

**Minutes of the Stated Meeting of the Trustees  
of the University of Pennsylvania  
February 11, 2005**

A Stated Meeting of the Trustees of the University of Pennsylvania was convened on Thursday, February 11, 2005, at 11:55 am in the Woodlands Ballroom at the Inn at Penn.

Trustees present at the meeting were: James Riepe (chair), Arlin Adams, Edward Anderson, Robert Blank, Mitchell Blutt, Christopher Browne, Gilbert Casellas, Susan Catherwood, John Clark, David Cohen, Lee Spelman Doty, James Dunning, Jay Fishman, Robert Gleason, Amy Gutmann, Alan Hassenfeld, Andrew Heyer, John Hover, Wendy Evans Joseph, Michael Karp, Paul Kelly, Robert M. Levy, Warren Lieberfarb, William Mack, Howard Marks, Deborah Marrow, Andrea Mitchell, Shaun O'Malley, Egbert Perry, Mitch Quain, Kathy Sachs, Marie Savard, Adele Schaeffer, David Silfen, Peter Skirkanich, Michael Tarnopol, Susan Taylor, George Weiss, Raymond Welsh, Mark Winkelman, and Michael Zisman. Administrators and guests present were: Robert Alig, Robin Beck, Omar Blaik, Mary Lee Brown, Rebecca Bushnell, Craig Carnaroli, Peter Conn, Carol De Fries, Dennis DeTurck, Scott Douglass, Bonnie Eisner, Jim Gardner, Bonnie Gibson, William Gipson, Eduardo Glandt, Joann Hanna, Jack Heuer, Lela Jacobsohn, Sam Lundquist, Afaf Meleis, Marguerite Miller, Joann Mitchell, Nancy Nicely, Medha Narvekar, Jon Passaro, Leah Popowich, Molly Roth, Arthur Rubenstein, Maureen Rush, Carol Scheman, Ramin Sedehi, Steve Steinberg, Duncan Van Dusen, Wendy White, Marie Witt, Garrett Young, and John Zeller.

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.

Mr. Riepe called the meeting to order. He noted that a year ago they had met to elect Amy Gutmann as the new president and that the board's decision had been affirmed by the wonderful job that she is doing. He welcomed to the board the three new alumni trustees; Jay Fishman, at large; Robert M. Levy, central region; and Marie Savard, Pennsylvania. The Reverend William Gipson gave the invocation.

### **Chair's Report**

The minutes of the October 14, 2004, meeting were approved as distributed.

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

- Resolution to Amend the Bylaws of Penn Medicine Regarding Certain Ex Officio Members (page 1)

### **President's Report**

Dr. Amy Gutmann noted the death of Kathryn Engebretson, a distinguished alumna and former vice president for finance and chief financial officer.

Dr. Gutmann commented that the University was keenly aware of the proposed state funding cuts and fare increases for public transportation in Philadelphia and how they would negatively impact on students, faculty, and staff who rely on mass transit. She noted that the University's concerns have been expressed to public officials.

Dr. Gutmann expressed her pleasure that the Penn community was uniting behind the Penn Compact and using it a catalyst for innovative ideas to move the University from excellence to eminence.

Dr. Gutmann acknowledged a number of recently received gifts. She began with the \$30 million gift given by Lee Annenberg and the Annenberg Foundation to house and expand the Annenberg Public Policy Center. She noted two additional gifts that were dedicated to Penn's cross-disciplinary initiatives: a \$6.2 million gift from Paul Levy to fund merit based scholarships for law students who were pursuing cross-disciplinary studies or joint degrees, and a \$10 million anonymous gift to support the Penn Integrates Knowledge Initiative.

Dr. Gutmann stated that she was looking forward to an international symposium on women's health issues and identifying strategies to promote safe motherhood in an unsafe world that would be taking place in April. She noted Dean Afaf Meleis' leading role in this initiative.

Dr. Gutmann saluted the Penn community's response to the tsunami crisis in Asia; in particular, she thanked Dean Susan Fuhrman for coordinating the University's efforts. She noted that the University is committed to help rebuild the educational infrastructures of those areas affected by the tsunami.

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

- Resolution to Appoint Rebecca Bushnell as Dean of the School of Arts and Sciences (page 3)
- Resolution to Appoint John H. Zeller as Vice President for Development and Alumni Relations (page 4)
- Resolution to Appoint Scott R. Douglass as Vice President for Finance and Treasurer (page 5)

### **Academic Report**

Interim Provost Dr. Peter Conn reported that the School of Design's professional programs in architecture and landscape architecture had recently been ranked in a national survey of employers, graduates, and others as number three and two in the country. He commented that the school's studies of future urbanization had also received

national attention. He noted that the school had recruited Cecil Belmond, an internationally distinguished architect and theorist, to its faculty.

Dr. Conn announced the appointment of Dr. JoAnn McCarthy to the new position of Assistant Provost for International Affairs. He commented that the Assistant Provost for International Affairs would work with the President, Provost and deans to develop and implement the University's global strategy of enhancing our strengths as an international institution.

Dr. Conn reported on the progress of the NCAA recertification. He noted that Associate Provost Janice Bellace was overseeing the process as the chair of the steering committee and had set up four committees to help the University through the recertification. He commented that the self-study had to be completed by January 2006 and would be followed by an evaluation visit in May or June.

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

- Resolution on Faculty Appointments, Leaves and Promotions (page 6)

### **Financial Report**

Executive Vice President Craig Carnaroli stated that he was pleased with the performance of the University in the current fiscal year. He reported that the consolidated University had seen an asset growth of approximately \$340 million, in part from gifts to the endowment and positive investment performance. He noted that contributions year-to-date were 63% greater than in the previous year, much of it in the area of student scholarship support. Mr. Carnaroli stated that the Health System continued its favorable financial performance.

### **Penn Medicine Report**

Executive Vice President of the Health System and Dean of the Medical School Arthur Rubenstein reported that the School of Medicine was preparing for "March Madness" when medical school applicants would be notified of their acceptances. He noted that the days of waiting by the mailbox for acceptance letters was gone; instead, applicants now logged onto a web site. He also reported that Match Day was also approaching. This is when graduates of the school find out where they will be doing their internships and residencies.

Dean Rubenstein commented that two new companies based on technologies developed at the School of Medicine, Avid Radiopharmaceuticals and Marillon Pharmaceuticals, were among the seven start-ups that received seed money this year from the Biotechnology Greenhouse of Southeastern PA.

Dean Rubenstein reported that while the Health System's finances continued to be strong, that there were worries regarding proposed federal and state budget cuts. He noted that

the cuts had been incorporated into the budget projections and that he continued to be optimistic about the future.

## **Committee Reports**

### *Academic Policy*

Dr. Deborah Marrow reported that the committee had had a lively discussion on AP (Advanced Placement) credits. She noted that members questioned the potential negative impact financially and to class spirit if students receiving AP credits used the credits to graduate in less than four years. She commented that reports showed that not to be the case, but that more students were using the credits to opt out of some academic requirements, and that was concerning deans and the faculty. Dr. Marrow stated that Wharton had recently changed its policy on AP credits, and the College was currently reviewing its policies.

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

- Resolution to Establish a Master of Urban Spatial Analytics Degree in the School of Arts and Sciences (page 31)
- Resolution to Establish a Master of Integrated Science Education Degree in the School of Arts and Sciences (page 32)
- Resolution to Establish a Master of Applied Positive Psychology Degree in the School of Arts and Sciences (page 33)
- Resolution to Change the Name of the School of Social Work to the School of Social Policy and Practice (page 34)
- Resolution to Adopt the Revised Patent and Tangible Research Property Policies and Procedures of the University of Pennsylvania (page 35)

### *Audit and Compliance*

Mr. Paul Kelly reported that the committee had reviewed the financial statements for the 6-month period ended December 31, 2004. He noted that PricewaterhouseCoopers had presented a summary of its 2005 audit plan for the University, including the Health System. He stated that it was the recommendation of the committee that PricewaterhouseCoopers be engaged as the independent accountant for the University for the FY05.

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

- Resolution to Engage the Independent Accountant (page 36)

### *Budget and Finance*

Mr. L. John Clark reported that the committee had reviewed the unaudited financial results of the six-months ended December 31<sup>st</sup> for the University and Health System and was pleased with the results. He commented that Dean Afaf Meleis and Executive Director of Finance and Administration Patrick Burke had made a presentation on the plans for the School of Nursing.

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

- Resolution to Authorize the Expenditure of \$8.1 Million for Fit-Out of Space at 126 South 30th Street to be Occupied by the School of Medicine (page 37)
- Resolution to Authorize the Revised Scope and Budget for the Design and Construction of the McNeil Center for Early American Studies in the Amount of \$1.7 Million for a Total Revised Budget of \$5.28 Million (page 38)
- Resolution to Authorize the Installation of Sprinkler and Fire Alarm Systems in Sansom Place West in the Amount of \$4.9 Million (page 40)
- Resolution to Authorize the Expenditure of \$2.36 Million to Fit-Out Space for the Penn Center for Educational Leadership (page 41)
- Resolution to Authorize the Design and Construction of the Wharton School Vance Hall 3rd Floor External Affairs Renovation Project in the Amount of \$1.8 Million (page 42)

### *Development Committee*

Mr. David Silfen reported that fundraising had exceeded projections for this point in the fiscal year. He noted that cumulative gifts and pledges for the first six months totaled an excess of \$216 million and represented two-thirds of the University's fundraising goal for FY05.

Mr. Silfen stated that John Zeller, the new vice president for development and alumni relations, had updated the committee on the preparations for the University's upcoming campaign. He noted that Penn might be able to begin the initial phase of the campaign as early as July.

### *External Affairs*

Mr. Alan Hassenfeld presented the committee's report on behalf of Chair Andrea Mitchell. He commented that the committee was delighted that the full board had had the opportunity to visit the Hajoca Building and see the new home of WXPB and the World Café Live.

Mr. Hassenfeld reported that Lori Doyle had given a presentation on a new strategic communications plan with the goal of enhancing Penn's reputation locally and globally, supporting the University's fundraising efforts, and management of significant issues and potential crises.

Mr. Hassenfeld also reported that Shalani Bhutani, Director of International Students and Scholars, had given the committee an update on the post 9/11 impact on the international student population at Penn. He noted that there is great continuing concern over the lengthy delays and perceived unfriendliness of the US to international students. He stated that international applications to the University had decreased over the last year by 10% and that enrollment was down by 3%, which was representative of the national trend.

Mr. Hassenfeld noted that Carol Scheman, Vice President for Government and Community Relations, presented updates on state and federal budgetary concerns and expressed concerns over decreases in funding for research institutions and medical assistance.

### *Facilities and Campus Planning*

Mr. William Mack reported that development on the western edge of campus was the committee's focus for this meeting. He noted several initiatives for mixed-use development on north 40<sup>th</sup> Street toward Market in an effort to clean up the area and improve safety. He stated that the community had been consulted with respect to zoning approvals, financing, and marketing to desirable retail tenants. He also noted that Penn had been making some strategic investments in art and culture in its real estate holdings in a further effort to improve university-community relations and improve the quality of life in West Philadelphia.

Mr. Mack also reported on the conversion of 4200 Pine Street from an administrative space to condominiums. He commented that the property is a historic mansion built by architect Horace Trumbauer. He noted that the project was consistent with the University's goals of keeping academic and administrative functions on the core campus and increasing home ownership opportunities in University City.

### *Neighborhood Initiatives*

Mr. Gilbert Casellas reported that the committee was focusing on the Penn Compact's charge to engage locally. He noted that housing was the topic of this meeting and that research of three faculty members: Eugenie Birch, Susan Wachter, and Dennis Culhane, was featured. He commented that the committee has reviewed data compiled on housing trends in University City, including home sale prices, rental prices, and changes in the neighborhood's demographics. He stated that the community is showing the benefit of Penn's involvement in areas of decreased crime, improved public education and retail choices and increased employment opportunities, without suffering a loss of diversity.

Mr. Casellas commented that the committee had identified community health as an important issue. He thanked deans Afaf Meleis and Susan Fuhrman for the lead they are taking on the discussion of this issue.

### *Student Life*

Mrs. Susan Catherwood reported that the committee received a presentation on religious diversity on campus from Rev. William Gipson, University Chaplain, and student representatives from a number of campus religious groups.

Mrs. Catherwood stated that Interim Provost Peter Conn and Director of Alcohol Policy Initiatives Stephanie Ives gave a report on the alcohol response teams work. She noted that there were three key recommendations:

- Further control and clarify permissible access to alcohol at registered on-campus parties
- Increase internal oversight by student organizations at their own events
- Expand training goals and require groups hosting events with alcohol to develop competency plans about managing risk.

Mrs. Catherwood also reported that Phil Nichols, Faculty Director of College Houses and Academic Services had given an update on gender-neutral housing. She noted that beginning next fall, undergraduates who are upper-classmen of 18 years or older may apply for and be assigned to gender-neutral housing within the college house system.

### *Investment Board*

Mr. Howard Marks reported that for the calendar year 2004 the fund returned 11.03%, which was a point ahead of our benchmark. He noted that we were well ahead of not only our composite, but also our goal to earn 8% a year.

### *Penn Alumni Report*

Mrs. Lee Spelman Doty presented the Penn Alumni report in the absence of Mr. Paul Williams. She reported that the nominating committee would meet in mid-March to consider the slate of candidates who are up for the three alumni positions that will open in 2006. She commented that the Penn Traditions Program to reinforce the long history of tradition at Penn was continuing to grow. She noted that response to Dr. Gutmann's welcome tour was overwhelmingly positive and that big crowds were expected at all the events.

### **Appointments to Overseer and Other Boards**

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

- Resolution to Appoint Seth E. Toney II to the Board of Overseers of the Graduate School of Education (page 43)

- Resolution to Appoint Joseph D. Gatto, Esq., and Richard P. Schifter, Esq., to the Board of Overseers of the Law School (page 44)
- Resolution to Appoint Mark H. Goldstein to the Board of Overseers of the University Libraries (page 45)
- Resolution to Appoint David T. Clancy, Michael E. Feng, Harvey Kimmel, Michael J. Kowalski and Frederick J. Manning to the Board of Overseers of the University of Pennsylvania Museum of Archaeology and Anthropology (page 46)
- Resolution to Appoint Theodore E. Schlein and Krishna P. Singh to the Board of Overseers of the School of Engineering and Applied Science (page 48)
- Resolution to Appoint Marjorie Gordon Schaye, Patricia Braun Silvers, and Andrew D. Stone to the Board of Overseers of the School of Social Work (page 49)
- Resolution to Appoint Stephen G. Smith to the Board of Trustees of the University of Pennsylvania Press (page 50)
- Resolution to Appoint the 2005 Slate of the Board of Managers of the Wistar Institute (page 51)
- Resolution to Appoint Scott R. Douglass, Sandra L. Garz, and Scott W. Killinger to the Board of PennPraxis (page 52)

Mr. Riepe ended the meeting by thanking everyone for attending.

Respectfully submitted,

Leslie Kruhly  
Secretary of the University