Meeting of the Executive Committee of the
Trustees of the University of Pennsylvania
March 20, 2003

An Executive Committee Meeting of the Trustees of the University of Pennsylvania was convened on Thursday, March 20, 2003, at 2:15 p.m., in Colloquium Hall, Huntsman Hall.

Trustees present were: Gilbert Casellas, L. John Clark, David Cohen, Paul Kelly, Natalie Koether (by phone), James Riepe (chair), Judith Rodin, and Michael Tarnopol. Others present were: Robert Barchi, Craig Carnaroli, Caroline Dube, Bonnie Gibson, Lisa Johnson, Leslie Kruhly, Marguerite Miller, Leah Popowich, Pedro Ramos, Molly Roth, Arthur Rubenstein, Audrey Schneider, Clifford Stanley, Wendy White, and Rick Whitfield.

The complete texts of all resolutions passed in the course of the meeting are appended to this document and are to be considered part of the official record of this meeting.

I. Call to Order—Mr. James Riepe

Mr. Riepe welcomed all to the meeting and apologized for the late start. He commented on the difficult times we are living in and extended wishes and prayers to all the people currently at risk in the Middle East.

A. The minutes of the meeting of September 26, 2002, were approved as previously distributed.

II. President's Report—Dr. Judith Rodin

A. Comments

Dr. Rodin reported that this semester has already been quite eventful. Penn architects and designers Daniel Libeskind and Gary Hack were announced as winners of the international competition for the new design of the World Trade Center site in New York City. The university continues its search for a new Vice President for Development and Alumni Relations, as well as two Vice Provosts positions and the CEO for Penn Medicine.

Dr. Rodin commented on the challenges ahead for Penn. First was the unsettling condition of the world and Penn’s need to be mindful of obligations to the students here and to the broader community beyond. Affirmative Action and diversity are also concerns. Two Michigan cases are coming before the Supreme Court...
Court in the near future. Penn does not currently have a uniform policy regarding affirmative Action and diversity. Each school has developed its own program, some more targeted than others. The Supreme Court decision may have the most impact on the Medical School and could possible eliminate many minorities. In anticipation of the ruling, Penn is taking a good look at the variety of programs on campus to encourage diversity.

B. Academic Report—Dr. Robert Barchi

Dr. Barchi reported on gender equity improvements. The School of Engineering and Applied Sciences has hired three new women professors. These appointments represent a 40% increase in the women on faculty at SEAS. SEAS is also very involved in supporting Homeland Security and other issues on the national agenda. SEAS received a grant from the Department of the Interior for 1.3 million dollars to support Vijay Kumar's research on adoptive autonomous robot teams for situational awareness.

Dr. Barchi gave an update on the college houses. New programs have been added in music instruction, composition, and performance, conflict resolution, film culture, world cinema, and the freshman experience. Renovations to Hamilton College House will be completed this summer. Students are currently testing furniture samples as part of the renovation.

Dr. Barchi proudly commented on the Penn students who have been the recipients of very prestigious international awards and fellowships.

The following resolution was presented and approved (full resolution text is appended)

Click here for full text of faculty appointments

Action 1. Resolution on Faculty Appointments, Leaves and Promotions (p. 1)


Major General Stanley reported that the total net assets for the consolidated university had decreased $123.3 million or 2.5% to $5 billion. Losses were principally due to a net loss on investments both realized and unrealized. Net assets from operations declined $1.5 million compared to an increase of $5.1 million for the previous seven months. Total operating revenue increased by $133.7 million or 7% to $2.04 billion. Total expenses increased by $130.1 million or 6.8% to $2.05 million.

Click here for full text of investment report  
Click here for full text of financial report
Maj. Gen. Stanley reported that, for the academic component of the university, total net assets decreased $95.6 million or 2% since June 30, 2002, to $4.575 billion. Losses were principally due to a net loss on investments both realized and unrealized. Net assets from operations increased $10.5 million compared to a $21.0 million decrease for FY02. Total revenue and other support increased 10.1% over FY02 to a total of $989.1 million. This was principally due to increases in tuition, fees, and sponsored program activities. Total expenses increased 6.4% over FY02 to a total of $978.7 million. Contributions, both operating and non-operating, posted increases of $1.9 million and $43.8 million, respectively, an overall increase of $45.6 million or 45.8% over the seven-month period ended January 31, 2002.

Maj. Gen. Stanley reported for the health services component that overall hospital utilization remains strong. Adult inpatient admissions are up 3.2% for the seven-month period ending January 31, 2003. Overall outpatient activity including outpatient visits, ambulatory surgeries, and ER visits increased as well. Year-to-date excess of expenses over revenues from operations totaled $8.9 million and was unfavorable to the prior fiscal year by $22.2 million, principally due to unfavorable third-party settlements of $13.5 million. Year-to-date excess of revenue over expenses totaled $6.7 million and was unfavorable to the prior year by $42.8 million. This variance was driven by the both the unfavorable third-party settlements and the receipt of a large bequest in FY02, which did not recur in the current fiscal year. Days-in-accounts-receivable remained consistent at 76.3 days.

D. Penn Medicine Report—Dr. Arthur Rubenstein

Dr. Rubenstein commented that today was Match Day for the medical students; they would be finding out where they would be spending their residencies. Graduation will be on May 18th and then they will begin their residency programs in July. The incoming class will be very competitive.

Dr. Rubenstein reported that the strategic plan for Penn Medicine will be presented in June, along with the university’s plan.

III. Committee Reports

A. Budget & Finance—Mr. L. John Clark

Mr. Clark reported that the committee had reviewed the University and Health System financial reports for the seven-month period ending January 31, 2003.
Presentations were given regarding the proposed move of WXPN to the Hajoca building and tuition, fees, and other charges for academic year 2003-2004.

The following resolutions were presented and approved (full resolution text is appended)

**Click here for full texts of resolutions**

*Action 1.* Resolution on Tuition, Fees and Other Student Charges for Academic Year 2003-2004 (p. 9)

*Action 2.* Resolution to Authorize a Management Services Agreement with ARAMARK Educational Services, Inc. (p.10)

*Action 3.* Resolution to Authorize the Installation of Sprinkler and Fire Alarm Systems in Mayer Hall in the Amount of $1.2 Million (p. 11)

*Action 4.* Resolution to Authorize the Redevelopment of the Former Hajoca Building—3025 Walnut Street (p. 12)

**B. Facilities & Campus Planning—Mr. James Riepe**

In the absence of Chair William Mack, Mr. Riepe reported that the Hill Square and Annenberg Plaza projects were reviewed in detail. Committee members were asked if they had anything further to add. There were no additional comments.

**IV. Appointments to Overseer and Other Boards—Mr. Riepe**

The following resolutions were presented and approved (full resolution text is appended)

**Click here for full texts of resolutions**

*Action 1.* Resolution to Appoint Elsie Sterling Howard as Chair of the Board of Trustees of the University of Pennsylvania Press (p. 14)

*Action 2.* Resolution to Appoint Andrew R. Heyer as Chair of the Board of Overseers of the School of Social Work (p. 15)

Mr. Riepe thanked Gil Casellas for his time, hard work and valuable council as the Chair of the Board of Overseers of the School of Social Work.
V. **Adjournment**

There being no further business before the board, Mr. Riepe adjourned the meeting at 2:35 PM.

Respectfully submitted,

Leslie Laird Kruhly  
Secretary, University of Pennsylvania