lucy Johnston-Walsh, Clinical Professor and Director of the Children's Advocacy Clinic at Penn State Law; Andrea Taroli, a pediatrician at Penn State Milton S. Hershey Medical Center who specializes in child abuse and was also the inaugural director for Penn State's Center for the Protection of Children; and Jonathan Marks, Associate Professor of Bioethics, Humanities and Law and Director of the Bioethics and Medical Humanities Program at Penn State. Program information and the podcast are available at [http://law.psu.edu/child\\_abuse](http://law.psu.edu/child_abuse).

A community event held at Penn State Harrisburg on January 31, "Understanding and Reporting Child Abuse," provided an opportunity for discussion about the understanding, reporting and prevention of child abuse and neglect and how these issues impact the campus. This free event, open to the public and filled to capacity, was very well received by those in attendance. One of the panelists, Kevin Stoehr, Chief of Police at Penn State Harrisburg, noted that "only by joining together as a society that refuses to accept these abhorrent acts can we ever hope to eradicate them."

On March 28, Penn State Berks hosted a presentation by the Berks County District Attorney's Office and representatives from the Children's Alliance Center focusing on investigations involving child abuse, including mandatory reporting processes/procedures, investigative techniques, and available resources. In addition to law enforcement and security personnel from Penn State Berks attending, the session was also open to other Penn State campuses as well as four other colleges in the Higher Education Council of Berks County (Albright College, Alvernia University, Kutztown University, and Reading Area Community College).

On April 3, the International Male Survivor Organization presented the critically acclaimed film "Boys & Men Healing" at the Misciagna Family Center at Penn State Altoona. This documentary film focuses on the impact of male child sexual abuse on both the individual and society, and Penn State Altoona extended the invitation for this showing to counseling departments in the local high schools as well as counselors at St. Francis University and Mount Aloysius College, along with all human services departments in Blair County and the Altoona Regional Health System. In addition, Penn State Altoona faculty could consider this an "extra credit" opportunity for students, thus reinforcing the importance and encouragement of attendance for the student population. A panel discussion followed the film, and panelists included the co-producer of the film, a psychologist, a clinical social worker, the Vice President of International Male Survivor, and a male survivor featured in the film.

In the 2011 Informational Report, reference was made to a critical partnership that occurred on November 28 when a Town Hall Forum was hosted by the University Park Undergraduate Association, the Council of Commonwealth Student Governments, and the Graduate Student Association. This platform allowed for a free and engaged discussion between students and administrators, and two additional offerings have occurred since the 2011 Informational Report. On April 17, the partnership continued with an offering of another Town Hall Forum for students. President Erickson participated along with Damon Sims, Vice President for Student Affairs; Tom Poole, Vice President for Administration; Madlyn Hanes, Vice President for Commonwealth Campuses; David Gray, Senior Vice President for Finance and Business/Treasurer; Rodney Kirsch, Senior Vice President for Development and Alumni Relations; and Terrell Jones, Vice Provost for Educational Equity. At a Town Hall Forum on September 19, President Erickson was joined by Rob Pangborn, Interim Executive Vice President and Provost; Damon Sims, Vice President for Student Affairs; Madlyn Hanes, Vice President for Commonwealth Campuses; David Gray, Senior Vice President for Finance and Business/Treasurer; David Joyner, Acting Athletic Director; and Board of Trustee member Marianne Alexander.

And the partnering between University leaders and students has continued and was evident during the President's Convocation for First-Year Students on August 25, restructured this year to be a more formal, academic-centered event. For the first time, faculty members from each college, in full regalia, were included on the platform party, and students were formally welcomed into their academic colleges. In his remarks, President Erickson mentioned the conviction to address the current challenges and emerge as a stronger, better University. Courtney Lennartz, President of the University Park Undergraduate Association, focused on the importance of the University's core values and mission of the University, noting:

*It's a unique moment in our University's history, and as a result, there's never been a more important class than yours. I believe in all of you, just as we should all believe in each other. Together we can make an impact and continue the glory and mission of our extraordinary University. Let us find the courage to look within ourselves and stay loyal and true to Penn State and each other.*

## RECENT ACTIONS AND INITIATIVES

The following section will provide important narrative regarding recent actions, such as the Special Investigations Task Force (Freeh Report), and the NCAA Consent Decree. In addition, other specific items and initiatives of interest will be provided to illustrate the spirit and intent of the University's efforts in moving forward.

### Special Investigations Task Force (Freeh Report)

On November 11, 2011, the Board of Trustees announced that former FBI Director and Federal Judge Louis Freeh would be conducting an independent investigative review into the actions and circumstances surrounding the then allegations against former employee Gerald Sandusky. In the 2011 Informational Report, the Task Force membership was noted, including Ken Frazier, chief executive officer and president of Merck, serving as chairman of the Task Force. At the time of the establishment of the Task Force, Chair Frazier noted that steps would be undertaken through the investigation and subsequent findings "to ensure that our institution never again has to ask whether it did the right thing, or whether or not it could have done more. We are committed to leaving no stone unturned to get to the bottom of what happened, who knew what when, and what changes we must make to ensure that this doesn't happen again." The rigorous and comprehensive investigation included identification of failure points, responsibilities associated with any failures, and how the University can ensure to avoid such failures in the future.

In January 2012, the Task Force made preliminary recommendations, almost all of which have been implemented or are in various stages of further consideration. As noted in the Freeh Report, these preliminary recommendations aim to 1) strengthen security measures and policies to safeguard minors, students, and others associated with the University and the University's Outreach programs; 2) improve the Board of Trustees organization and procedures to better identify, report, and address issues of significance to the University community; 3) increase compliance with the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act; 4) encourage prompt reporting of abuse incidents and sexual misconduct; 5) conduct abuse-awareness training for many University areas, including senior leadership; and 6) provide better oversight and governance of the University's educational, research and athletic compliance programs.

On July 12, the 267-page Freeh Report was released ([www.TheFreehReportonPSU.com](http://www.TheFreehReportonPSU.com)), containing 119 comprehensive recommendations designed to be assistive as the University moves forward. The recommendations are segmented into the following focal areas:

1. Penn State Culture
2. Administration and General Counsel: Structure, Policies and Procedures
3. Board of Trustees: Responsibilities and Operations
4. Compliance: Risk and Reporting Misconduct
5. Athletic Department: Integration and Compliance
6. University Police Department: Oversight, Policies and Procedures
7. Management of University Programs for Children and Access to University Facilities
8. Monitoring Change and Measuring Improvement

Review and consideration of the recommendations contained in the Freeh Report (Chapter 10) will be explored in a very deliberative and comprehensive manner. The below narrative will provide a sense of the structure for review of those recommendations.

An administrative response team comprised of Tom Poole, Vice President for Administration; David Gray, Senior Vice President for Finance and Business/Treasurer; and Steve Dunham, Vice President and General Counsel, will coordinate and ensure implementation, as appropriate, of operational changes resulting from the recommendations and will work, as appropriate, with an advisory council, an external project management team, and a Board of Trustees Response Team. This three-person administrative response team has commenced work in building a comprehensive matrix of responsibilities and accompanying functional assignments in order to ensure appropriate consideration, response, and responsibility for each recommendation.

The Freeh Report Advisory Council has been established by Board Chairman Peetz and President Erickson. Composed of representatives from the student body, the University Faculty Senate, the Academic Leadership Council, staff, Intercollegiate Athletics, and the Penn State Milton S. Hershey Medical Center, the council will meet regularly and provide feedback and guidance as recommendations are considered and implemented. The administrative response team will work in close coordination with the Board as well as the Advisory Council.

The University expects to contract with an outside firm to serve as the external project management team, coordinating and monitoring the progress of implementation of the recommendations. An external firm will also review the University's progress in implementing the recommendations in an appropriate and diligent manner.

While the release of the Freeh Report was a somber and compelling time in the history of the University, Mr. Freeh commented on the quality education and spirit of the University noting that:

*Penn State University is an outstanding educational institution, which is rightly proud of its students, alumni, faculty and staff, who, in turn, hold the institution in very high esteem. We understand and respect their support and loyalty, and the spirit of community surrounding the University, which we witnessed first-hand during our seven and one half months of work on the Penn State campus.*

#### NCAA Consent Decree

On November 17, 2011, Mark Emmert, President of the NCAA, notified Penn State that the NCAA would be examining the University's "exercise of institutional control over its intercollegiate athletics program, as well as the actions, and inactions, of relevant responsible personnel" (<http://www.psu.edu/ur/2011/NCAA.pdf>). The NCAA agreed to monitor the situation until the investigation by the aforementioned Special Investigations Task Force was complete. In July, the NCAA informed Penn State to put the requested inquiries in the letter aside, informing the University that it was considering other options, and then sent the University an Imposed Consent Decree.

On July 23, 2012, Penn State and the NCAA signed an Imposed Consent Decree (<http://www.ncaa.com/content/penn-state-conclusions>). The NCAA specifically noted and recognized that no student athletes were responsible in this matter. Similar to the conclusions of the Freeh Report, the NCAA narrative confirms that the academic components of the University, including the student athletes, were not a trigger, catalyst, or participant in the unprecedented events leading up to the NCAA Imposed Consent Decree.

The sanctions imposed in the NCAA Consent Decree are both punitive and corrective.

The punitive components of the NCAA Consent Decree are:

- A \$60 million fine to be paid over a five-year period (beginning in 2012) into an endowment specific to programs or assistance specific to issues of child sexual abuse. Funding for this component cannot result in a reduction or elimination of any University-sponsored athletic team. The NCAA announced on September 18 the creation of a task force to oversee the creation of the endowment (<http://live.psu.edu/story/61367>).
- Beginning with the 2012-2013 academic year, there will be a four-year ban on participation in football postseason play.
- Starting with the 2013-2014 academic year, a four-year reduction of grants-in-aid will be imposed. This limits initial grants-in-aid to 15 (from a maximum of twenty-five), with a yearly limit of 65 grants-in-aid (from a maximum of 85).
- A five-year probationary period will be imposed which will include appointment of an Athletic Integrity Monitor (addressed in more detail later in this section).
- All football wins from 1998-2011 will be vacated.
- A waiver of transfer rules and grant-in-aid retention was implemented in order to allow flexibility for football student-athletes.
- The NCAA reserves the right for further formal investigative and disciplinary processes dependent upon the conclusion of any criminal proceedings related to any individuals involved.

The corrective components of the NCAA Consent Decree are:

- Adoption of recommendations contained in the Freeh Report (Chapter 10). As further clarified in the Athletic Integrity Agreement, the University will review the recommendations and implement in spirit and substance, as appropriate, after due consideration and evaluation.
- The University will enter into an Athletics Integrity Agreement (AIA), which has been executed and will be addressed in more detail later in this section.

- The NCAA requires that the University appoint an independent Athletics Integrity Monitor for a five-year period. This individual will have reporting obligations to ensure University compliance in accordance with the AIA. More details of the appointment of the Athletics Integrity Monitor will be covered later in this section.

In the aftermath of the NCAA Consent Decree, David Joyner, Acting Athletic Director, noted the importance of the University community working together, stating that through “cooperation and collaboration, Penn State will become a national model for compliance, ethics and embodiment of the student athlete credo.” Additionally, head football coach Bill O’Brien stated his commitment to go beyond compliance with the sanctions and work to guide the University in this quest for establishment of a model of ethics, compliance and excellence. He stated that when he accepted the position, he realized that there would be trying times and that:

*I was then and I remain convinced that our student athletes are the best in the country. I could not be more proud to lead this team and these courageous and humble young men into the upcoming 2012 season. Together we are committed to building a better athletic program and university.*

On August 28, President Erickson signed the Athletics Integrity Agreement (AIA), between Penn State, the NCAA, and the Big Ten Conference ([http://progress.psu.edu/assets/content/Athletics\\_Integrity\\_Agreement\\_Copy.pdf](http://progress.psu.edu/assets/content/Athletics_Integrity_Agreement_Copy.pdf)).

The Integrity Obligations under the AIA include detailed language regarding the following obligations:

- Review, assessment, and implementation of recommendations contained in Chapter 10, Section 5.0, of the Freeh Report.
- Appointment of an Athletics Integrity Officer, who will report outside of the Athletic Department; and, the establishment of an Athletics Integrity Council.
- Establishment or updating of existing written standards within the Athletic Department, including a Code of Conduct as well as policies and procedures.
- Training and education requirements, including verifications via certification of receipt of such training.
- Creation of a Disclosure Program (which may be based on the University’s existing program) that will include a non-retaliatory outlet for reporting issues related to the AIA, Athletic Department and University policies and procedures, and NCAA and Big Ten standards.
- Clarification that the Associate Athletics Director for Compliance and Student-Athlete Services will remain responsible for day-to-day compliance in the Athletic Department.



In addition to the Integrity Obligations, the AIA contains a framework for the independent Athletics Integrity Monitor, including language about the jurisdiction, scope, and oversight authority for the Monitor. Former U.S. Senator George Mitchell has accepted a five-year appointment to that role, and he will evaluate the University's compliance with the AIA as well as the University's policies and procedures to comply with NCAA and Big Ten rules and principles.

#### National Conference on Child Sexual Abuse

On October 29-30, 2012, "The Child Sexual Abuse Conference: Traumatic Impact, Prevention and Intervention" will take place at University Park. With participation open to the public, this conference, organized by the Penn State Justice Center for Research and Penn State Outreach, as well as several partnering organizations, will address a range of areas, including the impact of child sexual abuse, methods of treatment and prevention, characteristics of pedophiles including use of the Internet as a gateway for abuse, and legal issues associated with child abuse investigation. The conference will feature national experts in the field, including David Finkelhor, Director of the Crimes Against Children Research Center at the University of New Hampshire; Penelope Trickett, David Lawrence Stein/Violet Goldberg Sachs Professor of Mental Health in the School of Social Work at the University of Southern California; and Lucy Berliner, Director of the Harborview Center for Sexual Assault and Traumatic Stress and Clinical Associate Professor at the University of Washington School of Social Work and Department of Psychiatry and Behavioral Sciences. In addition, abuse survivor Sugar Ray Leonard, an American boxing icon and Olympic gold medalist, will provide a keynote address; and Elizabeth Smart, nationally-known kidnapping and sexual assault survivor, will serve as the closing speaker for the conference.

On the evening prior to this conference, the Office of the President and the Penn State Justice Center for Research will sponsor a free public panel discussion. "Moving Forward: A Public Conversation on Surviving Child Sexual Abuse" will feature four panelists sharing personal experiences in various roles they have – as survivors, professionals who help victims of abuse, and as advocates for children and better child protection laws.

#### Ethics Officer

The 2011 Informational Report referenced the establishment of an Ethics Officer position. The University continues to explore the most effective and efficient structure for maximizing the impact and effectiveness of duties and responsibilities specific to ethics education, awareness, and outreach efforts into a new (or existing) leadership role. For example, based upon recommendations of several experts, including Penn State faculty members, the University is giving consideration to combining the role of the ethics function into the portfolio of the Director of University Compliance position.

## Partnership with the Pennsylvania Coalition Against Rape (PCAR) and National Sexual Violence Resource Center (NSVRC)

Penn State's partnership with PCAR and NSVRC continues to strengthen since the 2011 Informational Report.

Currently, leaders from Penn State Cooperative Extension, Campus Continuing Education, and local PCAR Rape Crisis Centers are assessing the needed community training that will help local citizens to understand and prevent child sexual abuse. The partners will be offering appropriate training in many Pennsylvania communities based on their assessment. Melinda Stearns, Penn State project manager for the PCAR partnership states that she is "excited to see that in addition to employee training, the partnership is manifesting itself in broad based education within the state reaching beyond the boundaries of the campus communities."

In April, Penn State students worked to raise funds through the One Heart Campaign (<http://www.facebook.com/OneHeartPSU>). The campaign was designed to raise awareness and funding for the Vision of Hope Fund of PCAR, as well as the development of educational outreach. One of the student founders, Dan Rost, noted that the "goal is to build upon the relationship that the University has already established with PCAR and reach out to alumni, corporate partners, and other individuals and groups across the country who believe that Penn State and Penn Staters can make a difference for victims and families."

On September 22, Intercollegiate Athletics, in collaboration with PCAR, conducted a fundraising and canning effort at the Penn State/Temple football game. This game, recognized as a "Blue Out," included proceeds from blue tee-shirt sales being donated to PCAR.

## Penn State Hershey Center for the Protection of Children

In the 2011 Informational Report, of particular note was that the University would be launching the Penn State Hershey Center for the Protection of Children, a first building block in a broader University initiative focusing on research and outreach, with several rich examples of those efforts already contained within this report, such as the University Libraries research website. As noted in the 2011 Informational Report, particular focus of the Center will be the creation of a foster child primary care clinic, educational programming, expanded treatment services, research opportunities into the diagnosis and treatment of child abuse, and a medical-legal partnership with Penn State Law. The 2011 Informational Report indicated that the University would be earmarking \$1.5 million of Penn State football bowl proceeds to a partnership with PCAR and NSVRC, and any remaining monies would be used to assist with the funding needed to launch the Center for the Protection of Children. The initial estimates of those remaining bowl revenues were \$500,000; however, the revenues were significantly higher than anticipated, thus \$1.1 million was infused into the Center.

The official introduction of the Center occurred on March 22 with a lecture by Richard Drugman, Vice Chancellor for Health Affairs for the University of Colorado, Denver and Dean of the University of Colorado School of Medicine. Dr. Drugman's lecture, "Child Abuse and Gaze Aversion: How to Prevent Them," was held on the campus of the Penn State Milton S.

Hershey Medical Center to an audience of Penn State constituents as well as children's advocacy groups and other community stakeholders.

In August, Dr. Benjamin Levi was named the Director of the Center, replacing the inaugural Center Director, Andrea Taroli, who will now focus on development of the Penn State Milton S. Hershey Medical Center's Children's Hospital clinical program for child protection, a program that will be pivotal to the Center's mission. As noted by Harold Paz, Medical Center Chief Executive Officer, Penn State's Senior Vice President for Health Affairs, and Dean of Penn State's College of Medicine, "Dr. Levi's broad-based experience in developing creative partnerships, tools and educational programs to address the problem of child maltreatment will enable him to build on the foundation already established under Dr. Taroli's leadership and further expand the Center's clinical, education, research and advocacy activities." Dr. Levi's work has included the development of the Look Out for Child Abuse website (<http://lookoutforchildabuse.org/>), an interdisciplinary collaboration among several Penn State areas, including Penn State Law, which provides Pennsylvania's only online tool for reporting suspected abuse.

Among other highlights of the Center's activities, *Transforming the Lives of Children* (TLC) was established as a clinic to provide comprehensive primary care to, and serve as a medical home for, victims of child abuse who are in foster care. In addition, high-tech multimedia mandated reporter educational modules were developed with school teachers as the first target audience of the program.

To establish a foundation for an accredited three-year subspecialty training program in child abuse pediatrics, recruitment efforts for the Center will focus on adding an additional pediatrician specializing in child abuse, a psychologist with expertise in traumatic stress, and a social science researcher.

#### Presidential Task Force on Child Maltreatment

The 2011 Informational Report noted that as part of the launching of the Center for the Protection of Children, an interdisciplinary Presidential Task Force would be formed to inventory current resources and expertise within the University community on the issue of prevention and treatment of child maltreatment.

Under the leadership of Co-chairs Susan McHale, Professor of Human Development and Director of the Children, Youth and Family Consortium and Social Science Research Institute, and A. Craig Hillemeier, Vice Dean for Clinical Affairs and Chair of the Department of Pediatrics and Medical Director at Penn State Hershey Children's Hospital, the Task Force presented a proposal, accepted by University administration in September, to advance research, practice, education and outreach through a Penn State Network on Child Maltreatment. The two components of this initiative are:

- A cluster hire of up to 12 new faculty members over three years, to include tenure-track faculty as well as clinical and research faculty, distributed across disciplines and colleges. These faculty would have connections to one or more of Penn State's four Centers of Excellence on Children, Youth and Families: the Child Study Center in the College of the Liberal Arts, The Center for the Protection of Children in the College of Medicine, The Prevention Research Center in the College of Health and Human Development, and/or Penn State Law's Center for Children and the Law. Each of these Centers receives core support from its sponsoring college and encourages involvement in its activities from faculty across the University.
- Activities of these new faculty to foster synergies among them under the umbrella of the University's Children, Youth and Families Consortium (CYFC). To maximize its visibility and reach, the cluster hire would be orchestrated by the CYFC over a three year period, using the CYFC's well-established co-fund hire processes, including oversight from the relevant college deans. The CYFC would also serve as the umbrella organization, linking the Centers for Excellence and promoting their collaborative and translational activities. Co-funded faculty and their University collaborators would also have access to the CYFC's existing infrastructure (e.g., seed fund program, facilities and equipment), thereby maximizing efficient use of Penn State resources.

As noted by Co-chair McHale, such an interdisciplinary initiative “engenders a renewed awareness of the complex problem of child maltreatment and gives us the opportunity to respond in a meaningful way.”

### Shared Governance

Events since November 2011 have led the University Faculty Senate to explore opportunities for increasing communication and enhancing interactions between the Board of Trustees and the University community. As noted on page 9, a Special Committee on University Governance was charged in March to assist in that effort ([http://www.senate.psu.edu/about\\_senate/committees/univ-gov/cmt\\_charge.pdf](http://www.senate.psu.edu/about_senate/committees/univ-gov/cmt_charge.pdf)). While under the auspices of the University Faculty Senate, this initiative also includes staff and student representatives. The Special Committee continues its work. On July 11, John Nichols, Chair of the Committee, provided an update on those efforts, including a progress report ([http://www.senate.psu.edu/about\\_senate/committees/univ-gov/univ\\_gov.html](http://www.senate.psu.edu/about_senate/committees/univ-gov/univ_gov.html)).

### Human Resources Initiatives

The 2011 Informational Report described human resources initiatives that were contextually important to the situation as of the date of that submission. Since that time, the Office of Human Resources has developed a comprehensive and systematic approach for the review of the 107 human resources policies and guidelines currently in place. In addition, focus on creating new policy, and revising existing policy, specific to the current situation was, and will continue to be, a priority. To assist in raising awareness and understanding of such changes, in addition to internal University-wide communication, extensive supplemental efforts occurred to ensure an

understanding and appropriate implementation of revised policies such as *AD39 Minors Involved in University-Sponsored Programs or Programs Held at the University and/or Housed in University Facilities* and *HR99 Background Check Process*.

The Center for Workplace Learning and Performance in the Office of Human Resources has been a critical catalyst in discussions and implementation of awareness and learning opportunities as the University moves forward. As noted on page 27 of this report, a new policy, *AD72 Reporting Suspected Child Abuse*, was implemented in conjunction with revisions and clarifications to the above referenced AD39 policy. This new policy indicates, in part, that all University employees must complete, annually, mandated reporter training; and, if any University employee willfully fails to report a case of suspected child abuse, disciplinary action (up to and including dismissal) will occur.

While the Pennsylvania Child Protective Services Law defines a mandated reporter as a person “who in the course of employment, occupation or practice of a profession, comes into direct contact with children and has reasonable cause to suspect on the basis of medical, professional or other training and experience that there is a victim of child abuse,” the University has adopted the stance that even those considered permissive reporters, i.e., not mandated by Pennsylvania law to report abuse, participate in mandated reporter training. Mandated reporter training was initiated in April, with the University’s training foundation in partnership with PCAR. The first phase was program delivery for individuals who interact directly with children, particularly those working at summer camps or offering programming for minors. In addition, an interactive online training phase will go live in early 2013. As of September 17, over 6,000 individuals have completed this training. As noted by Susan Cromwell, Director of Workplace Learning and Performance in the University’s Office of Human Resources, the goal “is to educate the University community about child abuse and reporting and move people from an awareness of the issue toward having confidence to take action.”

A plan has been developed for the delivery of all mandatory programs to include leadership and management training, compliance training and reporting, and ethics training and reporting, with programs delivered in face-to-face, blended, or online delivery formats. The Center for Workplace Learning and Performance is partnering with the University’s Information Technology Services and other units to provide online delivery of mandated reporter training, background checking, and Clery Act training, with continual exploration to identify ways to deploy mandatory training programs.

The Office of Human Resources has reviewed all University on-boarding programs and materials to ensure that ethics, accountability, and compliance topics are included. This effort included a detailed review of values and compliance commitments. Planning for the development of an online on-boarding program, accessible to all new University employees, has begun with a proposed launch date of Fall 2013.

The health and well-being of its employees is critical as the University moves forward from recent events. Penn State’s Office of Human Resources hosted twelve 90-minute seminars in August, facilitated by Health Advocate, a partner in the University’s Employee Assistance program, and similar sessions are available for delivery at campuses away from University Park

as well. These sessions, entitled “Healing and Moving Forward,” are designed to provide a resource support for employees to help deal with what constitutes a traumatic event, and to provide information and coping skills. Susan Basso, Associate Vice President for Human Resources, noted that some employees are continuing to struggle with the stress and emotions associated with recent events and that there “is a great advantage to group discussions, which allow not only individuals, but the community as a whole, to share potential coping strategies.”

#### Intercollegiate Athletics and Morgan Academic Support Center for Student Athletes

In the 2011 Informational Report, Athletic Department efforts specific to student-athletes were illustrated with examples of outreach and service, as well as efforts of the Morgan Academic Support Center for Student Athletes (MASCSA), a unit of the Office of Undergraduate Education that provides academic and personal support services to approximately 800 student-athletes in 31 sports. Since that submission, important efforts and actions have continued, including the addition of two full-time compliance individuals within the Intercollegiate Athletics (ICA) Compliance Office.

In addition, the ICA Compliance Office conducted regular department educational sessions in the summer that emphasized standards of ethical conduct and behavior, and mechanisms for reporting unethical situations or rules violations. In August, educational sessions were held with all student-athletes that emphasized standards of ethical conduct and introduced the Anonymous Disclosure Mechanism for reporting any rules violations.

A few select examples provide a sense of the University’s commitment and continued engagement with the student-athlete community that have occurred since submission of the 2011 Informational Report. MASCSA counselors have continued to be available for student-athletes to discuss recent events and developments. In addition, President Erickson and David Joyner, Acting Athletic Director, have continued to focus on the importance of communication and engagement with the student-athlete community. In January, Dr. Joyner hosted an open session for all varsity student-athletes to ask questions and be briefed on recent events. After the NCAA Consent Decree was announced, President Erickson sent an electronic letter to all student-athletes to show support during these difficult times and to provide assurance that no sports would be eliminated. In addition, he stressed the importance of athletics and its role within the broader University community. And, in August, President Erickson and Dr. Joyner met with all first-year student-athletes for an orientation session to discuss academic and athletic expectations, events of the past nine months, and University resources available to all student-athletes.

#### Continued Promotion of Curricular Content

In the 2011 Informational Report, it was noted that as the University strives to take a leadership role in the area of the prevention and intervention of child sexual assault, neglect and abuse, and that a review of the inventory of undergraduate courses and programming in this area was important. In order to update that information, a recent re-inventory was conducted to provide up-to-date information for this Monitoring Report. Specific topics related to issues of child

abuse, including recognition and indications that a child may be the subject of sexual assault/abuse, prevention and intervention, professional expectations, and reporting requirements and responsibilities, are now taught in 126 courses with over 51,000 annual enrollments.

A course currently under proposal highlights the focus of this critical topic in a disciplinary area that may not be normally associated with such issues: the University's Geography Department in the College of Earth and Mineral Science. The proposed course will focus on analytic thought processes and geospatial technologies used for predictive analysis in the context of searching for missing and exploited children. This course would be utilized to educate intelligence professionals in law enforcement and related domains, designed to assist in understanding events in a cultural and physical geospatial context and identifying patterns. For example, predictive analytical capabilities could help find where a missing child might be located or where similar events might occur in the future. With these geospatial insights, police and law enforcement can better allocate critical resources in search of missing and exploited children.

## CONCLUDING THOUGHTS

As noted throughout this Monitoring Report, Penn State continues to make significant progress in its efforts to acknowledge the tragic events that came to light in November 2011, to ensure that such events can never happen again, and to move forward to improve this great University.

The University's leadership and its governance structures and processes fully support the Requirements of Affiliation 9, as well as Accreditation Standard 4. The extensive efforts outlined in this Report illustrate an embracing of Penn State's historical foundation and the willingness to initiate adjustments and changes that support an environment of openness.

Conservative fiscal management and financial resources provide capacity for the University to address existing obligations and attend to future anticipated costs, thus providing confidence for the Commission (Accreditation Standard 3) that the University will be able to move forward in a fiscally responsible manner without negatively impacting the academic standards inherent in its institutional mission and land grant responsibilities.

Since the University received preliminary recommendations from the Freeh Group investigation in January 2012, it has taken substantial strides to evaluate and overhaul the University's Clery Act program efforts. The University is committed to assuring compliance with all aspects of the Clery Act (Requirements of Affiliation 5).

As the 2011 Informational Report was specific to Accreditation Standard 6 (Integrity), the opportunity for the University to re-explore efforts since that submission allow for confirmation that the components associated with this Standard were not merely actions taken in the immediate aftermath of November 2011. Rather, this Report provides compelling evidence of the integration of those efforts through all aspects of the University.

Also, this Monitoring Report includes the "Recent Actions and Initiatives" section that highlights the University's spirit and intent as it moves forward from these unprecedented events with a renewed sense of commitment and resolve that the University will be a leader in many areas going into the future.

Finally, this Report provided an opportunity to reflect upon the progress and commitment to moving forward while acknowledging certain failures of the past. As members of Penn State's community embraced this opportunity, a sense of renewed commitment and shared responsibility has emerged. President Erickson noted this sense of responsibility and commitment in July 2012:

*Some still find it hard to imagine a new chapter in Penn State's history, to see beyond a football program without postseason play or the story of a school that fell from a pedestal. I urge the skeptics to look harder and see what I see today: an institution that will emerge stronger than ever before, one that will be made great not because of the reputations of a few but because of the resolve, compassion and talents of many.*