Minutes of the Stated Meeting of the Trustees
of the University of Pennsylvania
February 24, 2006

A Stated Meeting of the Trustees of the University of Pennsylvania was convened on Friday, February 24, 2006, at 11:30 am in the Woodlands Ballroom at the Inn at Penn.


Administrators and guests present were: Bob Alig, Janice Bellace, Mary Lee Brown, Allison Cannady-Smith, Craig Carnaroli, Mete Civelek, Ron Daniels, Carol De Fries, Noah Drezner, Marie Dutton, Simon Enos, Bonnie Gibson, William Gipson, Sara Shapiro Harberson, Lela Jacobsohn, Danielle Kadingo, Leslie Laird Kruhly, Michael Lane, Stacey Lange, Sam Lundquist, Rose McManus, Marguerite Miller, Medha Narvekar, Arthur Rubenstein, Meghan Steed, and Marie Witt.

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. James Riepe called the meeting to order. He directed the board’s attention to the book, *Treating and Preventing Adolescent Mental Health Disorders*, a two-year collaboration by Penn’s departments of psychiatry and psychology, administered by the Annenberg Public Policy Center, funded by Trustee Leonore Annenberg through the Annenberg Foundation Trust at Sunnylands. He noted that this excellent example of the Penn Compact at work was named the American Association of Publishers’ “Best Book in Clinical Medicine for 2005.”

The minutes of the November 4, 2005 meeting were approved as distributed.

**Chair’s Report**
The following resolutions were presented and approved (full resolution text is appended).

Resolution to Amend the Statutes of the Trustees of the University of Pennsylvania (Page 1)

Resolution of Appreciation for Madlyn K. Abramson and Designation as Emerita Trustee (Page 2)

Resolution of Appreciation for James Kim and Designation as Emeritus Trustee (Page 3)
President’s Report

President Amy Gutmann acknowledged the passing of Dr. George Gerbner, a pioneering scholar of television’s effect on society and dean emeritus of the Annenberg School for Communication.

She reviewed the significant progress made under the Penn Compact. President Gutmann noted that a revised campus development plan was on track for completion in June. She indicated that the plan would include:

- a comprehensive campus development phasing strategy with proposed implementation time periods over the next 30 years;
- coordination with the ongoing University capital planning;
- financial estimates and financing strategies linked to the development phases; and
- proposed implementation and real estate development strategies.

President Gutmann acknowledged the contributions of Omar Blaik, Senior Vice President for Facilities and Real Estate Services, who has resigned Penn effective the end of March.

President Gutmann reported that the President's and Provost's Task Force on Global Engagement issued an excellent set of recommendations designed to position Penn as the premier American urban research university with the most far-reaching global perspective and impact. She noted that its key recommendations are:

- to promote greater access, establish a Penn World Scholars program that will recruit outstanding scholars with strong leadership potential from a geographically diverse pool of students worldwide
- to enlarge the integrated global perspective of our students, bring to the Penn campus eminent visiting scholars and renowned global leaders who have made significant contributions to human progress
- to encourage successful partnerships between arts and sciences and Penn's professional schools, establish a competitive fund to underwrite initiatives that will enhance international teaching, research and practice that benefit our students, society, and world.

President Gutmann thanked the members of the Task Force, including co-chairs Pat Harker and Susan Fuhrman, for a job well done and indicated that she and Provost Ron Daniels would rapidly move forward with these recommendations.

President Gutmann reported on fundraising for financial aid, faculty retainment and recruitment, and critical programmatic and capital projects, noting another record-breaking year. She stated that overall receipts through January were up 14% over last year, with endowment receipts up 54%, and a 62% increase in the number of first-time million-dollar-plus donors. Finally, she acknowledged the record-breaking 20,000 admissions applications received, an 8.7% increase over last year.

Academic Report

Provost Daniels reported that the Wharton School’s 125th anniversary celebration began in January 2006 and would culminate in April 2007, and the Wharton Economic Summit to be held in New York City on February 1, 2007. He noted that an Indian-focused version of Knowledge@Wharton, the School’s online business analysis and research journal, would soon
be available, joining foreign language and special content versions China Knowledge@Wharton and Universia Knowledge@Wharton. Provost Daniels reported that the School had added a secondary concentration in retailing, which will provide students with a deeper foundation for successful careers in retail.

He then noted that the University was in the midst of its NCAA second-cycle recertification review to ensure the fundamental integrity of intercollegiate athletics. Provost Daniels indicated that the Certification Steering Committee had completed a self-study, which was divided into three major topics: Governance and Rules Compliance, Academic Integrity, and Equity in Student Athlete Welfare. The Committee had concluded that the University is operating within NCAA operating principles and identified areas for improvement. He noted that outside reviewers would conduct a site visit in late June and evaluate the self-study.

Finally, Provost Daniels reported that building on the National Symposium on Risk and Disaster in Washington, D.C, the Penn Institute for Urban Research hosted another conference earlier in the month, Rebuilding Urban Places After Disaster featuring Marc Morial, former Mayor of New Orleans and President of the National Urban League, and Nick Spitzer of public radio’s program “American Routes,” as well as many prominent thinkers from around the University and around the country. As with the previous conference, Provost Daniels noted that Rebuilding Urban Places After Disaster was followed with a quick publication of the proceedings that was distributed to all members of Congress, among other national decision makers, as a resource to be used when deliberating how the nation should go about preparing for and rebuilding after future national disasters.

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

Resolution on Faculty Appointments, Leaves and Promotions (Page 4)

Financial Report
Mr. Craig Carnaroli reported that the consolidated University performance continued to experience a positive trend due to extraordinary philanthropic support, strong investment performance, and strong Health System operations. He noted, however, that capital spending was higher this year due to the completion of a number of projects, including the Hill Pavilion, the Lynch Life Sciences Building and Skirkanich Hall.

Penn Medicine Report
Dr. Arthur Rubenstein thanked the trustees for approving the Center for Advanced Medicine. He reported that Dr. Garret Fitzgerald, Director of the Institute for Translational Medicine and Therapeutics, is leading a special National Institute of Health initiative. The initiative is related to a Clinical and Translational Science Award to help institutions develop well-trained interdisciplinary investigators and research teams to examine applications of new knowledge and techniques. Dr. Rubenstein reported that the School of Medicine had received funding from the Howard Hughes Medical Institute to help shorten the time it takes to translate basic science discoveries into medical treatment. He noted that the University was among 12 of 80 applicants awarded funding. He stated that Focus, the School’s leadership group of women faculty who help deal with the challenging issues of women’s careers, was honored at the annual meeting of
the Association of American Medical Colleges, AAMC, and had been profiled in the Winter 2006 issue of the publication. Dr. Rubenstein noted that the Penn Center For AIDS Research (CFAR) recently served as host of the National CFAR Research Symposium, featuring presentations from 20 local and international researchers on how to improve AIDS prevention and treatment. He indicated that the Health System and Medical School host a national conference to kick off a new initiative related to professionalism.

Committee Reports

**Academic Policy**
Chair Deborah Marrow reported that the Academic Policy Committee discussed the topic of internationalization and its challenges, including:
- the difficulty in developing a coherent approach across the University
- increasing competition for students from foreign institutions of higher education
- the high cost of internationalization.

The Committee also discussed the recently released report of the Task Force on Global Engagement. The Committee concluded that internationalization was too broad a topic for one meeting and decided to continue the discussion, focusing on specific goals and objectives in a future meeting.

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

Resolution to Establish the Position of Artist-in-Residence in the School of Arts and Sciences (Page 49)

Resolution to Establish a Master's Degree in Social Policy (Page 50)

**Audit and Compliance**
Chair Paul Kelly reported that the Audit and Compliance Committee had met with the management of the Health System and of the University and reviewed the financial statements for the six-month period ended December 31, 2005. He commended both management teams for the noted improvement in the financial reporting to the Committee over the last several years. He noted that compliance issues, for research universities, are increasing “at a compounded rate.” Therefore the Committee may need to consider having an additional out-of-cycle meeting at some point in the future. Mr. Kelly reported that the Committee reviewed two areas of compliance: proper payroll allocations to federal research contracts and the maintenance of the highest levels of responsible conduct and integrity by all members of the University community. He reported that both areas are receiving the University’s full attention and focus.

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

Resolution to Engage the Independent Accountant (Page 51)

**Budget and Finance**
Chair L. John Clark reported that the Budget and Finance Committee had reviewed the consolidated unaudited financial results for the six months ended December 31st, 2005, for the
total University, the academic component and Penn Medicine, both on an actual and budget basis. The Committee also had reviewed several presentations, including presentations on the expansion of the approved scope of Penn Medicine Center for Advanced Medicine and a presentation on a new Faculty Guaranteed Mortgage Insurance Program. Mr. Clark reported that after questions, the committee was satisfied with all the results and presentations.

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

Resolution to Authorize the Completion of the Construction of Phase 1 of the Perelman Center for Advanced Medicine (Page 52)

Resolution to Authorize the Project Work Necessitated by the South Street Bridge Reconstruction in the Amount of $6.87 Million (Page 54)

Resolution to Authorize Purchase and Delivery of a PET/CT Scanner in the amount of $1.85 Million (Page 55)

Resolution to Authorize a Lease for the School of Medicine Center for Sleep and Respiratory Neurobiology at 3624 Market Street, with a Net Present Value of $1.47 Million (Page 56)

Resolution to Authorize the Faculty Guaranteed Mortgage Insurance Program (Page 58)

Development Committee
Chair David Silfen was pleased to report excellent fundraising results for Fiscal Year 2006 to-date. He noted that through the end of January, new gifts and pledges totaled $244 million, well beyond plan, adding to the University’s endowment during the first seven months by nearly $100 million, a 54% increase over last year. Mr. Silfen reported that the University had received 21 first-time gifts of $1 million or more vs. 13 in the comparable period last year, a 62% increase. He added that alumni giving continued to be strong. In the seven months-to-date, new gifts and pledges from alumni totaled nearly $102 million, roughly twice the amount contributed by alumni during the comparable period last year. Mr. Silfen reported that the Development Committee continued the campaign planning process, with particular focus on budget and staffing needs for both the Development and Alumni Relations areas and programming for the upcoming campaign. The Committee also finalized the pricing guidelines for professorships, faculty support, and undergraduate scholarships, which will be cornerstones of the upcoming campaign. Finally, on behalf of the entire Committee, Mr. Silfen thanked the University staff and all of the trustees for their support and assistance.

External Affairs
Chair Andrea Mitchell reported that consistent with its annual practice of focusing on individual schools or centers, the Committee focused on Penn Medicine and the School of Nursing. The Committee had received an overview of Penn Medicine’s Public Affairs Office from Susan Phillips, Senior Vice President for Public Affairs, outlining a number of legislative and policy issues at both the federal and state levels that will impact the Health System. Joy McIntyre, Director of Communications at Penn Nursing, also reported to the Committee. Prompted by a request from the School’s Board of Overseers, the school had conducted research to determine
its national position relative to other nursing schools. Ms. Mitchell reported that the Committee had learned that the School is ranked in the top five for NIH funding and third by *U.S. News and World Report*. Van McMurtry, Vice President for Government, Community, and Public Affairs, had presented a quick summary of the proposed federal, state and city budgets to the Committee. Finally, Lori Doyle, Vice President for University Communications, had provided an overview of current activity in communications throughout the University, highlighting coverage in local and national print and broadcast media.

**Facilities and Campus Planning**

Chair William Mack reported that the Facilities and Campus Planning Committee had met with Mr. Carnaroli and Mr. Blaik, who had reported on progress towards renewing aging campus buildings and infrastructure and the challenges that lie ahead. The Committee also was updated on campus construction. Recently completed projects he noted included completion of Fisher-Bennett Hall, the McNeil Center for Early American Studies, and the School of Nursing. Projects to be completed within the next six months included the School of Arts and Sciences Lynch Life Sciences Building, the Veterinary School’s Hill Pavilion, and Engineering’s Skirkanich Hall. Continuing construction projects included the Perelman Center for Advanced Medicine and the mixed-use retail and apartment complexes at 34th and Chestnut and at 40th Street and Chestnut. Finally, anticipated groundbreakings included the Annenberg Public Policy Center and new student apartments at 3900 Walnut Street.

**Neighborhood Initiatives**

Chair Gilbert Casellas reported that the Neighborhood Initiatives Committee had focused on safety and security in the neighborhood and continuing efforts to advance local engagement as well as the integration of knowledge. The Committee had received an informative presentation from Dr. Lawrence Sherman, the Albert M. Greenfield Professor of Criminology and a nationally and internationally recognized expert on crime prevention, on the up-tick in crime in the city and on campus. Dr. Sherman also had spoken about his research using PROBE-Stat, a tool that helps to analyze and predict crime. Mr. Casellas reported that Vice President for Public Safety Maureen Rush also had provided the Committee with an overview of Operation SAFE (Safety and Awareness for Everyone). The Committee had reviewed the deployment of new technology, as well as enhanced lighting program and fixtures. Mr. Casellas noted that Mr. Blaik had reported on retail space and new developments. In addition, he stated that Cory Bowman, Associate Director of the Center for Community Partnerships (CCP), had provided the Committee with an update on the new Skills Development Center, a pilot program recently launched with the Hospital of the University of Pennsylvania (HUP) that would prepare hospital workers to move into jobs with career ladders and higher wages. He noted that preference for entry into the program would be given to West Philadelphia residents and that CCP had planned to expand the program to all of the Health System’s hospitals and across the University.

**Student Life**

Chair Alan Hassenfeld reported that the Student Life Committee was delighted to learn that since its last meeting, the space available to the cultural centers, and for all students at the ARCH had been tripled. The Committee had heard a presentation from Dr. Phil Nichols, Faculty Director of College Houses and Academic Services, and Doug Berger, Director of Housing and Conference Services, on residential living items, including the history of the College House System,
contemporary options, opportunities and challenges and next steps as they relate to recent discussions on this issue. Mr. Hassenfeld noted that Deputy Provost Janice Bellace and Lela Jacobsohn, chair of the Graduate and Professional Student Assembly (GAPSA), had presented on University family-friendly policy initiatives. The Committee also had discussed the Wednesday night dinner with graduate and professional students at the Graduate Student Center. Mr. Hassenfeld stated that discussions with members of the graduate student groups had showed the incredible passion and devotion of students to Penn and their desire to make the graduate experience even richer for those students who follow them.

**Investment Board**
Chair Howard Marks reported that fiscal year-to-date, which is the six months from June 30th through the end of the year, the AIF was up 7.4% versus the self-appointed benchmark of 4.2% and annual goal of 8.25%. Therefore, he stated that, in the absolute, the board was performing on target for its necessary budget contribution. In addition, he noted that under the leadership of Kristin Gilbertson, Penn’s Chief Investment Officer, the University had increased investments in the better performing sectors, i.e. international and emerging market equity, and decreased investments in the lower performing areas, i.e. high-yield and investment grade bonds. Mr. Marks indicated that the University’s one-year figures for calendar year 2005 were up 9.4%, well ahead of its 8.25% benchmarked goal.

**Penn Alumni Report**
Chair Paul Williams welcomed two new alumni trustees, Susan Danilow and Julie Platt. He reported that the Penn Alumni Trustees Nomination Committee would meet in March and possibly again in April, and would recommend trustee nominees for four slots: the mid-Atlantic region, the Southern region and two at-large positions. He thanked Dr. Gutmann for her recent travels to Mumbai, Miami, and Atlanta. Mr. Williams also thanked fellow trustee Egbert Perry, for hosting the Atlanta event. He added that Dr. Gutmann would be traveling to Singapore, Beijing, and Hong Kong in the middle of March to reach out to Penn alumni worldwide. Mr. Williams reported that Homecoming and Alumni Weekend were great successes with dramatic improvement in attendance at both events. He noted that the University would be celebrating and reaffirming its commitment to diversity with the celebration of the 125th anniversary of James Brister’s Society at this year’s Commencement, in addition to the Wharton School’s 125th anniversary celebration and the 10th year celebration of the Kelly Writers House. Mr. Williams stated that a series of meetings and communications with the Alumni Trustees would be convened in June to address Alumni Relations strategies and ways to increase collaboration and success.

**Appointments to Overseer and Other Boards**
The following resolutions were presented and approved (full resolution text is appended).

Resolution to Appoint Lolita K. Jackson to the Board of Overseers of the Annenberg Center for the Performing Arts (Page 59)

Resolution to Appoint Susan Small Savitsky and David B. Weigle to the Board of Overseers of the School of Arts and Sciences (Page 60)
Resolution on Changing the Name of the Athletics Board of Advisors (Page 61)

Resolution to Appoint L. John Clark as Chair of the Athletics Board of Overseers (Page 62)

Resolution to Appoint Ned L. Siegel to the Board of Overseers of the School of Design (Page 63)

Resolution to Appoint Jay S. Fishman to the Board of Overseers of the Graduate School of Education (Page 64)

Resolution to Appoint Sarah Keil Wolf to the Board of Overseers of the School of Engineering and Applied Science (Page 65)

Resolution to Appoint Gail Kamer Lieberfarb to the Board of Overseers of the University of Pennsylvania Museum of Archaeology and Anthropology and to Appoint Michael J. Kowalski as the Board’s Chair (Page 66)

Resolution to Appoint David Ertel to the Board of Overseers of the School of Social Policy and Practice (Page 67)

Resolution to Appoint Jeffrey J.L. Koo, Jr., to the Board of Overseers of the Wharton School (Page 68)

Resolution to Appoint the 2006 Slate of the Board of Managers of The Wistar Institute (Page 69)

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

Memorial Resolution for Michael L. Tarnopol (Page 70)

Chair Riepe ended the meeting asking trustees to remain seated for the memorial to Mr. Tarnopol.

Respectfully submitted,

[Signature]

Leslie Laird Kruhly
Secretary of the University