

Full response from Penn State President Neeli Bendapudi

Spotlight PA asked to interview President Bendapudi twice before publishing this story: once in July for a general interview, and again in September for this profile. The university declined both times.

About two weeks before publishing this article, Spotlight PA sent a detailed list of the story's findings to President Bendapudi through the Penn State Office of Strategic Communications and offered a final chance for comment.

Bendapudi's responses — provided by the communication's office — are shown below in blue italics.

Good afternoon,

As previously discussed, Spotlight PA is planning to publish a profile of Penn State President Neeli Bendapudi and her leadership, specifically during her time as president of the University of Louisville.

For this story, we spoke with individuals who worked with Bendapudi, as well as reviewed board meeting minutes, internal emails, and lawsuits.

As we near the end of the reporting process, we are providing Penn State the opportunity to respond to any or all of the findings we plan to publish.

If you are interested, please provide a response by Thursday, Oct. 20, 2022 at 4 p.m. ET.

- Raised in Andhra Pradesh, Bendapudi has previously spoken about being told as a child that her parents/family was being punished because there were no sons. She has said such statements formed a chip on her shoulder.

To clarify, it is not about punishment as much as about social norms. In India, as well as in several other countries, having sons is traditionally viewed as preferable over having daughters for a variety of reasons. For example, a proverb is "abaddalu aadithe ammayilu pudathaaru," which translates as, "If you tell lies, you will have daughters." Growing up at that time and place in a family with three daughters and no sons and being made very aware of this social construct had an impact on me and has served as motivation in my personal and professional life.

- She received her doctorate from the University of Kansas, a school her father attended, and taught at Texas A&M and the Ohio State University before returning to

Kansas as business school dean. She later served as provost and executive vice chancellor. In Lawrence, she was celebrated as a “prolific fundraiser.”

- Bendapudi has talked openly and regularly about the lack of diversity in academic leadership, the perils of the “glass cliff” for non-normative leaders, the “nobility of business,” her history as a “recovering banker,” and the importance of anti-racism work such as that of Ibram X. Kendi. She promoted a “culture of openness” at the university and gave out her personal cellphone number to students, a practice she began at Kansas. At one point, she explained this practice as promoting accountability throughout the university.

From my experience in business and as a faculty member who has studied businesses, I believe that they can and should, and indeed most do, do good. And I see every day that businesses — from Fortune 500 corporations to local mom-and-pops — are enriching our lives in many ways beyond the goods and services they provide.

Regarding accountability, as a leader, I am responsible for the success of the organization but every single employee — faculty and staff alike — plays a role in achieving that success. And it's important to me that I am accountable and at the same time can count on everyone who has a career at Penn State to be working toward the university's success.

- Bendapudi and her chief of staff, Michael Wade Smith, have a close working relationship. Smith has served in the same role at other universities under Bendapudi. The two met at a Kansas alumni event. Smith has regularly been tapped to create or implement Bendapudi's plans, despite their apparent differences (voting history, age gap, and backgrounds).

It's no secret that Michael and I are different in many ways, but distinctions in experience and perspective make our professional relationship more effective. Differences in opinion are vital among senior leaders and advisers, as they foster compromise and creativity and help us find better solutions to vexing challenges. I want to be surrounded by people who cause me to think differently — who approach problems differently — and this is especially important at an organization like Penn State that has such diverse interests in its operations and people.

- Bendapudi's experience in the business world — a leadership role at Huntington National Bank and service on the boards of Sheetz, Fred's, and Lancaster Colony — made her a strong candidate for the presidency at Louisville, and later at Penn State. In Kentucky, she lobbied the university and its trustees to purchase health care assets from KentuckyOne Health. The deal meant taking on a more than \$300 million payroll and more than 5,500 employees. Closing the deal relied on a partially forgivable \$50 million loan from the state, which was later reduced to \$35 million. Roughly a year after the acquisition, the hospital system was turning a profit.

The health care services provided by KentuckyOne Health were a vital safety net to so many in the region, and we had a moral obligation as a university to do what we could to maintain those services and a viable path to do so. I'm so thankful that the board agreed and took on that risk, which has allowed the hospital system to continue providing care to the community.

- Bendapudi arrived as the president of Louisville at a time when the university was facing significant challenges, including a lawsuit against a former president for allegedly mismanaging funds, NCAA sanctions related to the university men's basketball team, low faculty morale, and budget constraints, which resulted in budget cuts and a tuition increase. In the opening months of her presidency, Bendapudi oversaw the decision to remove "Papa John's" from the name of the football stadium following John Schnatter's use of a racial slur on a conference call. Schnatter had been a wealthy donor and a trustee.

I am truly proud of my time at Louisville and what we accomplished there. I was surrounded by an excellent team. Universities are very complex organizations, with huge operations and interests stemming from a core mission. As a university president, this complexity produces unique challenges, and no solutions make everyone happy. My focus was on the goals of the university, which I was committed to upholding, and I approached my decisions based on how to move the institution forward and keep it thriving.

- Following the police killing of Breonna Taylor, members of the Louisville campus community wanted the University of Louisville to take strong action, specifically for campus police to cut ties with the city police department. Bendapudi declined this request. She later announced the "Cardinal Anti-Racist Agenda" (CARA) to make Louisville "the premier anti-racist metropolitan research university in the country."

The killing of Breonna Taylor by police was an atrocity that tragically brought this national issue into Louisville, and it was very painful for all of us, but particularly for the Black community. It is clear that there are reforms that need to be made in policing, but partnerships with local law enforcement are necessary to keep campuses safe. Further, the majority of students on most large university campuses do not live on campus. Dissolving the university's relationship with the Louisville Police would have ultimately made the campus less safe and eliminated our ability to impact student safety beyond the campus border.

- The CARA announcement received significant praise and support, with some calling it courageous. Members of the Louisville faculty were tapped that summer to develop the plan in a matter of months to present to the board of trustees. The group missed their September deadline. Nearly a year after the initial announcement, the university said CARA was in "the final stages of development."
- Some faculty soured on the promise or potential of CARA, wondering if it was a marketing move that lacked substance or commitment. "It's a report that sits on a shelf," one faculty member told us. Some members of the campus community were concerned about the lack of accountability for leaders implementing the plan. They wanted more than lip service, they said, and financial support. Some people of color said they did not feel supported or that their concerns would be taken seriously if reported. Others in the community, however, believe Bendapudi did not have the institutional support or the time (given her departure in 2021) to fully implement CARA.

I am completely committed to the principles of diversity, equity and inclusion in our universities; that was the case for more than 25 years before I arrived at Louisville and is still true here at

Penn State. There are core, measurable objectives in making these values a reality: the creation of support programs for students, raising the graduation rates of students of color, increasing the representation of individuals from underrepresented groups in our faculty and staff — and making available opportunities for their growth and development — and many more. Working toward these objectives and using data and metrics to track our success, I believe, is the most effective way to truly accomplish DEI goals, and that is where I remain focused in this area.

There are very few tools we have as leaders of public institutions to make significant change. One tool is proclaiming a bold stance. In setting the bold goal with CARA to become “a premier anti-racist university,” I chose to plant that flag aligned with the values and future of the institution. Building the agenda was a multifaceted and challenging process. When the CARA group asked for more time to fully develop their plan and recommendations, I understood that need and agreed that pushing the deadline was the best option in order to allow the group the time they required to do it right and get the program started on the best possible footing.

- Bendapudi’s sudden departure from the University of Louisville in December 2021 stirred debates about her legacy, commitment, and motivations. She had been offered a five-year contract extension at Louisville months earlier and Bendapudi has since said she initially declined Penn State’s offer to become president. Her departure from Kentucky caught many off guard. Some wondered if she was a “huckster.”

Early on during the interview and hiring process, I was not interested as I was very invested and engaged at Louisville, however I am glad I continued the conversation with the Board. The more I learned about Penn State — its mission, scale and reach; 24-campus model; land-grant mission; its more than 700,000 alumni; and the impact of the research being conducted here — I quickly came to the realization that there is no better place for me. I am thrilled to be here and wholly dedicated to strengthening this great university for its students, employees, alumni and the commonwealth.

- Bendapudi faced and is facing similar challenges in her early months at Penn State, compared to Louisville. She is the first woman and first person of color to hold the role. She stepped into a campus controversy receiving national attention with the proposed firing of Oliver Baker. The university is facing a \$127 million budget deficit. The university is falling in national rankings. Faculty morale is low. However, Bendapudi has said she plans to retire from Penn State.

It is important to note that we are not simply responding to short-term issues, but rather we are building long-term solutions to significant issues faced by public institutions of higher learning across the country. These solutions — a new budget model, an enhanced enrollment focus, leadership changes, and more — will ultimately better position Penn State to thrive in the decades to come. This university has a significant positive impact on the world, both through the accomplishments of our alumni and the research of our faculty focused on solving the most pressing problems. As president, one of my highest priorities is to advance excellence for all Penn Staters and to create opportunities for students, faculty and staff to thrive. It will take hard

work, but I firmly believe that together we can be successful in making Penn State an even more impactful institution in the betterment of society.

- Bendapudi is named in two ongoing lawsuits alleging retaliation during her time leading Louisville. The first, filed in 2019 by Allan Josephson, claims Bendapudi was “aware of the retaliatory and unconstitutional actions” reportedly taken against him after comments he made during an off-campus panel discussion hosted by a conservative think tank. Josephson claims the university knowingly violated his First Amendment right to free speech.
- The second, filed in 2022 by Amy Shoemaker, claims Bendapudi and Smith orchestrated a retaliation scheme against a university lawyer after she reported possible extortion to law enforcement. The lawsuit claims Bendapudi was upset over involving law enforcement because of possible negative publicity. In an alleged phone call between Smith and the plaintiff, Smith allegedly told Shoemaker, “Bendapudi is the university.” Weeks after, Bendapudi allegedly told the plaintiff “You cannot trust the FBI!”

It would be inappropriate to comment publicly on any specific litigation. However, as I have said before, my commitment to ethical conduct and treating people the right way has been unwavering throughout my career. The teams I have built at multiple institutions reflect these bedrock values. I have and will continue to lead with integrity and have complete confidence in my senior vice president and chief of staff to do the same.

- In an internal memo sent to Penn State trustees, which we obtained, Bendapudi denied the lawsuit’s claims. She also told the trustees she hoped they would not comment to any media about the lawsuit.

As I noted, it is the university’s typical practice not to comment on pending litigation. My message to the Board of Trustees was intended to be a privileged reassurance and a reminder of Penn State’s usual approach to public comments on lawsuits.