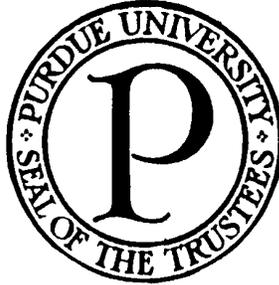


MINUTES

BOARD OF TRUSTEES OF
THE TRUSTEES OF PURDUE UNIVERSITY



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**STATED MEETING OF THE BOARD OF TRUSTEES OF THE
TRUSTEES OF PURDUE UNIVERSITY**

MINUTES

JULY 19, 2013

A meeting of the Board of Trustees convened in Room 326 of Stewart Center, Purdue University, West Lafayette, Indiana at 1:08 p.m. on Friday, July 19, 2013, with the following trustees present in person: Keith Krach, chairman; Michael Berghoff; JoAnn Brouillette; Vanessa Castagna; John Hardin; Gary Lehman; Kelsey Quin; Thomas Spurgeon; and Bruce White. Don Thompson was not in attendance.

Also in attendance were: Mitch Daniels, President; Tim Sands, Executive Vice President for Academic Affairs and Provost; Al Diaz, Executive Vice President for Business and Finance, Treasurer; Jim Almond, Senior Vice President for Business Services and Assistant Treasurer; Tom Parent, Legal Counsel; and Janice Indrutz, Corporate Secretary.

I. INTRODUCTIONS

Chairman Krach introduced the new student trustee, Ms. Kelsey Quin. He also introduced Lawrence "Sonny" Beck, whose appointment to the Board was to become effective at the conclusion of the meeting. Mr. Beck replaces Chairman Krach, who had announced his resignation from the Board effective upon the conclusion of this meeting, to focus on DocuSign, where he is Chairman and CEO.

II. FUTURE MEETING SCHEDULE

Chairman Krach drew the Board's attention to the schedule of future meetings and commencements through 2014.

III. REPORTS FROM BOARD COMMITTEES

JoAnn Brouillette, chair of the Academic Affairs Committee, reported that the Committee met on July 16, 2013, and voted to recommend full Board approval of three items related to academic name changes and restructuring at Purdue University Calumet, with these items reflected on the consent agenda. A fourth action item, establishing an Honors College at Purdue University Calumet, was discussed but tabled and subsequently removed from the consent agenda after the Committee requested additional information. Trustee Brouillette also reported that the Committee was provided an update on the core curriculum. She thanked the Undergraduate Curriculum Council for their tremendous effort to design the core curriculum, and she also thanked the faculty and administration for making great progress toward student success. Trustee Hardin remarked that he hopes the university will encourage

intercampus transfer of students as part of the new system-wide effort in order to maximize the students' educational experience.

Gary Lehman, chair of the Physical Facilities Committee, reported that the Committee met on July 12, 2013, and voted to approve the financing, construction, and awarding of the contract for the Indiana University-Purdue University Fort Wayne Qualified Energy Savings Renovations. He also discussed two leases for space in Wang Hall, which were on the consent agenda for full Board approval. Trustee Lehman shared that the Committee has great confidence in how the new administration has been looking at space needs and uses and facilities and is pleased with the great emphasis placed on efficient utilization of space. The Committee also recognized the high, refreshing level of collaboration across departments and colleges to meet space needs. Trustee Lehman also welcomed Michael Cline, the new vice president for physical facilities, who was in attendance.

Michael Berghoff, chair of the Audit and Insurance Committee, reported that the Committee met on July 15, 2013, and received a very detailed presentation that outlined proposed revisions to the university's healthcare program. He explained that the proposed revisions were endorsed by a committee of 20 employees from across campus, including representation from the University Senate, CSSAC, APSAC, and the regional campuses. Trustee Berghoff discussed a few details of the plans and noted that the Committee was impressed with their quality. The Committee voted to recommend full Board approval of the proposed health care plan options and rates, as reflected on the consent agenda.

IV. ITEMS APPROVED BY UNANIMOUS CONSENT

As reported by the Board committees, the following Unanimous Consent items were fully explored and debated in committee meetings held earlier in July, or are routine in nature. Chairman Krach read the list of items:

- a. Minutes of stated meetings held on April 5, 2013 and May 10, 2013 and executive sessions held on April 4, 2013, April 5, 2013, and May 10, 2013;
- b. Proposal to change the name of and move the Department of Hospitality and Tourism Management at Purdue University Calumet to the White Lodging School of Hospitality and Tourism Management in the College of Business, as recommended by the Academic Affairs Committee;
- c. Merging the Department of Information Systems and the Department of Finance and Economics at Purdue University Calumet to form the Department of Information Systems, Finance and Business Analytics, as recommended by the Academic Affairs Committee;
- d. Academic name changes from school to college at Purdue University Calumet, as recommended by the Academic Affairs Committee, to include:
 - School of Management to College of Business
 - School of Education to College of Education

- School of Engineering, Mathematics and Science to College of Engineering, Mathematics and Science
 - School of Liberal Arts and Social Sciences to College of Liberal Arts and Social Sciences
 - School of Nursing to College of Nursing
 - School of Technology to College of Technology
- e. Seng-Liang Wang Hall Lease: Engineering and Technology Professional Education, as recommended by the Physical Facilities Committee;
- f. Seng-Liang Wang Hall Lease: Engineering Growth and Swing Space, as recommended by the Physical Facilities Committee;
- g. Health Care Plan Options and Rates, as recommended by the Audit and Insurance Committee;
- h. Exceptions to Nepotism Policy;
- i. Conflict of Interest Disclosures; and
- j. Performance Incentive Payment Program Actions for President Daniels.

Chairman Krach asked Trustee Spurgeon, Chair of the Compensation Committee, to provide comments on the last item. Trustee Spurgeon explained that President Daniels' contract places 30% of his salary at-risk, meaning that he may only earn it if he meets expectations outlined by the Board. Trustee Spurgeon noted that Purdue is the only school in the Big Ten with such an at-risk program, with only two others existing in the United States of which the Board is aware. Trustee Spurgeon noted that the terms of President Daniels' contract recognized, at the time it was executed in December 2012, that it would not be possible to define quantitative performance metrics for the first six months of the contract term expiring at the end of the current fiscal year. Therefore, the contract stipulates that a qualitative assessment of performance would be used to determine his eligibility for the at-risk payment for the initial six-month period.

Trustee Spurgeon then reviewed the Board's expectations of President Daniels during the six-month period from January to June, 2013, as well as a qualitative assessment of his accomplishments relative to those expectations. He further relayed the proposition, based on this assessment, that President Daniels' performance had exceeded expectations for the initial six-month period; therefore, if approved by the Board, a vote on this consent agenda item would approve an at-risk award at the full 30% level. Mr. Spurgeon added that the quantitative at-risk performance metrics for the current fiscal year were still under discussion and would be presented at a subsequent meeting.

Before asking for a motion to approve the consent agenda, Chairman Krach noted that Trustee White would abstain from voting given his interest in item (b) above. Then, upon proper motion duly seconded, the Board of Trustees voted unanimously to approve the consent agenda. All supporting documents will be filed with the minutes.

V. REPORT OF THE PRESIDENT

President Daniels began his report by thanking Chairman Krach and former student trustee Miranda McCormack for their leadership, encouragement, and guidance. He reported on his recent trip to China with Suresh Garimella, newly-appointed chief global affairs officer, and other staff to visit partner universities. He shared that the university will work to increase meaningful international partnerships and deepen existing partnerships. President Daniels also reported that efforts were made to increase the number of credit hours and utilization of facilities during the summer to promote student success, with reasonably good results. He reviewed final data on the incoming freshman class and its academic profile, and he previewed the summer and winter commencement speakers. President Daniels provided a snapshot of funds revenue, highlighted how the university achieved the necessary cost reductions and revenue enhancements necessary to freeze tuition for two years, and explained how investments are being made in future growth.

VI. RATIFICATION OF DEAN, HONORS COLLEGE

As recommended by Provost Sands, and upon proper motion duly seconded, the Board of Trustees voted unanimously to ratify the appointment of Dr. Rhonda G. Phillips as Dean of the Honors College. Chairman Krach asked Provost Sands to convey the Board's congratulations to Dr. Phillips and remarked that this will be an exciting program. Supporting documents will be filed with the minutes.

VII. RATIFICATION OF VICE PRESIDENT FOR PHYSICAL FACILITIES

As recommended by Treasurer Diaz, and upon proper motion duly seconded, the Board of Trustees voted unanimously to ratify the appointment of Mr. Michael B. Cline as Vice President for Physical Facilities. Treasurer Diaz highlighted that Mr. Cline is a Purdue alumnus, having earned a degree in civil engineering, and he thanked Mr. Ted Weidner, Senior Director of Project Management and Construction, for serving as acting vice president during the search process.

VIII. RATIFICATION OF CHIEF GLOBAL AFFAIRS OFFICER

As recommended by President Daniels, and upon proper motion duly seconded, the Board of Trustees voted unanimously to ratify the appointment of Dr. Suresh V. Garimella as Chief Global Affairs Officer. Dr. Garimella will also lead the Global Policy Research Institute.

IX. RATIFICATION OF CONSOLIDATION OF VICE PRESIDENCIES

As recommended by President Daniels, and upon proper motion duly seconded, the Board of Trustees voted unanimously to consolidate the vice presidencies of public affairs and marketing and media. As a result of this action, Julie Griffith, Vice President for Public Affairs, will officially assume direction of the Office of Marketing and Media. President Daniels believes this will provide better integration of these closely-related functions while saving money.

X. MODIFICATION OF LIST OF POSITIONS REQUIRING RATIFICATION BY THE BOARD OF TRUSTEES

Mr. Steve Schultz, University Legal Counsel, noted that Article VI, Section 3 of the Bylaws gives the President broad authority to take personnel actions, with the Board reserving authority to ratify certain appointments and promotions, a list of which is maintained by the Secretary. Since the Board last approved an updated list of these positions in October 2012, it was suggested that the list be revised again to provide consistency as well as to enhance speed and certainty in the recruiting and hiring process. Therefore, Legal Counsel Schultz recommended that deans, vice provosts, and vice presidents who do not report directly to the president be removed from the list. This would be consistent with the president having broad authority as provided in the Bylaws, but also reflects the notion, expressed through feedback received from Board members, that as long as the president is informing the Board of recruiting and hiring decisions, Board ratification of these positions does not add meaningful oversight value. In response to a question from Trustee Brouillette, Mr. Schultz confirmed that other officers reporting directly to the president would be retained on the ratification list. Upon proper motion duly seconded, the Board of Trustees voted unanimously to approve the modified list of positions requiring ratification by the Board. Supporting documents will be filed with the minutes.

XI. REPORTS OF UNIVERSITY OFFICERS AND FACULTY AND STUDENT REPRESENTATIVES

Dr. Mark J.T. Smith, Dean of the Graduate School, reviewed the Graduate School's functions. He noted that the Graduate Council engages all the campuses to assure the quality of graduate education in the Purdue system, and he discussed recent accomplishments of the Graduate Council. Dean Smith provided enrollment data and shared that although international enrollment is healthy, there is concern about the diversity of the international student body. With 79% of students from Asia, they are working to increase enrollment of students from South America, Africa, and Europe. Dean Smith shared that efforts are also being made to increase interdisciplinary programs and that the Graduate School offers students a number of professional development workshops as well as programs to educate students about borrowing. He reviewed degree completion and attrition data and noted that the top two reasons students leave are financial hardship and relationships with advisors, which are being addressed. Dean Smith highlighted Graduate School innovations and pointed out that the Graduate School is working with the regional campuses to take advantage of tremendous opportunities to share resources and courses. Chairman Krach commended Dean Smith on his efforts and accomplishments. A copy of Dean Smith's presentation will be filed with the minutes.

Professor David Williams, chair of the University Senate, introduced himself and Professor Patricia Hart, the new vice chair of the University Senate. He discussed three issues of concern to the Senate as 1) hate speech on campus, 2) development of a comprehensive, centralized English language program for international students, and 3) establishing a permanent seat for a faculty member on the Board of Trustees. Professor Williams thanked Chairman Krach and Miranda McCormack for their service to the university and welcomed new trustees Sonny Beck and Kelsey Quin. A copy of Professor Williams' report will be filed with the minutes.

Blake Hylton, president of Purdue Graduate Student Government (PGSG), introduced himself and acknowledged PGSG's officers. He outlined PGSG's core initiatives for the academic year, which are better quality of life, increased integration into the larger campus community, and making the needs and concerns of graduate students more visible to university leadership. Actions in support of these initiatives include conducting an annual survey of graduate students and advocating for inclusion of graduate assistantships and fellowships in fundraising campaigns. A copy of Blake's report will be filed with the minutes.

XII. RESOLUTION OF APPRECIATION FOR FRIENDS OF PURDUE UNIVERSITY

Upon proper motion duly seconded, the Board of Trustees voted unanimously to approve the following resolution of appreciation to friends of Purdue who have made a gift of \$1,000,000 or more to the University, as read by President Daniels:

WHEREAS, the following friends of Purdue University have generously contributed \$1,000,000 or more to move Purdue to greater excellence and preeminence; and

WHEREAS, the University wishes to acknowledge the significance of these gifts to new directions, advancements, and momentum in Purdue's history, progress, and future;

BE IT THEREFORE RESOLVED BY THE TRUSTEES OF PURDUE UNIVERSITY:

1. That the University and the Trustees are grateful to these individuals for their leadership and support of Purdue University; and
2. That this resolution be spread upon the minutes of the Board of Trustees as part of the permanent record of the University.

Friends:

- Daniels Fund, to support the Brian Lamb School of Communication
- James W. Davis, to support the Department of Agricultural Economics and Purdue Bands
- Alan H. Fox, to support the School of Chemical Engineering
- Patricia Ayers Gallucci, to support the College of Health and Human Sciences
- Gail Lang Gregson, to support University Scholarships and Purdue Promise
- James P. and Neta Hicks, to support the Department of Agricultural Economics
- Ming Y. and Mary Joan Li, to support the School of Electrical and Computer Engineering
- Yvonne B. Malcolm, to support University Scholarships
- Scot Industries, Inc., to support Purdue Libraries
- Michael P. and Carol L. Sohn, to support Purdue Bands
- Robert and Patty Thiemrodt, to support the Veterinary Teaching Hospital
- Margaret M. Weeks, to support the College of Agriculture
- Anonymous, to support the Department of Mathematics
- Anonymous, to support the School of Civil Engineering

President Daniels clarified that the Daniels Fund is a foundation in Colorado that is unrelated to him.

XIII. RESOLUTION OF APPRECIATION FOR MIRANDA McCORMACK

Upon proper motion duly seconded, the Board of Trustees voted unanimously to approve the following resolution for Miranda McCormack, as read by Trustee Brouillette:

WHEREAS, Miranda McCormack, from Fowler, Indiana, graduated Salutatorian from Benton Central High School, where she also lettered in soccer and softball; and

WHEREAS, she subsequently enrolled at Purdue University, majoring in chemical engineering and taking part in a co-op program in which she alternates semesters year-round between campus study and work, first with the Dow Chemical Company and now with General Electric Appliances; and

WHEREAS, she will graduate in May of 2014; and

WHEREAS, she has served as a member of Purdue Student Government through the Student Supreme Court, and also served on Purdue's Community Standards Board, and was a participant and counselor for Purdue Research Park's Entrepreneurship Academy; and

WHEREAS, she has been awarded the Presidential Scholarship and is a 2009 Lilly Endowment Recipient; and

WHEREAS, she was appointed to a two-year term on the Purdue Board of Trustees by then-Governor Mitchell E. Daniels, Jr., on July 1, 2011; and

WHEREAS, she has served with distinction on the Board of Trustees as a member of the Academic Affairs and Physical Facilities committees, and has distinguished herself as an independent voice while also conveying the concerns and thoughts of her fellow students; and

WHEREAS, she was honored by the Purdue Graduate Student Government on May 10, 2013, with a resolution of appreciation for representing the student perspective and acting as a tireless advocate for excellence in both undergraduate and graduate student education; and

WHEREAS, her term on the Board has now been completed;

BE IT THEREFORE RESOLVED BY THE TRUSTEES OF PURDUE UNIVERSITY:

1. That enormous gratitude is expressed to Miranda McCormack for her outstanding service to Purdue, as she spent many long hours meeting her commitments as a Trustee in addition to her already busy classroom and co-op schedule; and
2. That the Trustees deeply appreciate her high standards, skills and professionalism; and
3. That her many contributions are part of the great history of Purdue and will never be

forgotten; and

4. That this resolution be spread upon the minutes of the Board of Trustees as part of the permanent record of Purdue University for all to witness.

Ms. McCormack was in attendance and remarked that she considers the Board members family and that Purdue will always be home to her. She gained confidence and humility as the student trustee and the Board has taught her what success looks like.

XIV. RESOLUTION OF APPRECIATION FOR MICHAEL J. BIRCK

Upon proper motion duly seconded, the Board of Trustees voted unanimously to approve the following resolution for Miranda McCormack, as read by Trustee Spurgeon:

WHEREAS, Michael J. Birck has served Purdue University with excellence, dedication, and generosity as a member of the Board of Trustees since July 1, 1999; and

WHEREAS, his close association with Purdue dates to his undergraduate years, earning a bachelor's degree in electrical engineering in 1960, and being an outstanding varsity baseball player while on our campus; and

WHEREAS, he distinguished himself and our University by serving as co-founder, president, chief executive officer and chair of Tellabs, Inc.; and

WHEREAS, he is a leader in the telecommunications industry and served as president of the U.S. Telecommunications Suppliers Association and chairman of the Telecommunications Industry Association; and

WHEREAS, he has received numerous honors including the Outstanding Master Entrepreneur award by Inc. Magazine/Ernst & Young, induction into the Chicago Business Hall of Fame, the Chicago Area Entrepreneurship Hall of Fame Lifetime Achievement award, the IEEE Ernst Weber Engineering Leadership Recognition Award, the Medal of Honor from the Electronic Industries Alliance, the Washington Award from the Western Society of Engineers, the Alumnus Award from the Purdue Schools of Engineering and, in 1995, an honorary Doctor of Engineering degree from Purdue University; and

WHEREAS, he and his wife Katherine R. Birck have personified the words "ever grateful, ever true" through their extraordinary generosity to Purdue academics, facilities, students and faculty, athletics programs, and more; and

WHEREAS, he has supported Purdue as director and member of the Executive Committee of the Purdue Research Foundation; Life Member of Purdue President's Council and John Purdue Club; member of the Senior Dean's Advisory Council of the Krannert School of Management; past chair of the Purdue Alumni Foundation Board; and

co-chair of “The Campaign for Purdue,” which exceeded fund-raising goals and raised a record amount to support students and faculty, and academic and research programs; and

WHEREAS, his recognition from the University includes an Honorary Doctorate of Engineering, an Outstanding Electrical Engineering Alumnus honor, and the Krannert Business Leadership Award, among others; and

WHEREAS, he has served with distinction as a member of the Board of Trustees Academic Affairs Committee, Audit and Insurance Committee, Compensation Committee, and the Finance Committee; served as co-chair of the 2007 Purdue Presidential Search Committee, and was active in the selection of the past three University presidents; and

WHEREAS, Michael J. Birck has stepped down from his position on the Purdue Board of Trustees;

BE IT THEREFORE RESOLVED BY THE TRUSTEES OF PURDUE UNIVERSITY:

1. That enormous gratitude and appreciation are expressed to Michael J. Birck for his loyalty and service to his alma mater; and
2. That through the generosity of Michael J. Birck and Katherine R. Birck, Purdue’s look, feel, spirit and excellence have been forever enhanced, as their contributions have impacted the lives of thousands of students, faculty, friends and alumni; and
3. That his many achievements are part of the great, permanent history of Purdue, and will never be forgotten; and
4. That this resolution be spread upon the minutes of the Board of Trustees as part of the permanent record of Purdue University for all to witness.

Trustee Hardin shared Michael Birck’s humble beginnings and how he came to be an incredibly successful businessman. He referenced an instrumental memo that Mr. Birck had written at the time of the presidential search in 1999 and how Mr. Birck followed through on a \$35 million commitment to build the Birck Nanotechnology Center even after Tellabs stock dropped dramatically at that time. Trustee Hardin believes that along with David Ross, Michael Birck will be remembered as a pivotal player in driving the university forward.

XV. ELECTION OF OFFICERS

With this being his last meeting as a trustee, Chairman Krach took the opportunity to address the Board. He shared that serving as a trustee for Purdue University has been one of the greatest experiences, honors, and responsibilities of his life. He stated that he is very proud and happy with where Purdue is today and believes the Board has been successful due to its willingness to change and challenge the status quo, its Midwestern values, and a shared vision. He thanked his fellow trustees and addressed each of them individually. He also thanked

Treasurer Diaz, Provost Sands, Corporate Secretary Indrutz, and his wife, Metta. Chairman Krach was given a standing ovation.

Chairman Krach then conducted the election of officers for the 2013-2015 biennium. Trustee Lehman presented the slate of officers to the Board as follows:

Chairman: Thomas E. Spurgeon
Vice Chairman: Michael R. Berghoff
Corporate Secretary: Janice A. Indrutz
Assistant Secretary: James S. Almond
Treasurer: Alphonso V. Diaz
Assistant Treasurer: James S. Almond
Legal Counsel: Steven R. Schultz
Assistant Legal Counsel: Thomas B. Parent

With no other nominations from the floor, and upon proper motion duly seconded, the Board of Trustees voted unanimously to approve the slate of officers as presented. Chairman Krach congratulated Trustee Spurgeon and Trustee Berghoff and passed the gavel to Trustee Spurgeon. Trustee Spurgeon thanked his fellow trustees for their confidence in him. He is proud to be serving with such a talented team and hopes to lead in the manner in which Trustee Krach led.

XVI. REAPPOINTMENT OF IPFW FOUNDATION DIRECTOR

Upon the recommendation of Dr. Vicky Carwein, Chancellor of Indiana University-Purdue University Fort Wayne (IPFW), the Board of Trustees voted unanimously to reappoint Ms. Rebecca Teagarden as a Purdue director on the IPFW Foundation Board for a term.

Supporting documents will be filed with the minutes.

XVII. CLARIFICATION OF GROUP II DIRECTORS, PURDUE RESEARCH FOUNDATION

Chairman Spurgeon explained that new trustee Sonny Beck currently serves on the board of the Purdue Research Foundation. Michael Berghoff, Gary Lehman and Bruce White also serve in this capacity. However, pursuant to the bylaws of the Foundation, only three trustees are allowed to serve on its board. Therefore, Mr. Beck agreed to step down from the Foundation board effective upon the commencement of his term as trustee. Upon proper motion duly seconded, the Board of Trustees voted unanimously to clarify that Michael Berghoff, Gary Lehman and Bruce White will remain as directors on the board of the Purdue Research Foundation.

As chair of the Purdue Research Foundation's Real Estate Committee, Trustee White recognized Mr. Beck's contributions to the committee and the Purdue Research Foundation.

XVIII. ADJOURNMENT

By consent, the meeting adjourned at 3:06 p.m.