



FINANCE & BUSINESS

QUALITY SERVICE. QUALITY PEOPLE.

November/December 2006

Investments, Endowment in Good Shape, Says Executive Director Branigan

At the September 15 Board of Trustees meeting, David Branigan, executive director of Investment Management, shared what many in the audience already knew: fiscal year 2006 was a good year for the University's endowment, which reached an all-time high of \$1.4 billion.

He also explained that the strong return on the University's investments—13.9 percent—places Penn State in the same league as a number of other educational institutions, many of which have larger endowments and larger investment staffs than we do. "We feel pretty good about how we're doing compared with that group," he said after his presentation.

Dave attributes much of the endowment's growth to "alternative assets," which are primarily limited partnership entities that invest in venture capital and private equity. These assets "have done extremely well the last few years," he says. "We have a sizable allocation in our endowment to these particular types of investments, actually more than most schools," he points out, adding that the University also invests in high-performing energy and natural resource funds.

The ultimate goal of the endowment, Dave says, is to provide a revenue stream to support the University's mission—and its students. He describes the endowment

Jason Bush Receives 2006 F&B Quality Service, Quality People Award



2006 Quality Service, Quality People Award winner Jason Bush.

Jason Bush, director of Business and Finance at Penn State New Kensington, received the 2006 Quality Service, Quality People Award at a ceremony held December 15 at The Nittany Lion Inn.

Several of Jason's colleagues at Penn State New Kensington submitted nomination letters filled with examples of his sound business sense and down-to-earth management style. Many noted that his careful stewardship of University funds and genuine concern for his staff have been key to ensuring the campus'

vitality at a time of budget cuts and other financial challenges. Larry Pollock, chancellor of Penn State New Kensington, praised Jason's "integrity, energy, and competency," describing him as an "exceptional" administrator. Under Jason's leadership, his colleagues say, the budget stays balanced—and the staff stays engaged, motivated, and inspired.

as "very much a student-oriented fund" because the revenue it generates supports scholarships, fellowships, and other programs, and does so in a way "that keeps pace with inflation every year." That's important, because the funds invested today will need to grow to support future initiatives. Dave speaks of the challenges of providing "enough program support, or spending, to the current students but not at the expense of future students, and vice versa," a process he describes as "a balancing act."

To meet the University's current and future needs,



As I See It . . .

Gary C. Schultz
Senior Vice President for
Finance & Business/Treasurer

It's been a good year for Penn State. As Dave Branigan reported to the Board of Trustees, our endowment is at an all-time high, and the University's funds are being carefully managed so that they continue to provide support for years to come.

Each one of us is a steward of these resources—and it's up to each and every one of us to do our share to

protect them for future generations. We have taken proactive steps to streamline and simplify many procedures at the University—from assigning student housing to making travel reservations. By taking these processes online, we're saving time—and money.

We can all find ways to work harder and smarter. I'd like each of you to think about steps you or your department can take to save money. The University's continued financial vitality is in your hands.

Jason Bush Receives Award

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Patricia Brady, director of enrollment at Penn State New Kensington, wrote that "Jason repeatedly gives us training opportunities to educate us on our budgets—both in terms of how much money we have, and more importantly, how we can manage those limited funds... Jason has found every possible way to balance our budget while at the same time not laying off one staff member."

Edward Lenz, a technical service employee who has worked under Jason's supervision for almost 10 years, praised Jason's "consistent coolness under fire," adding, "He always treats everyone with equality and respect and appreciation." Jason's commitment to quality service and quality people was echoed by his assistant, Barbara Smith, who said, "Jason has a way of making those he supervises feel valued and appreciated... He often asks for suggestions and ideas and listens to and evaluates everyone's contribution."

Jason earned a bachelor's degree in marketing from Penn State in 1993. He worked for his family's construction company, Glenn Bush General Contracting, for 12 years and began his career at Penn State New Kensington in 1998, serving first as assistant Financial Officer and then as assistant director of Business and Finance. He was appointed director of Business and Finance in 2001.

Jason lives in North Apollo, PA, with his wife, Dara, who is a manager for Howard Hanna Real Estate Services, and their three children, ages 3, 5, and 16.

Penn State Behrend Provides Lodging for Grieving OSU Students

Twenty-five Ohio State University students who traveled to Erie for the funeral of a classmate received a warm welcome in Penn State Behrend residence halls. Housing and Food Services staff at Behrend set up guest apartments for the visiting students: they stocked the refrigerators with beverages and food; set up bunk beds; and gathered linens, blankets, and towels for each guest. They worked quickly and efficiently to ensure that the OSU students felt welcome and cared for during their overnight stay.

Investments, Endowment

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Dave and his investment team have built what he calls an "all-weather" portfolio, which protects the endowment against inflation and the vagaries of the stock market. The strategy has paid off. Dave says that even when the market hits a rough patch, as it did in 2000, the endowment is still able to provide "a steady, consistent stream of revenue."

"That's ultimately what this is all about," he says. In 2000, the people and programs at Penn State that rely on endowment funds "were not impacted at all by the downturn in the market, which is the way it's supposed to work," he says. "We protect against those kinds of situations."

Plans for Law School Building at University Park

In September, the Board of Trustees approved plans for a Dickinson School of Law building at University Park. The new building will be located in space previously occupied by Lot 83.

The New York-based firm of Polshek Partnership Architects designed the building, which will meet the guidelines established by the Leadership in Energy and Environmental Design



South view of proposed Dickinson School of Law building.

(LEED) Green Building Rating System. A new parking lot with space for 350 cars will be constructed east of the building.

The plans unveiled at the Board of Trustees meeting call for an outdoor courtyard, classrooms, a café, a 50-seat courtroom, and a 250-seat auditorium. Faculty offices, common areas, and interview, seminar, and study rooms will also occupy space in the building. About half of the building will be devoted to library facilities.

Construction on the new building is scheduled to begin in January 2007 and will be complete by January 2009.

F&B Employees Recognized for Crisis-Management Skills

Two University Police officers and three Housing, Food Services, and Residence Life staffers were recently recognized for their brave efforts during the standoff that took place in Nittany Apartments on October 21.

Officers John A. Torres and William E. Wagner received Performance Recognition Certificates from University Police. Steve Shelow, director of University Police, praised their "heroic actions, quick thinking, and tactically sound

In Memoriam: Robert Patterson, Senior Vice President and Treasurer Emeritus

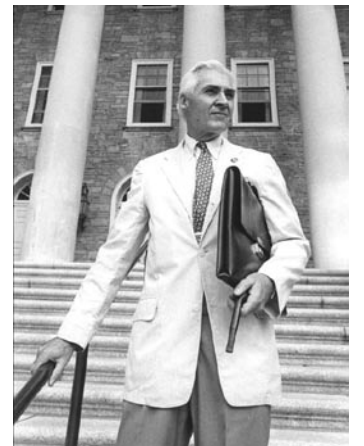
Robert Patterson, senior vice president for finance and operations and treasurer emeritus, died on October 20 at the age of 88.

During his tenure at Penn State, Bob oversaw housing and food services, physical plant, human resources, and the airport, and was responsible for all of the University's cash management and debt financing matters. He also managed all University investments from 1968 to 1984.

Bob received several awards from the University, including an Honorary Alumnus Award in 1985 and the John Wilkinson Award for Administrative Excellence in 1983. He was

a member of the University's internal Investment Committee and served on the board of directors for the Penn State Research Corporation and the University Investment Council. In 2003, a building in the White Course Apartments graduate housing community was named in his honor.

Bob is survived by his wife of 67 years, Nancy; a daughter, Anne Alexiou; and a granddaughter, Emily Raba. A dearly beloved daughter, Carol, predeceased him.



Bob Patterson on Old Main steps.

Diversity Mentoring Program Welcomes Class of 2006–2007

The 2006–2007 class of mentors and mentees got to know each other better during a morning training session at the Bryce Jordan Center on October 26. The graduating class of 2005–2006 then joined the new mentors and mentees for lunch before receiving their diplomas.



Left: Mentor Mark Bodenschatz and mentee Maurice Freeman; below: Gary Schultz with graduating mentee Juanita Bowser.



Financial Officers Participate in Day of Caring

On October 5, a group of University Financial Officers helped groom the gardens at the Centre Furnace Mansion as part of the United Way's Day of Caring.



Back row, from left: Janice Pearce, Brian Mauersberg, Larry Bell, and Susan Sampsell. Front row, from left: Bonnie Hampton, Carla Rossi, Debbie Meder, and Lesley Maalouf.

Finance & Business

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Story Ideas? Comments?

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