Minutes of the Meeting of the Executive Committee  
Trustees of the University of Pennsylvania  
September 11, 2003

A Meeting of the Executive Committee of the Trustees of the University of Pennsylvania was convened on Thursday, September 11, 2003, in the Colloquium Hall of Huntsman Hall.

Trustees present at the meeting were: James Riepe (chair), Madlyn Abramson, Chris Browne, Gil Casellas, John Clark, Paul Kelly, James Kim, Natalie Koether, William Mack, Andrea Mitchell, Judith Rodin, Al Shoemaker, Michael Tarnopol, George Weiss, and Paul Williams. Administrators present were: Robert Barchi, Omar Blaik, Craig Carnaroli, Leslie Kruhly, Susan Phillips, Pedro Ramos, Molly Roth, Arthur Rubenstein, Cliff Stanley, and Wendy White.

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.

Chair’s Report

Mr. Riepe called the meeting to order and welcomed every one. He stated that the membership of the Consultative Committee for the selection of a President had been announced and that they had wasted no time in getting to work.

Mr. Riepe noted that it was the second anniversary of the horrific violence of September 11, 2001, and asked everyone to silently remember and honor the people who lost their lives that day.

The minutes of the May 15, 2003, meeting were approved as distributed.

President’s Report

Dr. Rodin commented that the University was pleased to join the National Constitution Center in celebrating its opening this summer with a taping of Justice Talking. She announced that Joe Torsella, the President and CEO of the Constitution Center would be coming to talk to the trustees at the fall board meeting about the exciting partnership with the University.

Dr. Rodin reported that the freshman class represented all fifty states and sixty-three countries. She also reported that both the Annenberg School and School of Dental Medicine were beginning this academic year with new deans and that Richard Gelles was now the permanent dean of the School of Social Work.

Dr. Rodin stated that discussions between the Post Office and Penn regarding the acquisition of the postal lands continue and that she expected the matter to be concluded
this fall. She noted the favorable recognition being garnered by the University for this acquisition and its efforts at revitalizing the neighborhood.

Dr. Rodin announced that Penn was awarded the Jean Clery Campus Safety Award for 2003. She congratulated Maureen Rush, Vice President for Public Safety, and her colleagues for their hard work.

**Academic Report**

Dr. Barchi reported on the newly designated School of Design. He noted that Dean Gary Hack was on sabbatical for the semester and that John Dixon Hunt would be the acting dean in his stead. He commented on renovations in progress at Meyerson Hall. Dr. Barchi also commented on the new Center for Urban Redevelopment Excellence (CUREx), which is a partnership between the University, the John James Knight Foundation and the urban development industry.

Dr. Barchi reported that the Graduate School of Education had organized a conference for October for universities that create or manage K-12 Schools. He commented that the school was launching a cooperative international EDD program with Chinese and Thai universities, allowing students from participating universities the opportunity to come to study at Penn.

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

- Resolution on Faculty Appointments, Leaves and Promotions (page 1)

**Financial Report**

Major General Cliff Stanley reported on the unaudited financial results for the consolidated University for FY03. The University’s total net assets increased by $173.9 million or 3.4 percent to $5.3 billion. Net assets from operations increased $23.1 million compared to the increase of $30.9 million in the prior fiscal year. Total operating revenue increased $253.8 million or 7.9 percent to $3.562 billion.

Major General Stanley reported that for the academic component total net assets increased by $162.6 million to $4.833 billion. Net assets from operations increased $15.1 million compared to an $8.2 million increase the prior fiscal year. Total revenue and other support increased 8.1 percent over FY02 to a total of 1.735 billion. Total contributions declined $53.9 million principally due to the recording of the $100 million Annenberg endowment gift in the prior fiscal year.

Major General Stanley reported that for the Health Services component, adult inpatient admissions at the four owned hospitals increased 3.7 percent compared to FY02. Net assets increased $11.2 million to $497.0 million in the previous twelve months. Operating revenue was favorable to FY02 results by $123.4 million, principally due to increases in charges and patient activity. Overall unrestricted liquidity declined slightly from FY02.
and days-cash-on-hand declined from 86.6 to 77.3 days. Days-in-accounts-receivable continued its favorable trend declining from 75.6 to 73.6 days.

**Penn Medicine Report**

Dr. Arthur Rubenstein reported that Penn Medicine had another outstanding year. He commented that the school continued to garner prestigious grants from various funding sources and that the total funding equaled approximately $348 million. He noted that it had been the third consecutive year with a positive margin in operations. Dr. Rubenstein reported that the class of 2007 comprised 147 students of which fifty-five percent were women.

**Committee Reports**

**Investment Board**

On behalf of Chair Howard Marks Mr. Craig Carnaroli reported that the year closed with a 4.7 percent gain, which exceeded the composite index by 110 basis points. The gain was fueled by strong performances in the fourth quarter by both the equity and fixed-income markets.

**Budget and Finance**

Mr. John Clark reported that the committee had met to review the preliminary unaudited University financial report for FY03. He also reported that the committee had reviewed the Health System’s financial report and the Ad Hoc Bond Committee’s review of long-term debt.

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

- Resolution to Authorize the Design and Construction of the School of Arts and Sciences’ McNeil Center for Early American Studies Building in the Amount of $3.5 Million (p. 35)

- Resolution to Authorize the Design and Construction of the School of Design’s Meyerson Hall Renovations in the Amount of $1.0 Million (p. 36)

- Resolution Authorizing Execution of Hedging Transactions to Manage Steam Costs (p. 37)

**Appointments to Overseers and Other Boards**

The following resolutions were presented and approved (full resolution text is appended).
• Resolution to Appoint Marcy Engel, Esq., Antonio Magliocco, Jr., Esq., James E. Nevels, Esq., and Robert M. Potamkin, Esq., to the Board of Overseers of the Law School (p. 38)

• Resolution to Appoint Marjorie G. Schaye and Vincent J. Griski to the Board of Trustees of the University of Pennsylvania Press (p. 39)

The meeting was adjourned.

Respectfully submitted,

Leslie Kruhly
Secretary of the University of Pennsylvania