

Penn State Forward

**TRANSPARENT &
INCLUSIVE
GOVERNANCE
PLATFORM**

Updated March 15, 2022



About Penn State Forward

Penn State Forward is a group of students and young alumni supporting three young, forward-thinking candidates for the Penn State Board of Trustees during the 2022 Alumni Trustee Election: **Dr. Christa Hasenkopf, Dr. Edward Smith, and Dr. Farnaz Farhi**. The Penn State Forward platform includes commitments and initiatives to advance climate action, educational equity, student safety, and transparent governance at Penn State.

Candidate Biographies

Dr. Christa Hasenkopf ('03) is an atmospheric scientist whose career has focused on giving communities the information, resources, and institutional transparency they need to affect change. Her diverse experiences in environmental, government, education, and non-profit sectors and transparency work equip her to push forward transparent, collaborative, and fiscally responsible policies at Penn State.

Dr. Ed Smith ('06, '10) is a former Black Caucus president who built coalitions to fight for a just, safe, and culturally inclusive campus. As the co-chair of the Kresge Foundation's Equity Task Force, Ed audits their investment portfolio and manages a portfolio of grants and social investments. He will bring his background in cross-community collaboration and responsible investing to Penn State's Board of Trustees.

Dr. Farnaz Farhi ('10) is an Ob/Gyn who has spent 15 years studying sexual violence and caring for its victims and survivors. Farnaz's medical and public health expertise will enable her to champion policies that will encourage responsible oversight of Penn State's multi-hospital healthcare enterprise as a member of Penn State's Board of Trustees.

All Penn State alumni or former degree-program students are eligible to vote in the alumni trustee election, which will take place from April 10th 2022 to May 5th 2022 9 AM EST. Register to vote now by completing the form at psuforward.org/vote.

Platform Modifications

This platform has been created after review of existing research about Penn State's practices and extensive conversations with students, staff, faculty, and alumni. In alignment with our desire to move Penn State *forward*, we welcome suggestions at team@psuforward.org. And in alignment with our fourth pillar — transparent and inclusive governance — we will note platform modifications and our rationale on our last page.

Summary

We envision a Penn State where **students, staff, alumni, faculty, and community members can participate meaningfully in Penn State's institutional decision-making**. If elected to the Board, we will strive to create more transparent governance systems, not just by using our personal social media platforms to post about Board decisions, but also by **transforming the Board's processes so that the structure of governance is transparent and participatory**. We believe such a structure — which allows community members to inform our institution's decisions and trajectory — makes Penn State better.

The process of achieving such a vision is long and complex and requires sustained input from Penn State's diverse constituencies. **These ideas are thus just a starting point** — we're presenting specific steps that we will take, if elected, to work towards this ambitious goal.

These steps are grounded in our beliefs that:

- the Board's trustee appointment, nomination, and election processes should be fair
- the Board has a responsibility to proactively seek input from community members and respond to constructive criticism and feedback
- the Board should provide community members with the information they need to help inform Penn State's decision-making and strategic planning
- all types of Penn State community members should be invited to participate in institutional decision making as community citizens and as trustees

We are committed to shared governance; this platform presents our initial steps to achieving this goal and we welcome others. We want to affirm our commitment with tangible action steps while in concert exploring what various staff, faculty, community, and student constituencies envision as shared, transparent, and participatory governance — and we are committed to continuous conversations to ensure that we work towards this new, participatory type of structure together.

Board Membership

We believe that ideological and identity diversity and a wealth of different forms of professional expertise make the Board stronger. We want to **harness the wonderful diversity of and increase accountability to the Penn State community** and believe that changes to the Board's nomination, appointment, and election processes are necessary to do so.

We will **increase accountability to alumni in the Penn State alumni trustee election** by creating an independent elections commission composed of Penn State community members, including faculty, staff, and students, to oversee the election process. We will empower them to:

- ensure elections are fair, including by removing advantages for incumbent trustees — for instance, for instance, eliminating the incumbent designation when names are listed on ballots
- set election voter participation goals and create plans to increase turnout equitably
- assess and dismantle barriers to participate, both for voters and for potential alumni trustees, in alignment with the Board’s diversity goals
- educate alumni about the trustee election via outreach and online events
- perform outreach to graduating Penn State students to educate them about the importance of the Board of Trustees elections and their capacity to vote, offering them the capacity to sign up for a ballot during the subsequent election cycle

We will **increase accountability to students, staff, faculty, and Penn State community members** by pursuing the following reforms:

- make the student and faculty trustee appointment process binding — the Board should *not* retain the power to appoint a student or faculty trustee who was not nominated by student government leadership or elected by faculty
- ensure all governor-appointed trustees disclose their, their company’s, and their immediate family members’ financial or business contributions to the governor or related political action committees
- advocate for a permanent commitment from governors to reserve at least one governor-appointed-trustee seat for a student, in alignment with historical precedent
- appoint a non-voting Penn State staff member to the Board of Trustees, seeking a more ambitious goal soon: a voting staff member, selected by staff
- seek nominations from the Penn State community during the at-large trustee selection process; invite all nominees to apply via a transparent process with a published rubric and publish the names of all applicants and publicly outline the rationale for appointing each at-large trustee

And we will strive to achieve a Board of Trustees that more closely resembles the student and alumni bodies and Pennsylvania. While the recently set goal to achieve a 50% racial- and gender-diverse Board of Trustees by 2025 is a great start, we believe the Board of Trustees should **pursue more ambitious and comprehensive diversity goals**, including:

- increasing representation of women, gender-non-confirming, and gender non-binary trustees to 50% by 2030
- increasing representation of Black, Indigenous, and trustees of color to 35% by 2030
- by 2024, set goals and create a strategy to increase other forms of diversity by 2035, increasing representation of LGBTQ+ trustees, trustees with disabilities, and alumni who attended commonwealth campuses, who were international students, and/or who were first-gen, low-income (FGLI) students
- by 2024, set goals and create a strategy to increase the diversity of age amongst trustees, including the goal of having 5 trustees younger than 35 and 10 trustees younger than 50

To reach these goals, we will strive to **legitimately reform trustee appointments and election processes to increase diversity** amongst *each group* of trustees (e.g. alumni-elected, government-appointed, etc.). We will assess: Are alumni elections currently fair and equitable? How about the governor’s appointments? And the business and agricultural sector appointments? Our findings will be released publicly, and we will invite community stakeholders to participate in setting strategies to create more fair and equitable processes.

Open Records

Penn State can and should be a leader in institutional transparency. We believe that community members deserve to be equipped with information about institutional decision-making and the University’s budget and that doing so will result in more community input and greater institutional accountability.

Most public universities are subject to some form of open records law. Penn State’s Big 10 peer institutions and other public universities in Pennsylvania (Slippery Rock, Kutztown, etc.) have a legal obligation to respond to open records requests. However, because of the 2007 rewrite of Pennsylvania’s open records law, state-related institutions (Penn State, Pitt, Temple, and Lincoln) were excluded from these obligations.¹ Instead, they are required to report only the salaries of officers and directors, the highest 25 employee salaries, and information required on an IRS form 990.² This means that Penn State holds no legal obligation to respond to open records requests, including ones about decisions and issues important to the Penn State community: the COVID-19 response, sexual violence, policing, and others. So, for instance, even though the Penn State police force hold “the same authority as municipal police officers,”

¹ Pennsylvania’s Right to Know Law can be read here: <https://pafoic.org/right-to-know-law/>

² <https://www.rcfp.org/journals/news-media-and-law-winter-2012/shut-out-penn-state/>

there's no accountability to the public.³ This type of exemption is uncommon; the only other state that exempts institutions that receive state funding from open records law is Delaware.⁴

We believe that Penn State's commitment to transparency should go beyond the institution's legal obligations. **We support the development of an Open Records Officer or Office and the creation of a procedure for open records request that brings Penn State into alignment with the transparency expectations for state institutions,** while still maintaining the academic freedom of Penn State faculty. This development should be done in collaboration and with insight from Penn State community members and open records experts.

University Investments

We will pursue an ambitious strategy to **increase the level of transparency associated with Penn State's Long-Term Investment Pool (LTIP)**, including its endowment and other non-endowment assets that have similar long-term investment objectives. We will **create transparent, socially, and environmentally responsible investment guidelines and initiate divestment from fossil fuels.**

University stakeholders want detailed and consistent performance and risk information. Students, alumni, and other Penn State community members want further assurances of responsible stewardship of Penn State's investments and in some cases, have urged a shift away from industries, strategies, and countries that they find morally compromising.⁵⁶

We believe — like many Penn State community members — that the endowment holdings should match the values, mission, and programmatic commitment of the University and that transparency, consistent dialogue between trustees and community stakeholders, and the implementation of the following recommendations are essential to achieving this goal.

First, we will pursue **publishing quarterly performance review statements** to permit stakeholders to understand how the institution's assets are performing, the purposes and restrictions associated with contributions, and how investment decisions are related to

³ <https://www.nytimes.com/2011/11/17/opinion/open-the-records-at-penn-state.html>

⁴ <https://www.nfoic.org/blogs/pennsylvania-and-delaware-only-states-exempt-major-universities-open-records-laws/>

⁵ There's a long history of student, faculty, and staff calling for the University to invest in alignment with the University's values:

blackhistory.psu.edu/assets/timeline/African_American_Chronicles_SouthAfrica_1986.pdf

⁶ In recent days, universities across the country are taking steps to divest from Russia: <https://www.insidehighered.com/news/2022/03/09/colleges-cut-financial-ties-russia>

environmental and civic vitality. It would also help educate stakeholders about price levels, market depth, and fees. These statements should contain updated listing of holdings by strategy and industry and should be published at a consistent time, in an accessible online location, in a digestible format.

Second, we will work to **establish annual community forums for public discourse on the University's investments and assets**. We believe that increased transparency about the University's investments, accomplished through quarterly performance review statements, will generate important community feedback. Cross directional exchanges are important, and these forums will serve as an opportunity for the Board of Trustees and the Office of Investment to update the community on investment decisions, emerging policy and regulatory activities, and potential challenges and opportunities in the University's financial strategies, and hear and consider critical feedback, perspectives, and ideas from all stakeholders.

Third, we will work to **compile, consider, and publish community recommendations** after gaining insight via these community forums. This will ensure that the perspectives and ideas from all stakeholders are heard and codified and provide an opportunity for greater university accountability. Through these published reports, we can track trends, concerns, and ways to better support the Penn State community and embody our values, and all stakeholders can track the Board and Office of Investment's responses and progress on recommendation implementation.

One clear community recommendation is the opposition to continued investment in industries that accelerate climate change — students, scientists, and climate activists are united in this opposition. Continued investments in fossil fuels are not only in opposition to our mission of research and education,⁷ but also, they are fiscally irresponsible⁸ — that's why American University, Brown University, Columbia University, Georgetown University, Harvard University, the University of Cambridge, the University of California system, and the University of Michigan have divested from fossil fuels.⁹ As such, we support the creation of a commission to **develop a strategy to divest from fossil fuel exploration and production by 2025**.

⁷ The continued lobbying of and misinformation sowed by the fossil fuel industry means Penn State's continued support undermines our mission and core value of integrity. Read more: mitclimatecountdown.org/open-letter

⁸ ieefa.org/wp-content/uploads/2018/07/Divestment-from-Fossil-Fuels_The-Financial-Case_July-2018.pdf

⁹ <https://www.insidehighered.com/news/2021/04/28/divestment-gains-some-colleges-can-it-spread-whereoil-rules>

This Environmental, Sustainability, and Governance (ESG) commission should include trustees, students, staff, equity advocates, faculty, and staff, including those from the Office of Investment Management. The committee should develop a strategy to divest from fossil fuel exploration and production by 2025. More broadly, the ESG committee should **research and promote environmentally and socially responsible investment opportunities and create policies for future investment guidance.**

In addition, another clear recommendation is the need for increased diversity amongst those managing the University's endowment and other assets. This aligns with Penn State's mission and extends its diversity, equity, and inclusion values to cover investment activities while encouraging and challenging all universities to take concrete steps to expand the gender and racial diversity among their endowment's asset managers. Leadership by women, people of color, and the LGBTQ+ community are grossly underrepresented in the capital markets. Increasing their perspectives and judgments will not only lead to better investment decisions and returns, but it's the right thing to do. We support a **2030 goal for 30% of the University's assets to be managed by firms led by women, people of color, and the LGBTQ+ community.** In partnership with the Office of Investment Management, Trustees will explore the current composition of fund managers supervising the endowment and other assets, craft the formal pledge, and track quarterly progress toward this end.

We acknowledge the value of having a multi-billion-dollar endowment; it is crucial in providing income needed to spend on financial aid, education programs, and campus improvements. Endowment funds provide scholarship dollars for students with financial needs, allowing the University to expand student access and diversity. They help ensure that teaching and research support for faculty remains a long-term institutional priority. They support libraries, laboratories, and other facilities and operations. In light of record gains in the endowment during 2021, we recommend increasing the endowment's spending to invest more in institutional priority areas to meet institutional needs. Specifically, we call for the increase in financial aid to low-income students, particularly those attending Commonwealth campuses, to offset rising food and housing costs and the improvement of campus facilities and digital learning experiences. We **support increasing the annual spending target on income from invested assets, from 4.5% to 5% of the LTIP's five-year average market value.**