

BAILIWICK NEWS

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Who Runs Penn State?

Editor's Note by Katherine Watt

In 1971, the New University Conference produced a fascinating pamphlet called “How Penn State Rules,” including an article by Marion Delgado entitled “A University In Trust: Who Runs Penn State?” Following is a reprint of excerpts from that article.

A few minor changes in Penn State governance have been made since 1970, including the keeping of minutes of Board of Trustees meetings, some meetings being open to the public (for silent observation only), and the publication of limited information about Trustees’ financial interests and potential conflicts.

But most of the governing structures that allowed the 1970 trustees to give themselves more power than students, faculty and the Pennsylvania Legislature, are still in place, and more entrenched by an additional 50 years of rutted, habitual bureaucratic behavior and a mixture of public deference and resignation, than they were then.

In 1970, the Penn State budget was \$180 million (according to Delgado) and the total enrollment at the University Park campus and the Commonwealth campuses was about 48,000 (according to Penn State data downloaded in 2016). Today, the Penn State annual budget is \$6.5 billion and total enrollment including main campus, branch campuses, graduate students and online students, is about 97,000.

Penn State publishes an “X-chart” to show the declining proportion of the general fund provided by appropriations from state taxpayers since, coincidentally, 1970.

The X-chart is sometimes trotted out as a justification for Penn State’s refusal to comply with state laws imposed on other public institutions. For example, Penn State is exempt from the 2008 Right to Know Law and the Public Official and Employee Ethics Act. Bills introduced to bring Penn State and the other “state-related” universities (Pitt, Lincoln and Temple) into the accountability fold regularly fail to draw co-sponsors or make it out of committee. (See, for example, the 2018 Bernstine/Christiana/Maher memo, endorsed by Auditor General Eugene DePasquale).

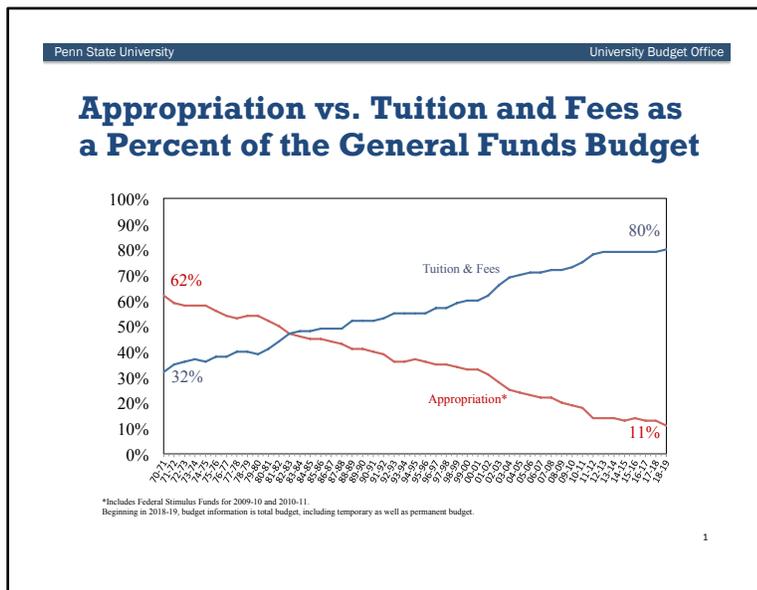
Penn State administrators post some financial data online, subject to removal at their sole discretion, and argue that since state appropriations are a decreasing proportion of overall funding, competent, *legally-enforceable* public oversight is increasingly irrelevant.

The Delgado report cited a January 1967 State Board of Education Master Plan for Higher Education, which advocated for the Pennsylvania Legislature to dissolve the Penn State Board of Trustees, convert the branch campuses to locally-controlled community colleges, and bring Penn State and the other “state-related” institutions under the control of a “Coordinating Council” composed of three representatives of each institution, with the Commissioner of Higher Education presiding.

Having re-read the Delgado report alongside the X-chart, perhaps it’s equally possible that the legislature responded to Penn State Trustees’ actions flouting public accountability to the voting public, and decided in 1970 to taper off public support for Penn State.

Bailiwick News endorses the 1967 proposals. They’re at least 50 years overdue. But if Penn State Trustees and their handpicked administrators can’t bring themselves to give up their status as protected outlaws exempt from public oversight, then *Bailiwick News* recommends the legislature discontinue public appropriations entirely and allow Penn State to become a fully private university effective with the 2019-2020 budget cycle, subject to payment, by Penn State, to the Pennsylvania Treasury, of the fair market value of all land and buildings currently owned by Penn State and acquired through more than 160 years of public investment.

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A University in Trust: Who Runs Penn State?

By Marion Delgado

(Prefatory note: The following article was written in September 1970. Since then the situation has changed very little. The Faculty Senate, as expected, is reducing itself in size and influence, as suggested by the Trustees' directive of June 10, 1970. Despite repeated requests, the Trustees refuse to make public the minutes of their meetings, the names of the agricultural and industrial societies which elect over one-third of the Board of Trustees, and the financial and corporate interests owned by each Trustee. The Trustees have slightly re-organized their working committees, but the members on them, and the functions they perform, remain virtually the same. The State Board of Education is preparing a new Master Plan, even though the Penn State Trustees ignored the last one with impunity. All in all, Penn State – the biggest corporation in Pennsylvania – continues to be run by 32 men and women, none of whom earned the consent of the governed.)

The Board of Trustees is the autonomous ruling body which governs Penn State University. Relying for their authority on the 1855 Charter of our Land-Grant institution, the Trustees view Penn State as a corporation, of which they are the corporate directors, whose business is “to educate the sons and daughters of the working classes in the useful pursuits and professions of life,” the charge laid to the original Trustees at the founding of Penn State.

During the course of this article, the disparity between the original intent of the Charter and the modern interpretation of it made by today's Trustees should become clear, as well as the way in which the Trustees are chosen, the class interests they represent, and the ends for which they use their absolute power over all aspects of Penn State life.

Before we examine the Trustees in detail, however, it may be useful to dispel the illusion that Penn State is governed by more or less democratic procedures. The most apparently democratic body is the University Senate, a group of about 200 faculty members, most of whom have tenure, which was formed in the '20's and re-formed in 1966. These Senators, elected from the various Colleges by faculty electors, meet about three times during the ten-week term for a one-afternoon session, which sometimes extends into the evening.

Originally founded to govern the academic affairs of the University – matters such as calendar and admissions policy, with which the Trustees were neither concerned nor entirely familiar – the Senate in recent years began to extend its interests into questions of Student Affairs

and the internal regulation of the University. Even though the Senate was a naturally conservative body, given the tenured status of its members, and could be easily manipulated by its chairman should it show signs of moral enthusiasm, the Trustees viewed the Senate's expansion of its powers as a threat to the Trustees' autonomy.

When the Senate proposed a liberalized visitation policy for the dorms, and (after a year of study) a University Judiciary Board, which included student members, as the Senate did during the 1969-70 school year, the Trustees reacted by vetoing the Senate's proposals. In order to forestall any future challenges to their power, the Trustees used the occasion of the transfer of the Presidency from Eric A. Walker to John W. Oswald to issue a new directive concerning University governance. This directive spelled out the powers of the President, explicitly stating that these powers were delegated to him by the Trustees and could be withdrawn at any time, and stripped the Senate of legislative power over any matter other than academic (and even in academic matters, the Trustees retained “all legal responsibility and authority to govern the University”).

This directive, dated June 10, 1970, deserves some close attention. The Trustees define themselves in the directive as “the corporate body established by the Charter with complete responsibility for the government and welfare of the University and all the interests pertaining thereto including students, faculty, staff, and alumni.”

Lest that phrasing should be misunderstood, the Trustees later make it more explicit:

“The Board has the responsibility and duty to direct all organizations and persons participating in governing the University, whether such participation be in the establishment of policies, rules and regulations, or in the administration of such policies, rules, and regulations.”

If the Senate should still possess any notions of self-determination, the narrow confines in which democracy shall reign are spelled out in a section called “The Faculty”:

“The Faculty, as appropriately organized, pursuant to delegation from the President, and subject to the revisions and orders of the President, shall establish policy concerning the approval and supervision of the instructional programs ...The Faculty shall be consulted by the President concerning ... any other matter upon the request of the President. Official

Faculty communication to the Board of Trustees shall be made through the President. The Faculty, or its representatives, shall meet periodically with the University Council to provide an opportunity for mutual exchange of ideas and advice on all matters of academic policy.”

What this paragraph says is, first, that all powers held by the Senate shall be delegated to it by the President, who derives his power from the Trustees, and who may issue “revisions and orders” to the Senate; second, that the President shall consult the Senate, or perhaps only one of its committees, when he wishes to do so or feels it politically advisable to do so; third, that the Senate may not address any resolutions directly to the Trustees, but only to its overseer, the President; fourth, that the Senate’s “representatives” may acquire the feeling of participation in University governance by discussing problems with “University Council.”

This Council, however – an *ex nihilo* creation of the Trustees, whose membership is to be made up “by the President with the advice of the Faculty and the Student Body” and will include four administrators, four Faculty, and four students, is absolutely powerless to legislate or make policy decisions, except “concerning academic program priorities within the financial resources of the University.”

The Trustees, of course, decide what the “financial resources” are at any given moment. In the unlikely event of a Faculty-student coalition being formed to outvote the Administration members of the Council, the President has the same power to make “revisions and orders” that he does with regard to Senate decisions; moreover, the Council shall act only “upon request of the President.”

Any Council subject to these restrictions is obviously not destined to become a locus of power within the University, but rather only a blind which obscures the real powerlessness of the Faculty and students over their own academic community. With regard to the Senate, the Trustees’ directive reduces it to something like a company union, or perhaps the Policemen’s Benevolent Association in New York City, in that the Senate will hereafter function primarily to protect the interests of senior faculty, and jealously guard from the students its jurisdiction over “instructional programs.”

If the relation of the Trustees to the University President needs further elucidation, we can find it spelled out in the Trustees’ directive also. The President “shall carry out all orders and directives of the Board of Trustees and shall administer all policies of the Board.” Furthermore, the Trustees reserve to themselves the right to hire and fire the President, naming as one of

their “responsibilities”: “The selection of the President of the University. This responsibility includes a commitment to judge the performance of the President, and if necessary, to remove the President.”

Moreover, the president is not only under the continual threat of dismissal from his job for failing to satisfy the Trustees, but also must give up to the Trustees three other areas for which they claim “responsibility”:

- The determination of the major goals of the University and the approval of the policies and procedures for implementation of such goals.
- The review and approval of the operating and capital budget of the University.
- Such other responsibilities as law, governmental directives or custom require the Board to act upon.

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In view of these sweeping powers, it is certainly evident that the public has reposed a grave responsibility with the Trustees of Penn State; however, if we ask what sort of men they are, we find that information on them is almost impossible to acquire. Although they are public officials, they are far from being public figures. They do not publish statements of their financial holdings, or even lists of the corporations, banks and utilities in which they have interests.

We can discover their directorships, which are published in standard business reference works, but we must realize that these positions, while earning the Trustees some money in retainers and certain sums for each meeting, do not truly show the extent of their wealth or power, which really grow out of their stock holdings and their ability to “interlock,” or arrange deals with other directors. They do not publish minutes of their meetings; instead, the minutes are microfilmed and locked up in the office of Paulyne Fisher, Supervisor of Administrative Records, 2038 Old Main, where they may not be inspected except by order of the President of the University.

In a recent court case, the minutes of the Trustee meeting which established the Woodside Panel were subpoenaed; the minutes contained only notations of the members present and the conclusions arrived at, which was public knowledge. Either the subpoenaed minutes were not authentic, or the Trustees avoid having minutes taken that show which Trustee is the sponsor or advocate of which policy, what votes were taken, etc. — in either case, the public is kept in the dark about the formulation of the policies which control their destinies.

The *Centre Daily Times* has for years advocated that Trustee meetings be opened to the public, but the Trustees are still meeting in closed session, generally in Pittsburgh, far away from State College or any University campus. There is some talk of permitting student observers to attend meetings, but the effect of such a “victory” would be merely to force the Trustees to agree on their decisions in private, before their meetings, and then go through a show of voting in front of the students. We do not expect them to allow student observers, or hold open meetings, or disclose their financial holdings; but we must ask, if they refuse to do these things, what is it that they are trying to hide?

This secrecy is all the more grave when we consider that the Trustees are responsible for administering the spending of about \$180 million per year, most of it State and Federal money. There are well over 40,000 students and faculty at University Park and its branch campuses, and many more Pennsylvanians whose lives are directly affected by the expenditures and the policies chosen by the Trustees of Penn State.

We have seen that all real power at Penn State is vested in the Trustees, and from them delegated to the President, rather than rising in any democratic fashion either from the taxpayers of Pennsylvania or from the student-faculty community.

Over all these citizens rules a Board composed of no more than thirty-two men and women; within that thirty-two a handful are vastly more powerful than the others by virtue of the positions they hold in American industry. We shall here examine fifteen of the most powerful, who together total 202 years as Trustees, which is an average of 13.5 for each. Whether their background qualifies them to rule over an intellectual community, whether, in the light of their other interests, they could govern impartially and apolitically, or spend State money without seeking to advance their own fortunes, whether, perhaps, it is time to call for the abolition of the Board of Trustees and the formation of a truly democratic system of University governance: these are questions of absolute importance for the future of the University and the State.

The information which follows should be useful in formulating the answers to these questions...

[See the original document for detailed biographies of the Trustees in office in 1971, identifying their corporate leadership positions in finance, steel production, manufacturing, defense, mining, agriculture, media, etc.]

...As the Delegates from Agricultural and Industrial Societies arrived on campus and registered for the Trustee elections in June 1967, they were each handed

a four-page pamphlet entitled “The Freedom of Colleges and Universities – A statement by Roger W. Rowland, President of the Board of Trustees.” The pamphlet opens by referring to the Land-Grant charter, in which Penn State’s purpose is described as: “to educate the sons and daughters of the working classes in the useful pursuits and professions of life, and further, to take education to the people at times and places convenient to them.”

Rowland takes this idea of taking it to the people to explain the genesis of the Commonwealth Campus system of growth used by Penn State, which so far has about 18 “centers” around Pennsylvania. Those centers accept students on Penn State’s own highly competitive admissions standards, train the students for two years in a program designed specifically to meet University Park requirements, and then transfer them to the parent institution as upperclassmen.

This system takes the strain of educating freshmen and sophomores off University Park, which then is able to use its sophisticated research facilities for upperclassmen, graduates and faculty alone, yet does not lose, for Penn State, the high revenues which thousands of first- and second-year students bring in.

That the centers belonging to Penn State reflect the parent institution’s priorities is clear: in 1967, for example, Penn State’s centers offered 60 programs in “Engineering Technologies,” 13 in Business, 2 in Liberal Arts, and 1 in Forestry.

The centers have caused considerable friction in Pennsylvania’s educational planning, especially when they are compared to the Community College system, which is becoming increasingly popular. Some of the differences may be seen in the following:

The community college attempts to be comprehensive in its offerings, ready with a program for any community need. The centers, more closely attuned to the parent institution than to the community, tend to concentrate on programs which represent the major field of interest on the main campus. The signal differences in administration are central control (centers) vs. local control (community colleges) and high selectivity in initial admissions (centers) vs. admission by high school diploma (community colleges).

The community college shares with the State on an equal basis the cost of development of a community college, except for whatever federal funds are provided. Costs of operations are about equally divided among the state, the sponsoring community, and the student. The developmental costs of off-campus university centers have been borne by local fund drives and gifts of land and money in the past, but are likely to be almost

wholly supported by the state in the future. Operating costs have been fully State-supported except for tuition, with no contribution from the community.

We do not want to debate the relative merits of centers vs. community colleges, but simply point out that one (the community college) is designed to give a liberal and vocational education to students from a community and return them to that community to find employment, while the other is meant to take them eventually to Penn State, where they become researchers or technicians. Once at Penn State, they are headed for the professional classes of society, and unlikely to return to the community upon graduation, but rather to find employment with large corporations. The “center” system is important in Penn State’s overall design, and the Trustees are willing to fight for it, as Rowland’s pamphlet clearly shows.

Rowland is replying to changes proposed by the State Board of Education in its Master Plan for Higher Education in Pennsylvania, prepared in January 1967. In that plan, the board tried to prevent the development of Penn State’s Delaware Campus, since there was already in operation the Community College of Delaware County in the same area. The Trustees put in the Delaware campus in spite of the opposition, as Rowland admits in his pamphlet:

Some of our critics claim that we defied the State Council of Higher Education in putting a campus in Delaware County. This is completely untrue. We did not, and we could not, because the State Council by itself has no power to say where branch campuses will be put and where they will not be put...The State Council was founded to produce a Master Plan for Higher Education in the Commonwealth and also to do what it could to establish a system of community colleges. The group was not enjoined to abolish branch campuses or do anything to inhibit the growth of universities. The State Council does not have that power... (The State Board of Education) should not control education within the State. The strength of American education is in the initiative of the individual colleges and their ability to try and to experiment. Its strength is in the lack of control by Federal and State Government — and we ought to keep it that way.

In the Horatio Alger spirit of this pamphlet, the “freedom” of universities is really the power of the Trustees to defy any authority other than their own: “we believe that Penn State and the Commonwealth also need branches of the Pennsylvania State University despite the State Council’s opinion to the contrary.”

Unfortunately for Rowland, the State requested a full investigation and report from a private firm in New York, mainly because of Penn State’s resistance to the Master Plan. This report, “Off-Campus Centers in Pennsylvania,” also known as the Heald-Hobson report, supports the Master Plan, and recommends that most of Penn State’s branch campuses be closed or converted into Community Colleges.

The crux of the matter is, as always, in the matter of support vs. control. The Trustees would like to see the State support Penn State’s off-campus centers, or, failing that, at least not have to compete with the state’s Community Colleges for students; since Penn State receives a per capita allowance for its operating expenses, losing the off-campus centers would mean losing both the State allowance and the tuition from about 15,000 students. But the Trustees would also like the “freedom” of which Rowland speaks.

What State control might mean to the Trustees becomes clearer when we examine more closely the State Board’s Master Plan: it proposes

- (1) that “centers” become community colleges with a policy of open admissions and free tuition for the poor;
- (2) creation of a system of State Colleges, much like California’s, for normal four-year degrees, and
- (3) make Pitt, Temple, and Penn State the centers of upper-class, graduate, professional, and continuing education, called the “Commonwealth Universities.”

The community colleges would be controlled locally, the State Colleges by professional educators nominated by the State Board of Education and appointed by the Governor, the Commonwealth Universities by a Coordinating Council composed of three representatives of each institution, with the Commissioner of Higher Education presiding.

As Penn State’s Trustees must have noticed, they are either left out of the Master Plan entirely, or made subservient to a Coordinating Council, either of which plan would be intolerable to them. No doubt this fact also motivates their quest for “freedom.” And the refusal of Penn State’s Trustees to cooperate with the State may have had more than a little to do with the Legislature’s long refusal to pick up the tab for University operating expenses in 1969-70.

The Master Plan, which was authorized by the Legislature on June 17, 1963 (Public Law 143, Act 94) was published in January 1967. Having seen an advance copy, the Trustees published a reply to the

Master Plan on October 7, 1966, which, like Rowland's later statement, is at once defensive and self-righteous.

The main body of the reply follows:

The Board of Trustees did not create these campuses as, and does not consider them to be, appendages, much less independent, self-sufficient units of the University. They have been, are, and will continue to be integral parts of the whole educational program offered by the University.

Legal title to all campuses is held by the University...The University does not consider that it has pre-empted or has prior rights to any program or geographic area – it does not believe it or any group can – and most important, it does not believe that it or any group should.

It would be a breach of good faith for the University to abandon or dissolve these fine programs as a result of pressure or to gain any advantage, more apparent than real, by cooperating in a plan to which it does not subscribe.

A few years ago the University was asked to stop the clock of progress for its educational program. Now it is being asked to turn it back. It does not plan to do either.

Aside from the distortions of fact in both Rowland's (Penn State did defy the State Council of Higher Education and the State Board of Education, and refusal to recognize their authority does not deny the fact) and the Trustees' statements (it would not be a "breach of good faith" to cooperate with the State, which supplies the operating funds of the University, nor represent "a turning back of the clock of progress" to do

away with a Trustee system set up in 1862 in favor of a plan based on the needs of 1970), the most striking detail of these statements is the note of unregenerate egotism, learned through years of "freedom" as corporate managers.

For Howland, the strength of America (and its colleges) rests on the "initiative of the individual" despite the trend toward monopoly capitalism in the economy and monopoly universities in Pennsylvania's educational system, and despite the high number of Trustees who rode to their present positions on their father's coattails.

For the Trustees, who refer to themselves in their statement as "the University," the State of Pennsylvania is nothing more than "any other group" which does not have prior rights to "any program or geographic area."

The state of Pennsylvania is not the most progressive organ, and, as we have seen in the case of California, a State Legislature can be badly misled by a conservative governor. But the State's efforts to bring the Trustees under control – or abolish them altogether – ought to be applauded and supported by every person who has correctly perceived the nature of present University governance.

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