A Stated Meeting of the Trustees of the University of Pennsylvania was convened on Friday, February 22, 2008, at 11:45 a.m. in the Woodlands Ballroom at the Inn at Penn.

Trustees present at the meeting were: James Riepe (Chair), Arlin Adams, Mark Alderman, Mitchell Blutt, Scott Bok, Judith Bollinger, Richard Brown, David Brush, Gilbert Casellas, L. John Clark, David Cohen, Lisa Crutchfield, Susan Danilow, Lee Spelman Doty, James Dunning, William Egan, Robert Fox, Perry Golkin, Joel Greenblatt, Amy Gutmann, Alan Hassenfeld, Andrew Heyer, Stephen Heyman, Paul Kelly, Laurie Landeau, Paul Levy, M. Claire Lomax, Howard Marks, Deborah Marrow, Edward Mathias, Egbert Perry, Richard Perry, Julie Beren Platt, Mitchell Quain, Kathy Sachs, Marie Savard, Alvin Shoemaker, David Silfen, Susan Taylor, Robert Toll, George Weiss and Mark Winkelman.


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 at 11:45 a.m.

Chair’s Report

Chairman James Riepe welcomed everyone to the winter meeting of the Trustees. He noted that New Trustee Orientation had been successful, and that everyone was excited to have the new trustees on board. Mr. Riepe reported that the Campaign had already reached the halfway point in terms of fundraising.

He praised the presentation on neuroscience research that the trustees had seen the previous day, noting that it showcased the scope and depth of the Penn faculty’s work. Mr. Riepe also reminded everyone of the luncheon presentation following the meeting, where Professor Dan Lee from the School of Engineering and Applied Sciences would present on the autonomous car, “Little Ben.”

Mr. Riepe also congratulated Reverend William Gipson, the University Chaplain for the last 11 years, who was named Penn’s first Associate Vice Provost for Access and Equity. He thanked
Rev. Gipson for his tremendous service as Chaplain and expressed confidence that Rev. Gipson would further Penn’s goals for diversity and equal access for current and future students.

Interim University Chaplain Reverend Charles Howard presented the invocation.

The minutes of the October 19, 2007 meeting were approved as distributed.

President’s Report

President Amy Gutmann reported that Penn has taken a substantial step toward fulfilling the Penn Compact. Building on last year’s initiative of raising the family income level cap from $50,000 to $60,000, effective in September 2008, students with families earning less than $100,000 will receive loan-free packages. Additionally, families earning above that level who are eligible for financial aid will receive a 10% reduction in need-based loans. By September 2009 all undergraduate students eligible for financial aid will receive loan-free aid packages.

Dr. Gutmann gave an update on the Making History campaign. Campaign events have taken place in Boston, Washington, San Francisco, and Los Angeles with upcoming events in New York and Miami. The Miami event will be co-hosted by Campaign co-chair George Weiss and his daughter Allison Weiss Brady. The Campaign events to date have engaged 1,800 alumni in addition to the 1,800 who were at the kickoff event on October 20th and the Campaign has raised $1.81 billion, 52% of the $3.5 billion goal. Since July 2007, the University has received $363 million in new commitments including more than $296 million in cash.

In terms of recent major gifts, Trustee Christopher Browne has given the School of Arts and Sciences $15 million to establish five endowed professorships in the humanities and social sciences. A $10 million endowment gift from Trustee Robert Fox and his wife Penny Fox will secure the future of Penn’s Robert A. Fox Leadership Program, which expands student leadership experience and education. The Center for Community Partnerships has been renamed for Edward Netter and his wife Barbara in recognition of their commitment of more than $10 million. Dr. Gutmann noted that Penn is ranked among a very small number of colleges and universities for its signature commitment to community and volunteerism, and that these two programs constitute a very important part of that strength. Dr. Gutmann also reported that the School of Arts and Sciences Center for Advanced Judaic studies is being named for Herb Katz, who died last fall and whose family made a $6 million gift in his memory. Mr. Katz had served as the first Chair of the Center’s Overseer Board.

Moving on to University leadership news, Dr. Gutmann announced that Eric J. Furda will become Dean of Admissions effective July 1, 2008. Mr. Furda was Columbia University’s Vice President of Alumni Relations and previously the Executive Director of Undergraduate Admissions at Columbia University. While at Columbia he guided a historic rise in undergraduate admissions. Dr. Gutmann noted that Mr. Furda’s 17 years of experience in competitive undergraduate admission have given him a keen understanding of the current challenges facing major undergraduate research universities. Dr. Gutmann also stated how grateful the University is to Eric Kaplan, who took leave from his position as Associate University Secretary to serve as Interim Dean of Admissions. She reported that Mr. Kaplan did a
superb job in the early admissions process, which produced the strongest, most talented, and most diverse cohort in Penn’s history.

Dr. Gutmann advised that Stacy Lopez has been appointed Assistant Vice President for Institutional Research and Analysis. Ms. Lopez previously was the director of institutional research at Carnegie Mellon University.

Moving on to financial news, Dr. Gutmann announced that the Health System has received upgrades from Standard & Poor’s from AA- to A+ and from Moody’s AA3 to A1. The reports given by Moody’s and S&P cited the Health System’s record of fiscal performance, clinical excellence and four years of notable operating improvements.

Dr. Gutmann reported that Penn has added a sixth Penn Integrates Knowledge professor to the faculty: the highly acclaimed genetics researcher Sarah Tishkoff. Dr. Tishkoff holds appointments in Biology in the School of Arts and Sciences and Genetics in the School of Medicine. Dr. Gutmann noted that since much of Dr. Tishkoff’s research is focused on Africa, where she’s compiled the world’s most extensive DNA database, she also will strengthen Penn’s contributions to global knowledge and understanding.

In terms of the Penn Connects campus master plan, architects have been selected for six major projects. Crawford Architects will design a new 22,500 sq ft athletic performance center, slated to open in late 2009, to be constructed in the northern façade and concourse of Franklin Field. Michael Van Valkenburgh Associates, of Cambridge, MA, will design PennPark for completion by 2010. SmithGroup, of Detroit and Washington D.C., will design the new neural and behavioral science building which will be linked to the Carolyn Lynch Laboratory. Dr. Gutmann noted that this will complete Penn’s Life Science precinct along University Avenue. The Singh Center for Nanoscale Research building will be designed by Weiss/Manfredi of New York with M+W Zander of Marlborough, Massachusetts. Philadelphia’s own Dagit-Saylor Architects will restore the ARCH building and the new College House at Hill Square will be designed by Patkau Architects of Vancouver, British Columbia. Dr. Gutmann reported that several of these projects are already funded and will go forward, while others still await donors to fund them. She noted, however, completed schematic designs for all of these projects are expected by the fall.

Finally, Dr. Gutmann mentioned a few facts about the 1,147 record-breaking early decision students who will make up 48% of the incoming class of 2012. There was a five point increase on SAT scores and a two point increase on SAT II scores over the previous year’s record highs. Underrepresented minorities constitute 13.5% of the group, up from 12.6% during the previous year. International students constitute 10.2%, compared to 9.5% last year.

Dr. Gutmann then presented the following two resolutions:

- Resolution of Appreciation for Frank E. Claus (p. 1).

- Resolution to Appoint Stephen D. Golding as Vice President for Finance and Treasurer (p. 2).
Academic Report

Provost Daniels discussed the Wharton School, where Dean Robertson has made internationalization a key policy focus. Wharton recently renewed an alliance with INSEAD Business School, headquartered in France. Dean Robertson also joined the boards of India Business School and the School of Management at Peking University in China. Each year the Wharton Global Alumni Forums brings together thousands of alumni in centers of economic importance. In 2008 the forums will travel to Lima, Cape Town, and Ho Chi Minh City. Wharton’s executive education sites now include China, South Korea, Dubai and Israel. And Knowledge at Wharton, the School’s free online business journal, is utilized by more than nine million subscribers across the world. It is published bi-weekly in English, Spanish, Portuguese and Chinese and has recently introduced new editions with regional content tailored for both China and India.

Finally, Wharton recently received a $1 million gift from Leslie Koo for International Social Good Initiatives. Mr. Daniels noted that this is something that Dean Robertson is very passionate about, and that he and his staff are currently working with both undergraduates and MBA students to identify initiatives that can be supported by this fund.

Mr. Daniels then presented the following resolution:

• Resolution on Faculty Appointments, Leaves and Promotions (p. 3).

Financial Report

Executive Vice President Craig Carnaroli noted the net assets for the consolidated University continue to experience positive growth, increasing 4.2% to a total of $9.1 billion. Total operating revenue for the six month period has increased by approximately $156 million. The total endowment value at the end of 2007 is $6.78 billion, a 2.2% increase over June 30, 2007. Total operating expenses have increased $148.5 million, or 6.9%, to $2.3 billion.

Regarding the academic component, Mr. Carnaroli noted that the Making History campaign is having a continuing positive effect on the financial statements. Numbers are up across all categories, particularly in non-operating contributions to support the endowment which grew from $48 million in the prior six month period to over $120 million for the current six month period. Net assets from operations increased 53.5% over the prior six month period. The endowment increased $125.3 million (2.3%) to $5.7 billion.

Planned assets had a depreciation of $2.3 billion or 44.7% higher, due in part to Penn’s successful acquisition of the postal lands.

Mr. Carnaroli turned to the Health System, noting that it continues to experience favorable performance. Year over year adjusted admissions increased by 4.5% to 56,000. Total operating revenue of $1.4 billion was 7.9% higher and operating expenses were $1.3 billion or 8.7% higher due to higher compensation and supply expenses. The Health System continues to make favorable progress on its principal capital projects and anticipates the successful opening of the
Perelman Center for Advanced Medicine in July. Work continues on completing the Roberts Proton Therapy Center as well, and planning continues to proceed quickly for the new research building.

**Penn Medicine Report**

Executive Vice President for the Health System and Dean of the School of Medicine Arthur Rubenstein noted that the Medical School continues to enjoy a sound financial environment in spite of the federal government's reduced funding for NIH.

Dr. Rubenstein marked the one-year anniversary of a great Penn Med achievement: the use of an artificial heart to bridge a transplant patient awaiting a donor organ. The patient was tethered to a complex machine which kept him alive until a suitable donor was found. Dr. Rubenstein reported that the patient is doing well and he and his family are extraordinarily grateful.

Dr. Gutmann, Mr. Daniels, Vice Dean for Education Gail Morrison and Dr. Rubenstein recently participated in a visit from the National Medical School Accrediting Party (NMSAP). The group visits every eight years to assess the quality of the medical education at the School. The School received a 124½ out of 125 on the assessment, which involved an 18 month self-study involving students, administrators, faculty, and everyone concerned with the operation. The Accrediting Party found the School’s curriculum innovative, integrative and flexible. Furthermore, they described the student body as impressive, vibrant and forward-looking. In conclusion, Dr. Rubenstein noted that the NMSAP had indicated that the integrated management and resource planning of the Health System and School of Medicine "exemplifies the best of an academic medical center in a great university."

Dr. Gutmann stated that she has sat in on numerous accrediting groups and that none was more admiring than this one.

Dr. Gutmann also followed up on her comments about Robert Fox, noting that he exemplifies a commitment to integrating knowledge and moving the whole University forward. Mr. Fox has not only endowed the Fox Leadership Program, but he is also a major donor to Penn’s School of Medicine and to Penn Athletics. On behalf of the Trustees, she thanked Mr. Fox for his commitment.

**Neighborhood Initiatives**

Neighborhood Initiatives Committee Chair Susan Taylor reported that the Committee received reports from Graduate School of Education Dean Andrew Porter and Vice President for Public Safety Maureen Rush. Dr. Porter shared his impressions of Penn and his aspirations for GSE. He hopes to strengthen the School’s standing and reputation by increasing the number of grants and contracts secured, redoubling efforts to recruit excellent graduate students, and hiring faculty to add to the already exceptional group of colleagues. He also provided progress reports on the continuing success of the Penn Alexander School. Dr. Porter indicated that conversations with the School District of Philadelphia seemed to be progressing quite well, and he hopes that Penn will be able to open an internationally-themed high school by Fall 2009.
Vice President Maureen Rush provided an update on safety and security initiatives on campus. She described the University’s emergency alert system, UPENN Alert, and the ongoing testing and preparedness training that the department coordinates. She also provided an update on campus crime, which is significantly lower than in the rest of Philadelphia. Ms. Rush also indicated that there have been very promising and encouraging conversations with Philadelphia Mayor Michael Nutter and Police Commissioner Charles Ramsey regarding collaborative efforts to reduce the crime rate in the city.

Academic Policy

Academic Policy Committee Chair Deborah Marrow reported that the Committee discussed the importance of faculty leadership. She noted that Penn, like its peers, has not yet developed a systematic approach for training its faculty leaders – although there have been some promising recent initiatives in areas such as the School of Medicine. The Committee also learned that there is great variation among the schools with respect to the selection, responsibilities and tenure of department chairs. The importance to the University of identifying future leaders and providing training programs for these leaders were the main themes of the discussion. Finally, it was suggested that Wharton could be helpful in the development of training programs for current faculty and leaders at Penn.

Audit and Compliance

Mr. Paul Kelly gave the report, in the absence of Chair Jay Fishman. The Committee received a report from Penn Medicine on its audit and compliance activities. It also received a report from the Office of Audit, Compliance and Privacy which reviewed the Office’s activities and open audit issues and reviewed the revised charge for the Committee. The Committee received the report on the second quarter and July 31, 2007 financial statements for both the University and the Health System and discussed the results. Penn’s auditors, PwC, reported to the Trustees its proposed audit plan for 2008. The Committee also received updates on the process of resolving Management Letter comments for FY07 for both the University and the Health System. While certain items remain open, there are plans underway for these initiatives.

Mr. Kelly then presented the following resolutions:

- Resolution to Increase the Dollar Threshold for Dual Signature Requirement on University Checks (p. 38).
- Resolution to Approve the Charter of the Trustee Committee on Audit and Compliance (p. 39).

Budget and Finance
Budget and Finance Committee Chair L. John Clark reported that the Committee reviewed the University consolidated academic and Penn Medicine financial results for the first six months ended December 31, 2007 on an actual and comparison versus budget basis. He echoed Mr. Carnaroli’s statement that the University is in good shape financially. The Committee also reviewed the recent financial aid initiative. Finally, it received an excellent presentation on the Law School from Dean Fitts.

Mr. Clark then presented the following resolutions:

- Resolution to Authorize the Design and Construction of the Morris Arboretum Horticultural Center Phase I in the Amount of $10.9 million (p. 40).
- Resolution to Authorize Law School Silverman Hall Ground Floor and Tanenbaum Hall Renovations in the Amount of $5.5 million (p. 41).
- Resolution to Authorize a Lease for Space to be Occupied by University Archives at 3401 Market Street in the Amount of $3.27 million (p. 42).
- Resolution to Authorize the Revised Scope and Budget Project Work Necessitated by the South Street Bridge Reconstruction for an Additional $2.4 million (for a Total Revised Budget of $9.3 million) (p. 43).
- Resolution to Authorize the Design and Construction of the Anatomy Chemistry Building 1st Floor Renovation in the Amount of $2.25 million (p. 44).
- Resolution to Authorize Schematic Design for a New College House on Hill Square in the Amount of $2.2 million (p. 45).
- Resolution to Authorize the Design and Construction of the School of Engineering and Applied Science Moore Building Suite 319 Microfab Laboratory Renovations in the Amount of $2.1 million (p. 46).
- Resolution to Authorize the Design and Construction of the Annenberg School Space Redesign in the Amount of $1.6 million (p. 47).
- Resolution to Authorize the Refinancing of Outstanding University Indebtedness (p. 48).

Development

Development Committee Chair David Silfen reported continued excellent fundraising results throughout FY08, particularly in the initial months subsequent to the launch of the public phase of the Campaign. Currently, new gifts for FY08 total $363 million, with cash receipts of $296 million. Receipts added to the University’s endowment to date total $145 million. Overall campaign fundraising progress now stands at slightly in excess of $1.8 billion, or 52% of the $3.5 billion goal. Annual unrestricted giving also rose in both dollars raised and donor
participation. Annual giving programs across the campus have raised in excess of $33 million, $17 million of which came from donors to the Penn Fund.

In the four months since the public launching, the Campaign has been rolled out to alumni across the country and across the globe. Successful kickoff events have already been held in Boston, Washington, Hong Kong, Los Angeles and San Francisco. Prior to June, events are scheduled for New York, Chicago, Miami and London.

The Development Committee heard a presentation from Campaign consultant John Glier and Vice President of Development and Alumni Relations John Zeller regarding plans for the next steps in building awareness and group support for the Campaign. The Committee also discussed a number of strategies highlighting key priorities for the campaign. On behalf of the Development Committee, Mr. Silfen thanked staff in Development and Alumni Relations for their continued dedication to fundraising.

**External Affairs**

Mr. Edward Mathias gave the report, in the absence of Chair Andrea Mitchell. Vice President for Communications Lori Doyle and Director of Financial Aid William Schilling shared with the Committee the new financial aid video and brochure. The Admissions Office will use these new materials to encourage high-achieving students from low- and lower-middle income families to apply to Penn. The video will be posted on the Student Financial Services website, provided to high school guidance counselors, shown during student recruitment meetings, and mailed directly to students from low-income families.

Associate Vice President in the Office of Federal Affairs William Andresen updated the Committee on various actions by the Senate Finance Committee, including a request for information from Senators Baucus and Grassley. In addition, he discussed the House of Representatives version of the Higher Education Reauthorization Bill.

The new Daily Pennsylvanian Editorial Board introduced themselves and discussed their priorities for 2008 and 2009.

Assistant Vice President for Commonwealth Relations Paul Cribbens summarized the Governor’s budgetary recommendations for direct appropriations in FY08-09. He also discussed other budget proposal recommendations impacting the University and Health System.

Ms. Lori Doyle provided the Committee with an overview of recent media activity. She advised that the New York Times crossword puzzle from January 31st included a question about Penn. She also noted the New York Times ran a major feature story in December on Dr. Al Filreis at the Kelly Writers’ House.

**Facilities and Campus Planning**

Mark Winkleman gave the report, in the absence of Chair William Mack. The Committee reviewed a presentation on the Morris Arboretum 30 year master plan which outlined the need
for new maintenance and office facilities. Plans for the first phase include consolidating the horticulture and maintenance staff functions. The center design team is pursuing a LEED Platinum certification for the project, which will include a green roof, geothermal heating, photovoltaic cells, and other sustainable design features. The proposed budget for the project which includes 18,000 square feet of new space is $11 million.

Architect Raphael Vinoly presented the completed design development and the exterior facade design for the School of Medicine’s new research building. Set to open in 2010, the new translational laboratory will create a site for Penn Medicine where clinicians, scientists, patient-oriented research investigators and staff can integrate bench science with clinical practice. A campus-wide traffic and pedestrian circulation study commencing this spring will inform vehicular movement patterns in the area as well as future building phasing.

Student Life

Student Life Committee Chair Alan Hassenfeld reported that Reverend William Gipson, the new Associate Vice Provost for Equity and Access, was introduced to the Committee. The Committee also recognized Associate Vice Provost for Student Affairs Therese Conn, who recently announced her retirement from Penn.

The Committee received an update on intercollegiate athletics and recreation from Director of Athletics Steven Bilsky. They screened the Penn Athletics campaign video “Glory To Be Found” and discussed the program and facility usage data. Progress on the Campaign for Penn Athletics and details regarding the Department of Recreation and Intercollegiate Athletics (DRIA) facilities were discussed. Dr. Michael Diorka and Ms. Amy Wagner updated the Committee on the first five years of the David Pottruck Heath and Fitness Center. They described the health and fitness center, program elements found in the center, access and usage, and projected future development related to the Center. Recreation and intramural opportunities for all Penn students are one of the highest priorities of Penn Athletics.

Investment Board

Investment Board Chair Howard Marks noted that the University completed a very healthy FY07, up 11.2%. He further reported that the returns for the first half of FY08 (July – December) were up only 2%.

In terms of sector performance vs. benchmark, Mr. Marks pointed out that the explanation for Penn’s lag vs. benchmark is that the University does not fully capture the boom in real estate which took place in recent years (but is likely to recede). He noted the year 2008 is starting slow and will be a challenging period. However, he was pleased to report that Penn has no investments in any of the “innovative securities” that have been the subject of much recent attention.

Penn Alumni
Ms. Lee Spelman Doty gave the report, in the absence of Chair Paul Williams. She welcomed new Alumni trustees Judith Bollinger (WG’81) from London, David Brush (C’82) from London and Joel Greenblatt (W’79, WG’80) from New York. She reported that the Penn Alumni Nominating Committee would be meeting the following week and hoped to present a strong slate at the next full board meeting.

Ms. Doty noted that the campaign has been on the road with Dr. Gutmann, Mr. Riepe and Mr. Weiss. A tremendous outpouring of alumni support has propelled the campaign forward. Events in Boston, Washington, Los Angeles, Hong Kong, and Tokyo have attracted 1,800 alumni. A very strong turnout is expected at the upcoming events in New York, Chicago and London. She reported young alumni support had been particularly gratifying, with many young alumni participating in events. Ms. Doty thanked everyone for their support at alumni events.

Appointments to Penn Medicine, Overseers and Other Boards

- Resolution to appoint David M. Brush to the Athletics Board of Overseers (p. 50).
- Resolution to appoint Richard Copell to the Board of Overseers of the School of Dental Medicine (p. 51).
- Resolution to appoint Robin Stone Sellers and Howard A. Silverstein to the Board of Overseers of the School of Design (p. 52).
- Resolution to appoint Allie Rogers to the Board of Overseers of the School of Engineering and Applied Science (p. 53).
- Resolution to appoint Dorothy Harris Bandier to the Board of Overseers of the Institute of Contemporary Art (p. 54).
- Resolution to appoint Randy M. Mastro and Patricia Menéndez-Cambo to the Board of Overseers of the Law School (p. 55).
- Resolution to Reappoint Randall E. Mehrberg to the Penn Medicine Board (p. 56).
- Resolution to appoint David Anstice, Jennifer Dempsey Fox, and Richard Hayne to the Board of Managers of the Morris Arboretum (p. 57).
- Resolution to appoint John R. Rockwell to the Board of Overseers of the Museum of Archaeology and Anthropology (p. 58).
- Resolution to appoint Barbara Berger Aronson, Stephen Marmon, and Mark B. O'Brien to the Board of Trustees of the University of Pennsylvania Press (p. 59).
- Resolution to appoint Susan M. Todres to the Board of Overseers of the School Social Policy & Practice (p. 60).
• Resolution to appoint Mindy Halikman Heyer to the Board of Overseers of the School of Veterinary Medicine (p. 61).

• Resolution to Appoint the 2008 Slate of The Wistar Institute Board of Trustees (p. 62).

The meeting adjourned at 12:50 pm.

Respectfully submitted,

Leslie Laird Kruhly  
Secretary of the University