University of Pennsylvania Board of Trustees  
Stated Meeting  

Meeting of May 10, 2007

MINUTES

A Stated Meeting of the Trustees of the University of Pennsylvania was convened on Thursday, May 10, 2007, at 1:20 pm in Bodek Lounge, in Houston Hall.

Trustees present at the meeting were: James Riepe (Chair), Gilbert Casellas, L. John Clark, David Cohen, Amy Gutmann, Paul Kelly, William Mack, Andrea Mitchell, David Silfen, George Weiss, and Paul Williams.

Administrators and guests present were: Mary Lee Brown, Craig Carnaroli, Ronald Daniels, Scott Douglass, Lori Doyle, Gabriela Femenia, Bonnie Gibson, Xiang Huang, Eric Kaplan, Leslie Laird Kruhly, Vanda McMurtry, Marguerite Miller, Joanna Mitchell, Ralph Muller, Anne Papageorge, Susan Phillips, Gregory Rost, Arthur Rubenstein, Maureen Rush, Wendy White, Marie Witt, 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.

Chairman Riepe called the meeting to order.

Chair’s Report

Chairman Riepe welcomed everyone to the May meeting of the Executive Committee. He noted that many events and celebrations are planned for the next few days: Alumni Weekend, Ivy Day and, on Monday, Penn’s 251st Commencement.

The minutes of both the January 23, 2007 meeting and the March 22, 2007 meeting were approved as distributed.

President’s Report

Dr. Gutmann began by noting Penn’s four spring Ivy League athletic championships: women’s tennis, men’s tennis, men’s golf and women’s lacrosse.

Dr. Gutmann also reported that Penn set new records with applications for the class of 2011. Penn received a record 22,634 applicants this year, representing a 10% increase in applications over last year, which is the largest increase in the Ivy League. Dr. Gutmann noted that in admitting 3,610 students Penn had its lowest ever acceptance rate (15.9%). Penn also saw the most diverse pool of applicants in the University’s history: African American and Black student applications were up 20%, Hispanic and Latino student applications were up over 18%, applications from Native Americans were up 8%, and

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international applications were up 19%. Additionally, Penn’s new financial aid policies have benefited more than 1,700 students, representing over 44% of aided scholarship students at the University.

Dr. Gutmann reported that Penn has carried out its agreement with the New York State Attorney General’s Office regarding Citibank’s CitiAssist student loan program. Dr. Gutmann complimented Scott Douglass and his team on an excellent job in moving this matter quickly forward, and Wendy White and Craig Carnaroli on an equally fine performance in bringing this matter to a rapid and satisfactory conclusion.

Dr. Gutmann discussed Penn’s continued focus on economic inclusion. Approximately 60% ($153 million) of the Center for Advanced Medicine and the Pennsylvania Hall Demolition projects were awarded to minority- and women- owned firms, and minorities and women comprise more than a third of the workforce on these projects. Additionally, the Domus apartment building at 34th and Chestnut Streets exceeded Penn’s participation goals, with women and minorities comprising one-third of the workforce and receiving more than 20% of the construction business. The University’s inclusion rate for overall purchases is approximately 20% with 33 underrepresented minority suppliers.

Dr. Gutmann reported that Penn held its inaugural “Gradfest” on May 5 and it was a resounding success. The event was planned by the University’s Graduate and Professional Students Assembly with the assistance of Business Services. Dr. Gutmann stated that Gradfest celebrates and strengthens Penn’s graduate and professional community.

Dr. Gutmann noted that Penn won two non-athletic champion awards this spring. First, the University was named champion of the Ivy League for purchasing the largest amount of green power. Second, the Ivy League earned the award for making the largest collective purchase of green power.

**Academic Report**

Provost Daniels reported that Sanjeev Khanna, Professor of Computer and Information Science at the School of Engineering and Applied Science, received a Guggenheim Fellowship last month. Professor Khanna works at the intersection of algorithms and computational complexity, and the fellowship will fund his continued research in identifying the polynomial-time approximability of fundamental problems in combinatorial optimization.

Provost Daniels announced that Dr. Arthur Rubenstein won the Clinical Research Forum Academic Health Centered Leadership Award for supporting clinical research. Additionally, the New York Academy of Medicine recently awarded Dr. Rubenstein the Academy Medal for distinguished contributions in biomedical science for his groundbreaking research in diabetes. Provost Daniels congratulated Dr. Rubenstein on these accomplishments.
Provost Daniels reported that he recently presided over the Lindback Teaching Awards, where distinguished faculty members are honored for their achievements in teaching. This year, the following individuals won this award: Matthew Adler of the Law School, Nancy Bentley of the English Department, Julie Fairman of the School of Nursing, David Holt of the School of Veterinary Medicine, Edward Macarak of the Dental School, Amy Pruitt of the School of Medicine, Lawrence Sipe of the Graduate School of Education, and Jeffrey Winkler of the Chemistry Department.

Provost Daniels noted that Michael Katz of the History Department and Mitchell Marcus of the School of Engineering and Applied Science were honored for their contributions to graduate education.

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

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

Financial Report

Executive Vice President Craig Carnaroli began by reporting on Penn’s continued strong financial progress, particularly in the endowment where the University achieved returns of 14.6% through the fiscal year to date, compared to the benchmark of 13.1%. Penn continues to see strong gains given the very positive equity markets.

Mr. Carnaroli noted the continued strong performance of the Health System, which had an exceptional first nine months and will greatly outperform its revenue expectations for the year. He noted that these strong gains are important in terms of fueling the University’s ability to make strategic programmatic investments in clinical and research facilities.

Last month, Mr. Carnaroli, Dr. Gutmann, and Provost Daniels moderated the Models of Excellence Awards, which highlights the achievements of staff. They offered awards to close to 50 people including project teams on four different projects. Award recipients ranged from student services to academic services. Additionally, the administration inaugurated the first Model Supervisor at the University. Mr. Carnaroli noted that the administration is attempting to model and reward excellent performance.

Penn Medicine Report

Executive Vice President for the Health System and Dean of the School of Medicine Dr. Arthur Rubenstein reported on an interesting development in translational medicine. Last year, one of the University’s investigators discovered the gene for the disease Fibrodysplasia Ossificans Progressiva, where muscle and tissue turn into bone in young people and render them immobile. Due to this gene discovery, the disease gained notoriety and was shown on an episode of the television show, Grey’s Anatomy. The result of this exposure has been an enormous outpouring of philanthropic support for additional treatment studies.
Dr. Rubenstein announced that the clinical excellence of the Medical School’s faculty was recognized by *Philadelphia Magazine*, which rated the leading physicians in the Philadelphia region. Of 354 physicians rated, 139 of them were from Penn. The closest competition came from Jefferson, with 38 physicians rated. Dr. Rubenstein noted that this recognition lends credence to Penn Medicine’s stellar reputation in the region.

Dr. Rubenstein reported that Penn Medicine is continually monitoring progress on the Perelman Center for Advanced Medicine, which is currently on schedule and on budget. The Roberts Proton Therapy Center is also on schedule and on budget.

Dr. Rubenstein noted that this year marks the first time more women than men will graduate from the Medical School. He concluded by reporting that 98% of this year’s graduates are staying in academic medicine, and 30% are staying to do their residencies at Penn.

**Budget and Finance Report**

Mr. L. John Clark, Budget and Finance Committee Chair, reported that the Budget and Finance Committee met and reviewed the nine months results for Penn and Penn Medicine. The results were excellent for both.

Chairman Clark noted that the Committee saw a presentation that increased the Committee members’ confidence in University procurement practices.

The following resolutions, already reviewed and approved by the Budget and Finance Committee, were presented and approved (full resolution text is appended):

- Resolution to Authorize the Design and Construction of the Business Services Quadrangle Fence Renovations in the Amount of $1.9 Million (p. 5).

- Resolution to Authorize a Lease for Space to be Occupied by Student Health Services at 3535 Market Street, 1st Floor (p. 6).

- Resolution to Authorize a Lease for Space at 711 Lancaster Avenue to be Occupied by the School of Dental Medicine, Penn Dental at Bryn Mawr (p. 7).

- Resolution to Authorize the Approval of a Line of Credit and Guarantee for Philadelphia Post Acute Partners, LLC d/b/a Good Shepherd Penn Partners by University of Pennsylvania Health System (p. 8).

The meeting concluded at 1:40 p.m.

Respectfully submitted,

Leslie Laird Kruhly
Secretary of the University