Minutes of the Meeting of the Executive Committee of the
Trustees of the University of Pennsylvania
September 20, 2001

A meeting of the Executive Committee of the Trustees of the University of Pennsylvania was convened at 2:25 p.m., on Thursday, September 20, 2001, in the Regent/St. Marks Room, Inn at Penn, 3600 Sansom Street.

Trustees present were: Christopher Browne, Gilbert Casellas, John Clark, Natalie Koether (via conference call), Andrea Mitchell (via conference call), James Riepe (chair), Judith Rodin (ex officio), Leonard Shapiro, Alvin Shoemaker, and Michael Tarnopol (via conference call). Others present were: Robert Barchi, Robin Beck, Steve Brauntach, Craig Carnaroli, Kimberly Hoover, Leslie Laird Kruhly, Margaret Ann Morris, Susan Phillips, Judith Krieger Rogers, Arthur Rubenstein, and Wendy White.

I. Call to Order—Mr. James Riepe

  A. The minutes of the meeting of May 17, 2001, were approved as previously distributed.

II. President’s Report—Dr. Judith Rodin

  A. Comments

    Dr. Rodin lamented the events of September 11th, which have filled us all with shock, anger, anxiety, and despair and probably any number of other emotions. The University has been an extraordinary comfort to the community as it came together to mourn, to pray publicly and privately, to volunteer and donate, and to give counsel. Comfort can be found in the fact that the value of community is paramount when terrible things befall us. The students were responsible and compassionate; the senior management responded thoughtfully and diligently to every aspect of the crisis, from increasing security to providing counseling services. The entire campus community was well served by the dedication and leadership of everyone—faculty, students, and staff alike.

    Dr. Rodin then reported on the successful conclusion of two dean searches. Dr. Arthur Rubenstein, formerly of Mt. Sinai School of Medicine, has been named Executive Vice President of the University for the Health System and Dean of the School of Medicine. Dr. Rubenstein is an internationally prominent endocrinologist recognized for clinical expertise and groundbreaking research in diabetes, as well as for inspired teaching. He has been a member of the Institute of Medicine since 1985 and is a fellow of the American Association for the Advancement of Science and the American Academy of Arts & Sciences. He also has led the Association of American Physicians, the American Board of Internal Medicine, and the Association of Professors of Medicine. Dr. Afaf Meleis has been named Dean of the School of
Nursing. Dr. Meleis, joining the University from the University of California, San Francisco, will begin her position in January 2002. Dr. Meleis enjoys an international reputation both as a nurse and as a medical sociologist. She has tremendous vision and will do great things for Penn Nursing. The University community is grateful to Dr. Arthur Asbury for serving as interim dean in the School of Medicine and to Dr. Neville Strumpf for serving as interim dean in the School of Nursing. Drs. Asbury and Strumpf are to be commended for being great Penn citizens and moving their respective schools forward during a time of transition while at the same time continuing their own important work.

Dr. Rodin then announced the formal appointment of Dr. Richard Gelles, the Joanne T. and Raymond H. Welsh Professor in Child Welfare and Family Violence, as the interim dean of the School of Social Work, filling the position vacated by Ira Schwartz. Dr. Gelles is a very able scientist and the University is grateful that he will take on the interim leadership of the school.

Dr. Rodin then reported on the new Penn-assisted pre-K through 8 school. Last week, the University welcomed the finest first-year classes in its history—the undergraduates and the kindergarten and first-grade students. As the construction is completed, the other grades will be phased in. The grade school students are remarkably diverse, both ethnically and nationally, with children from nineteen different countries. Dr. Rodin believes this is phenomenal—a microcosm of what the University tries to create on campus. The new school is a great source of pride and represents a tremendous success in the West Philadelphia community and for the Philadelphia School District.

Dr. Rodin then noted that the new Graduate Student Center recently opened on Locust Walk. Students are already using this outstanding space as a center to meet, relax, and make connections. The official opening of the center will take place in October, accompanied by a week of inaugural activities.

Dr. Rodin then presented the following resolutions for approval by the Trustees.

Action………..1. A Resolution of Appreciation for Peter C. Erichsen, Esq. was approved as follows:

As Vice President and General Counsel for the University of Pennsylvania and the University of Pennsylvania Health System, Peter C. Erichsen, Esq. has graced our community with a rare blend of leadership, strategic planning, intellectual acumen, and sound advice.

As a leader and strategic planner, Mr. Erichsen took a group of top-flight legal professionals and turned them into a unified and winning team that is truly a model for what a university’s Office of General Counsel—or any legal office—should be.

Mr. Erichsen also helped to steer the university through wrenching challenges, ordeals, and crises. He and his team certainly played a pivotal role in nursing the Health System back to financial recovery, and he oversaw Penn’s legal response to the tragic death of Jesse Gelsinger with unimpeachable integrity and humanity.
A graduate of Harvard Law School, Peter Erichsen came to Penn with impressive and impeccable credentials, having served in the Clinton administration as Deputy Assistant Attorney General and as Associate Counsel to the President of the United States.

At Penn, Mr. Erichsen more than lived up to his advance billing as a first-rate legal mind and leader, and we anticipate that all the great things he will accomplish for the Getty Trusts will advance a noble mission and reflect on the University he has served so honorably and so well these past four years.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves, the overseers, administration, faculty, students, and alumni of the University, convey their gratitude to Peter C. Erichsen for his stellar, selfless, and steady leadership and support to make Penn a great University that embodies the same integrity, decency, and compassion he brought to work every day.

Action………..2. A Resolution of Appreciation for Ira M. Schwartz was approved as follows:

During the past eight years, Dr. Ira Schwartz’s unique blend of leadership and scholarship has turned the School of Social Work into an academic success story. An exceptional dean and a national leader and advocate for child welfare, he has breathed new life into the school of social work and positioned it as a leader in social work education, service, and research. The excellent faculty—many of whom he recruited—have engaged in groundbreaking research while educating their students to be social workers that have the ability to meet the challenges of this demanding and dynamic profession around the world. Under his stewardship, the School of Social Work has experienced a significant rise in both popular and academic scholarly rankings and is now one of the most respected and influential schools of social work in the country. The School’s endowment rose from $1 million to more than $11 million, and the volume of externally-funded research has catapulted. The boost in research funding was due in large part to the Center for the Study of Youth Policy, which Ira brought to Penn from the University of Michigan.

Given Dr. Schwartz’s commitment to research and his passion for social justice, it is no surprise that he was instrumental in launching three new multidisciplinary research centers: The Social Work Mental Health Research Center, The Cartographic Modeling Lab, and The Center for Children’s Policy Practice and Research. Through the important and life-affecting work of the School and its research centers, the School has become a recognized resource to community group agencies and institutions on the local, national and international scale.

With gratitude for Dr. Schwartz’s many outstanding contributions to the University of Pennsylvania, the School of Social Work and communities reaching well beyond the boundaries of this campus and Commonwealth, it is…
RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves, the overseers, administration, faculty, students, and alumni of the University, convey their gratitude to Dr. Ira M. Schwartz for his magnificent leadership of the School of Social Work. While we are saddened by his departure, we cannot help but be proud of his post as provost of Temple University, and we are pleased that he will remain in Philadelphia to serve one of our community’s important institutions.

Action………..3. A Resolution on Appointment of Arthur H. Rubenstein, M.B., B.Ch. as Executive Vice President of the University of Pennsylvania for the Health System, as Dean of the School of Medicine, and to the University of Pennsylvania Health System Trustee Board was approved as follows:

RESOLVED, that Arthur H. Rubenstein, M.B., B.Ch., be appointed as Executive Vice President of the University of Pennsylvania for the Health System, as Dean of the School of Medicine, and to the University of Pennsylvania Health System Trustee Board and to the Health System Trustee Board Executive Committee. Dr. Rubenstein’s appointment to the University of Pennsylvania Health System Trustee Board and to the Health System Trustee Board Executive Committee will be for a three-year term. All appointments are effective September 20, 2001.

Dr. Arthur H. Rubenstein is an internationally-prominent endocrinologist recognized for clinical expertise and groundbreaking research in diabetes, as well as for inspired teaching. From 1997 to 2001, Dr. Rubenstein served as Dean and Gustave L. Levy Distinguished Professor at the Mount Sinai School of Medicine. Prior to that, he was the Lowell T. Coggeshall Distinguished Service Professor of Medical Sciences and Chairman of the Department of Medicine at the University of Chicago Pritzker School of Medicine.

Dr. Rubenstein has, during his career, served in numerous professional leadership positions. These include President of the Association of Professors of Medicine, the Association of American Physicians, and the Central Society for Clinical Research, and Chairman of both the American Board of Internal Medicine and the National Diabetes Advisory Board. He has been a member of a study section and the Advisory Council of the National Institute of Diabetes, Digestive Diseases and Kidney Diseases.

Born in South Africa, Dr. Rubenstein received his medical degree from the University of the Witwatersrand in Johannesburg. He is a Fellow of the College of Medicine of South Africa and of the Royal College of Physicians of London, a Master of the American College of Physicians, and a member of the Institute of Medicine of the National Academy of Sciences.
Action.........4. A Resolution on Appointment of Robin H. Beck as Vice President for Information Systems and Computing was approved as follows:

RESOLVED, that Robin H. Beck be appointed Vice President for Information Systems and Computing of the University of Pennsylvania, effective September 20, 2001.

Ms. Robin Beck joined the University of Pennsylvania’s Information Systems and Computing in 1989 as Executive Director of Application Development and was named Associate Vice President in 1996. Ms. Beck has served as Deputy Vice President for Information Systems and Computing since June 2000. Prior to joining the University, she was responsible for business software development and implementation for various General Electric business units, including the aerospace and power systems units, a career spanning 18 years.

During her tenures as the Associate Vice President and Deputy Vice President, Ms. Beck has been responsible for numerous major initiatives, including: the Y2K readiness program; the University's initiative to rethink and restructure administrative processes; and the planning and implementation of a new generation of administrative systems supporting both financial and student processes. Currently, she directs ongoing efforts to further develop the University's Internet capabilities for use with a variety of academic and research initiatives, as well as the planning, development, acquisition, implementation and support of University-wide information systems and infrastructure. Ms. Beck has provided leadership on information technology issues and developed standards and architectural plans to create a supportive environment for facilitated change within a decentralized organization.

Ms. Beck has extensive training and experience in project management, business process redesign, organizational design, and technology implementations.

Ms. Beck holds a master's degree in Industrial Administration from Purdue University and a bachelor's degree from Seton Hill College.

Action.........5. A Resolution on Appointment of Wendy S. White, Esq. as Vice President and General Counsel was approved as follows:

RESOLVED, that Wendy S. White, Esq. be appointed Vice President and General Counsel of the University of Pennsylvania and the University of Pennsylvania Health System, effective September 20, 2001.

Ms. White has been acting in the role of the Vice President and General Counsel for the University of Pennsylvania and the University of Pennsylvania Health System since August 2001. Formerly, she served as Deputy General Counsel for the University of Pennsylvania since September 1999.
Ms. White came to the University of Pennsylvania from a partnership in the Washington, DC law firm of Shea & Gardner, which she joined in 1981. She specialized in issues relating to non-profit institutions, labor and employment, products liability and commercial litigation. In addition, Ms. White served as Associate Counsel to the President of the United States in 1996-1997. As a member of the White House Counsel’s Office, Ms. White focused on matters including various Congressional investigations; immigration, labor, and education issues; campaign finance reform legislation; Hatch Act inquiries; and ethics.

Ms. White attended Goucher College (A.B., magna cum laude, 1972) where she was elected to Phi Beta Kappa. She received her law degree from the University of Pennsylvania (J.D., magna cum laude, 1975) and was an editor of the University of Pennsylvania Law Review and a member of the Order of the Coif. Ms. White is a member of the American Law Institute, the Pennsylvania Bar, and the District of Columbia Bar. She is a frequent speaker on labor and employment, higher education and ethics issues.

B. Academic Report—Dr. Robert Barchi

1. Comments

Dr. Barchi focused his report on the achievements of several of the schools and some of the cross-University programs.

Dr. Barchi began by announcing that, on August 20\textsuperscript{th}, on-time and on-budget, the Graduate School of Education (GSE) moved into its renovated home at 3700 Walnut Street, which features a new main entrance and façade on Walnut Street and new computer lab facilities, classrooms, and conferencing technology, all of which are state-of-the-art. GSE has recently inaugurated a new and dynamic degree program, the Executive Doctorate in Higher Education Management, that is built on a business-school model of executive training and requires two years of long weekends each month and week-long sessions in the summer. GSE has enrolled eighteen University vice presidents and top leaders in higher education from around the nation, a truly outstanding group whom Dr. Barchi met. GSE admissions have yielded another major success story for the school: applications to the school were up 39 percent overall; deposits from admitted students were up 45 percent for degree programs and 74 percent for non-degree programs. The school's Teacher Education Program enrollment nearly doubled this year. These remarkable successes are due to faculty innovations in degree and non-degree program offerings and an improved approach to recruitment.

Dr. Barchi then announced that the Wharton School recently welcomed its first west coast class of Executive MBA (WEMBA) students. Classes began on August 26\textsuperscript{th} at the school's new location in San Francisco, Wharton West, with sixty-five students. The Wharton School has also recently created the William and Phyllis Mack Center for Technological Innovation, which will serve as the umbrella organization for all of Wharton's technology management initiatives,
provide support for the research and publishing activities of Wharton faculty members, create an endowed professorship, and support a student-run conference.

Dr. Barchi then noted the University’s recent hosting of the United States-Taiwan Biotech Conference, which was held on September 10th. The University hosted the conference at the request of a high-ranking delegation of Taiwanese government and business leaders. The two-day summit brought together about forty top-level executives from the Delaware Valley's biotechnology industry, government leaders from the state and local levels, and the delegation from Taiwan for a series of focused discussions led by Penn faculty. The meeting kicked off a ten-day exploration of the region's biotechnology sector by the Taiwan delegation, seeking partnerships for biotechnology development and exploring investment opportunities.

Dr. Barchi then delivered an update on the Disabilities Report. Last year, the Provost charged a review team to take a thorough look at the services the University provides for students with physical, cognitive and psychological disabilities. The committee completed its report this summer, and subsequently published it in a recent issue of Almanac. The immediate aim of the committee's proposal is to reconfigure and appropriately expand existing resources to meet the growing demand for student disability services in a responsive, consistent, and effective manner. To continue in accordance with federal legislation, the central recommendation made by the review team is to create an Office of Student Disability Services and to combine various services for students with disabilities in one office reporting to the Vice Provost for University Life (VPUL). This approach will provide an integrated model of support services to students with disabilities. The President and Provost have accepted the committee's recommendations in full, and the VPUL has already begun to implement them.

Finally, Dr. Barchi presented the following resolution for approval by the Trustees.

Action…………1. A Resolution on Faculty Appointments, Leaves and Promotions was approved as presented in pages 6-57 of the meeting book.

C. Financial Report—Mr. Craig Carnaroli

Mr. Carnaroli gave the financial report for the twelve months ended June 30, 2001.

For the twelve months of Fiscal Year (FY) 2001, the University (excluding Health Services component and separately-incorporated operations) increased its net assets by $219.2 million to a total of over $4.6 billion, most of which is the result of non-operating contributions to the endowment of $178.7 million and realized and unrealized gains on investments of $19.8 million. In addition, the University recorded an increase in net assets from its operating activities of $37.7 million for the fiscal year. Plant assets net of depreciation of $1.861 billion have increased $122.9 million since June 30, 2000, which is primarily the result of the capital costs incurred for Huntsman Hall, Hamilton Square, Quadrangle renovations, Civic Center, Johnson Pavilion, Perelman Quad, University Museum and the Graduate School of Education. The fair value of the University's endowment, excluding the Health Services component, was $2.841 billion at June 30, 2001, and has increased approximately $132 million from a year ago.
For FY 2001, operating revenue increased 8.1 percent over the revenue recorded in FY 2000. Overall, tuition and fee revenue, net of direct grants, increased 8.2 percent, reflecting the tuition rate increase, a slight increase in enrollment, and increases in certain special programs. The University continues to experience increased revenue derived from contributions and sponsored programs. Sponsored program revenue, including indirect cost recoveries, increased 7.3 percent over FY 2000 to a total of approximately $500 million, which reflects the continuing growth the University has experienced over the last several years in its sponsored research programs. The University has also recorded an increase of 11.8 percent in combined operating and non-operating contributions from FY 2000 to FY 2001. Operating expenditures increased 7.1 percent, primarily the result of increased sponsored program activities and an increase in depreciation resulting from the completion of various capital projects. Net cash provided from operating activities totaled $173.8 million for the year, which compares to $162 million for the prior fiscal year. Much of this difference from period-to-period is accounted for by changes in inter-entity balances. The primary use of cash was for the purpose of property, plants and equipment additions of $234.8 million, which is $6 million below the capital activity for the prior year.

During FY 2001, the Health Services component of the Health System had an overall increase in net assets of $53.7 million. The gain from operations was $25.1 million for the year, which is favorable to budget by almost $15.7 million. After accounting for non-operating revenue and other support, the Health Services component had an overall increase of revenue-over-expenses of $60 million before an unrealized gain on the investments of $4.7 million. Year-to-date operating revenue is favorable to budget by $42.4 million, higher than the prior year by $50 million. The fiscal year operating expenses, including corporate expenses, were unfavorable to the budget by $24 million, principally due to substantial increases in medical malpractice premiums and flat to the prior year. Cash flow from operating activities totaled $107.3 million for the twelve months of FY 2001. Health Services management continues efforts to preserve overall liquidity by limiting capital expenditures and improving receivables collections. Days cash on hand increased by three days from 81 to 84 days; days in accounts receivable fell to 86 days as compared with 100 days on June 30, 2000.

Mr. Riepe congratulated the financial staff at the University and the Health System for a very successful year.

D. Health System Report—Dr. Arthur Rubenstein

Dr. Rubenstein thanked Dr. Rodin and the Trustees for their warm welcome and then shared a few highlights of the Health System and the School of Medicine. Noting the University’s central mission of education, Dr. Rubenstein described this year’s entering class in the School of Medicine, comprising some of the very best students from around the country: 148 new students were admitted; 43 percent female; 57 percent male; 13 percent underrepresented minorities. In the graduate school division of the School of Medicine: 68 Ph.D.s admitted; 17 M.D./Ph.D.s: 50 percent female; 50 percent male; and 3 percent underrepresented minorities. These talented students will enhance the school and university in an extraordinary way.
Dr. Rubenstein then noted recent internationally-recognized research discoveries. Endocrinologist Mitchell A. Lazar, M.D., Ph.D. has made an important discovery of a hormone that is released by fat tissue, which is critical in terms of regulating blood sugar and so has a tremendous impact on diabetes. Considering that two of the key, chronic diseases that plague our society now are diabetes and obesity, the link between these two via this innovative finding is extremely important. Dr. Lazar has received great accolades and recognition for this important discovery. Dr. John Trojanowski and Dr. Virginia Lee, two key investigators working in the field of Alzheimer's disease, a disease that plagues in particular but not solely elderly persons, have done stellar work in looking at changes in the brain in terms of the etiology of this disease. Finally, Dr. Craig Thompson and his group are focusing on cancer etiology and have done groundbreaking work in the area of some of the oncogenes, the genes that control cell function, particularly the cloning and characterization of Bcl-x, an oncogene, related to cell growth.

Dr. Rubenstein then reaffirmed his commitment to improving the Health System’s finances and three-part academic mission of patient care, research, and education.

Finally, Dr. Rubenstein noted that, in recent weeks, during which there has been so much devastating news and pain around this country, the importance of physicians and their role in trying to heal and support the nation’s tragedy is critically important. The University of Pennsylvania Hospital and staff were made readily available to support the relief efforts, and some staff, particularly Dr. John Pryor, a surgical specialist, made individual efforts just because they felt the need to be helpful and to give their skills to those who were injured and in need. The University and Health System are extremely proud of these efforts and hope they will continue.

Dr. Rodin then welcomed Susan Phillips, who has joined the University and Health System as Dr. Rubenstein's Chief of Staff. Ms. Phillips joins the University community most recently from Mt. Sinai School of Medicine in New York, where she was Senior Vice President and Chief Operating Officer. Before then, Ms. Phillips was Senior Vice President, Public and Government Affairs at the City of Hope National Medical Center and Beckman Research Institute in California and also served as Vice President, Government and Public Affairs for the University of Chicago Hospitals.

III. Trustee Committee Reports

A. Investment Board—Mr. Christopher Browne

Mr. Browne gave the investment report for the year ended June 30, 2001.

For the fiscal year ended June 30, 2001, the AIF returned 6 percent versus a benchmark loss of 7.4 percent; out-performing its benchmark by 13.4 percent. As a result, Penn’s performance in fiscal 2001 will be well into the top quartile of our peers’ performance; the median return among 31 endowments over $1 billion was a 2.4 percent loss. This out-performance resulted largely from the portfolio’s value bias and lack of exposure to technology,
media and telecommunications. The University neither participated in the technology bubble nor the bursting of it, so we are quite pleased with what has happened.

Amidst the market turmoil surrounding the events of September 11 Penn's domestic equity portfolio declined 4.5 percent, versus a 5.1 percent decline for the Wilshire 5000 and 4.9 percent for the S&P 500. This only reflects the portions of the portfolio which are market correlated, i.e. they are trading every day, which is about 55 percent of the entire portfolio, so that would be translated into an overall loss of much less before any gains or losses in private equity or absolute return investments or in bonds are taken into account.

Mr Riepe thanked Mr. Browne and acknowledged the reward of the fiscal year just over in terms of recovery versus both our benchmarks and our competition.

B. Budget & Finance Committee—Mr. John Clark

Mr. Clark reported that the Budget & Finance Committee met that day and reviewed the preliminary unaudited University and University Health Service component financial reports. After review, these reports were accepted. The committee also reviewed and approved two resolutions, which he then presented for approval by the Trustees.

Action............1. A Resolution on the Design and Construction of Improvements to the Class of 1949 (38th Street) Bridge was approved as follows:

Acting on behalf of Development and Alumni Relations, the Division of Facilities and Real Estate Services wishes to increase the level of funding approved for this project to $1.3 million (as compared to the $995,000 level which Capital Council had previously approved based on conceptual design plans for the project). To date, the fundraising for this project, which will create both a “Generational Walk” across the Class of 1949 Bridge and an area commemorating “125 Years of Women at Penn” at the bridge’s eastern end, has dramatically exceeded initial projections, thereby affording the University the opportunity to appropriately enhance both the design plans and construction scope for the project. As a result of the tremendous fundraising response that has been generated for this special commemorative project, the University is in the very favorable position of being able to fund the estimated project cost of $1.3 million entirely from gift proceeds received over the next five years.

RESOLVED, that the construction of improvements to the Class of 1949 (38th Street) Bridge to create the “Generational Walk” and an area commemorating “125 Years of Women at Penn,” estimated to cost $1.3 million, be and the same hereby is approved, and that the Executive Vice President or other appropriate officers of the University be and they hereby are authorized to take such actions, execute such contracts, and incur such expenses and obligations—not, however, in excess of 110 percent of the estimated cost as presented to the Budget and Finance Committee—as may, in their judgment, be necessary or desirable to accomplish the purposes of this resolution.
Action

2. A Resolution Authorizing the Reallocation of Capital Budget Authorization for the University of Pennsylvania Health System – Health Services Component was approved as follows:

On June 11, 2001, the University of Pennsylvania Health System (“UPHS”) Trustee Board – Executive Committee approved a $132.7 million Fiscal Year 2002 capital budget for the UPHS – Health Services Component. The itemized section of that authorization included the allocation of $2,500,000 for the renovation of the Short Procedure Unit at The Pennsylvania Hospital of the University of Pennsylvania Health System (“PAH”).

At the time the capital budget for Fiscal Year 2002 was developed, PAH’s top priority items focused on enhancing PAH’s ability to increase operational efficiency and expanding its capacity to accept new patient volume. The renovation of the Short Procedure Unit would focus on improving patient flow through the Short Procedure Unit and would include the addition of two procedure rooms to increase volume and access for endoscopy and pain management procedures. The expansion and renovations of the Short Procedure Unit were identified as an opportunity to generate additional patient volume and to attract new patients to PAH.

Since the time the capital budget for Fiscal Year 2002 was submitted, PAH’s Invasive Cardiology program has grown significantly. A review of PAH’s statistical data indicates that 2077 procedures were performed in Fiscal Year 2000. By the close of Fiscal Year 2001, 3041 procedures were performed, representing a growth rate of approximately 46 percent. In part, this growth is attributable to the purchase of a new single plane camera/unit in Fiscal Year 2001. This enabled PAH to operate a state-of-the-art single plane camera/unit in its Cardiac Catheterization Lab and, with the existing single plane camera/unit available for use elsewhere, PAH established a new Electrophysiology Lab.

As a result, PAH’s Invasive Cardiology program now includes one state-of-the-art single plane Cardiac Catheterization Lab and one eighteen-year-old biplane Cardiac Catheterization Lab. Just as the volume has grown in the Cardiac Catheterization Lab, PAH’s inefficiency due to equipment downtime has also increased. Due to the age of the biplane camera/unit, the biplane Cardiac Catheterization Lab continuously presents operational challenges as the unit’s downtime has reached six days (or approximately sixty hours) per month on average for the past six months. Such equipment failure requires patients to be rescheduled with the single plane unit, creating delay in diagnosis, backlog and operational inefficiency. This presents strain on PAH’s ability to appropriately care for its current patient population and also on its ability to expand its cardiology service.

For these reasons, PAH executive management has reexamined the priorities for the Fiscal Year 2002 capital budget, and recommends the purchase of a new state-of-the-art biplane camera/unit and the renovation of the biplane Cardiac Catheterization Lab. The purchase of this equipment and the renovations required to support the new biplane Cardiac Catheterization Lab require the reallocation of $2,500,000 from the Short
Procedure Unit project to the Cardiac Catheterization Lab project. While the Short Procedure Unit presents an opportunity for future growth, which will remain a priority in the future as capital permits, the Cardiac Catheterization Lab project will enable PAH to better serve its current patient population and also allow for future growth.

**ACCORDINGLY, IT IS HEREBY**

**RESOLVED**, that, as recommended by the UPHS Trustee Board Executive Committee, the University of Pennsylvania (“University”) Trustee Board Budget and Finance Committee and the University Trustee Board Executive Committee, on behalf of the University Trustee Board, hereby authorize and approve the reallocation of $2,500,000 of the Fiscal Year 2002 capital budget from PAH’s Short Procedure Unit project (which had been originally approved as part of the UPHS – Health Services Component capital budget on June 11, 2001) to PAH’s Cardiac Catheterization Lab project and for related costs as may be desirable or necessary to accomplish the purposes of this resolution.

**FURTHER RESOLVED**, that the Executive Vice President or other appropriate officers of the University, the University of Pennsylvania Health System and PAH are hereby authorized to take such actions, execute such contracts, and incur such expenses and obligations as may, in their judgment, be necessary or desirable to accomplish the purposes of the resolution.

**IV. Appointments to Overseers and Other Boards—Mr. James Riepe**

Mr. Riepe presented the following resolutions for approval by the Trustees.

*Action*………..1. A Resolution on Appointment of John J. King and Judith N. Vredenburgh to the Board of Overseers of the School of Arts and Sciences was approved as follows:

**RESOLVED**, that John J. King and Judith N. Vredenburgh be appointed to the Board of Overseers of the School of Arts and Sciences for three-year terms, effective September 20, 2001.

Mr. John J. King, C’74, is Senior Vice President and Chief Operating Officer of Rosetta Inpharmatics, a leader in the emerging field of informational genomics, offering solutions for the pharmaceutical and biotechnology industries. Mr. King has 20 years of executive management experience in starting up high-technology businesses, including Biotope, Inc., a medical diagnostics company, started in 1986, and IMRE Corporation, started in 1981. From 1992 to 1996, he was the Executive Vice President of KidStar Interactive Media, Inc., which operated a Seattle radio station for children. Mr. King is a Trustee of the Seattle Country Day School and a past President of the Seattle Biomedical Research Institute. He is the former Co-Chair of the Biotechnology Task Force for Education for the State of Washington.

Ms. Judith N. Vredenburgh, CW’70, is the President and Chief Executive Officer of Big
Brothers Big Sisters of America, the nation’s largest youth-mentoring organization. Ms. Vredenburgh was previously the Senior Vice President for revenue development for the March of Dimes Foundation. Prior to joining the March of Dimes, she held senior positions in the retail clothing industry with organizations such as Chess King, Abraham and Strauss, and Montgomery Ward & Co. Ms. Vredenburgh is a board member of Generations United, the Make a Difference Foundation, and America’s Promise. She holds a Master of Business Administration from the State University of New York.

Action........2. A Resolution on Reappointment of Judith Roth Berkowitz as Chair and Appointment of Lawrence C. Nussdorf, Esq. as Vice Chair of the Board of Overseers of the Graduate School of Education was approved as follows:

RESOLVED, that Judith Roth Berkowitz be reappointed as Chair and Lawrence C. Nussdorf, Esq. be appointed as Vice Chair of the Board of Overseers of the Graduate School of Education for three-year terms, effective September 20, 2001.

Mrs. Berkowitz, CW’64, is President of Jarby, Inc., a buying office for women’s fashions which she founded in 1984. Prior to this, Mrs. Berkowitz was Co-Founder and President of Whodunnit Fashions, a multi-line office presenting American designers. She is Chair of the Board of the Center for Educational Innovation, in New York, a catalytic education group actively engaged in the administration and implementation of the Annenberg grant to the New York Public Schools and in the design of all public schools of choice. Mrs. Berkowitz is also a Trustee of Dance On, an educational project for the dancers of the New York City Ballet. At Penn, she has been a Trustee since 1992 and Chair of the Graduate School Board of Overseers since 1998 and a member since 1991. Mrs. Berkowitz is a founding member and past Chair of the Trustees’ Council of Penn Women and Co-Chair of the James Brister Society. She is Chair of the 125th Anniversary Celebration of Women at Penn and is a member of the Alumni Advisory Committee of the Women’s Studies Program.

Mr. Lawrence C. Nussdorf, Esq., W’68, is Executive Vice President, Treasurer and Director of Clark Enterprises, Inc., in Bethesda, MD. Mr. Nussdorf is Vice President of the Clark Charitable Foundation and Chair of the Development Committee of The Washington Scholarship Fund. At Penn, Mr. Nussdorf has been a Trustee since 2000 and has served on the Graduate School of Education Board of Overseers since March 1998. During these three years, he has assisted in the identification and solicitation of prospective donors to the GSE Building Renovation Project as a member of the Board’s Capital Planning Committee. Mr. Nussdorf has made a major gift to the Building Project and has endowed a scholarship at GSE. He has also served as the President of the Middle Atlantic Regional Advisory Board since December 1996, and is a member of the Agenda for Excellence Council, the University of Pennsylvania Alumni Society Executive Committee, and the Wharton Club of Washington, DC.
Action………..3.  A Resolution on Reappointment of Mitchell I. Quain as Chair of the Board of Overseers of the School of Engineering and Applied Science was approved as follows:

RESOLVED, that Mitchell I. Quain be reappointed Chair of the Board of Overseers of the School of Engineering and Applied Science for a three-year term, effective September 20, 2001.

Mr. Mitchell I. Quain, EE’73, is Vice Chairman of ABN AMRO and was most recently Senior Managing Director of ING Barings LLC in New York. Mr. Quain is also Chairman of the Industrial Manufacturing Group. Prior to this, he was Executive Vice President and a member of the Board of Directors of Furman Selz LLC, Managing Director of Wertheim Schroder & Company, Inc., and Senior Vice President in charge of venture capital at Prudential Bache. A chartered financial analyst, Mr. Quain also was former President of the Machinery Analysts of New York. He serves on the Board of Directors of Allied Products Corporation, Magnetek, Inc., Mechanical Dynamics Strategic Distribution and Titan International. At Penn, Mr. Quain has been a Trustee since 1998. He has served as Chair of the School of Engineering and Applied Science since 1998 and joined the Board in 1991. Mr. Quain is a member of the Agenda for Excellence Council. He also serves on the Board of Trustees of Curry College in Milton, MA. Mr. Quain received a Master in Business Administration, with distinction, from Harvard University.

Action………..4.  A Resolution on Reappointment of Katherine Sachs as Chair of the Board of Overseers of the Institute of Contemporary Art was approved as follows:

RESOLVED, that Katherine Sachs be reappointed Chair of the Board of Overseers of the Institute of Contemporary Art for a three-year term, effective September 20, 2001.

Mrs. Katherine Sachs, CW’69, is a Research Coordinator at the Philadelphia Museum of Art. Mrs. Sachs joined the Museum staff originally as a research assistant for the Cezanne exhibit which premiered in the fall of 1995 in Paris and finished at the Museum in May-July 1999. At Penn, she has served as Chair of the Institute of Contemporary Art Board of Overseers since 1998. Prior to that, she served on the ICA Board from 1989 to 1994, and rejoined the Board in 1996. Mrs. Sachs was Chair of the Class of ’69 Class Reunion Gift Committee in 1994 and Chair of the ICA Annual Fundraising Benefit in 1991. Mrs. Sachs and her husband, Keith, are major collectors of contemporary art and regular attendees at international art events and exhibition. They are listed among the top 200 art collectors in the world, and the only collectors in Philadelphia listed in the Summer 1999 edition of Art News magazine.
Mr. Riepe then thanked all of the members of the Executive Committee and the Budget & Finance Committee for changing their schedules and participating in the meetings either physically or via conference call—in light of the previous week’s circumstances, their efforts are well appreciated. Mr. Riepe asked for a moment of silence to honor and remember the members of the Penn community and our fellow citizens who were lost or injured and all who have been effected by the attacks.

There being no further business before the board, the meeting was adjourned at 2:55 p.m.

Respectfully submitted,

Leslie Laird Kruhly
Secretary of the University