Meeting of the Executive Committee of the Trustees of the University of Pennsylvania

May 15, 2008

MINUTES

A meeting of the Executive Committee of the Trustees of the University of Pennsylvania was convened on Thursday, May 15, 2008, at 2:38 pm in Bodek Lounge, in Houston Hall.

Trustees present at the meeting were: James Riepe (Chair), L. John Clark, David Cohen, Amy Gutmann, William Mack, Deborah Marrow, Andrea Mitchell, Egbert Perry, David Silfen, George Weiss, Paul Williams and Mark Winkelman.

Administrators and guests present were: Mary Lee Brown, Craig Carnaroli, Ronald Daniels, Bonnie Gibson, Thomas Hou, Leslie Laird Kruhly, Adam Michael, Marguerite Miller, Joann Mitchell, Susan Phillips, Leah Popowich, Andrew Rennekamp, Gregory Rost, Arthur Rubenstein, Maureen Rush, Alyssa Schwenk, David Soo, Stephen Steinberg, Wendy White 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 James Riepe called the meeting to order.

Chair’s Report

Chairman Riepe welcomed everyone to the May meeting of the Executive Committee. He noted the many exciting upcoming events and celebrations including Alumni Weekend and Penn’s 252nd Commencement with Mayor Michael Bloomberg as the speaker.

The minutes of the March 18, 2008 meeting were approved as distributed.

President’s Report

Dr. Gutmann began by noting a few of Penn’s recent national headlines. She highlighted dramatic breakthroughs by PENN Medicine researchers Albert Maguire, Jean Bennett and Kathy High in using gene therapy to restore vision in three young adults with a rare form of congenital blindness. Dr. Gutmann noted that although the patients have not yet achieved normal eyesight, these preliminary results set the stage for further studies of a very innovative treatment for this and other possible retinal diseases.

Dr. Gutmann continued by reporting the many national accolades earned by Penn faculty members. She noted that Michael Leja, professor of art history in the University of Pennsylvania School of Arts and Sciences, and Don Mitchell, a visiting scholar in residence in Penn’s Annenberg School for Communication, have been awarded fellowships from the John Simon Guggenheim Memorial Foundation. Their awards bring Penn’s total number of Guggenheim Fellowships to 63 since 1987. Furthermore, the American Academy of Arts and Sciences has elected six fellows from among Penn’s faculty: Mitchell Lazar, Marsha Lester, Tom Lubensky, Diana Mutz, Jean-Michel Rabaté and Robert Rescorla. Dr. Gutmann remarked that Dean of
Nursing Afaf Meleis will be honored with an international leadership award from the Commission on Graduates of Foreign Nursing Schools. Also, Political Science Professor and Fels Institute Director Donald Kettl has been honored with the American Political Science Association’s Lifetime Achievement Award. PIK Professor Jonathan Moreno received the 2008 Benjamin Rush Medal, which is awarded for distinguished written scholarship in health or bioethics law. The National Institutes of Health named studies by Penn Nursing Professors Linda Aiken, Loretta Sweet Jemmott and Mary Naylor among the top 10 landmark nursing research studies of the past 20 years. Overall, three out of the 10 ten studies chosen were done by Penn Nursing.

In other national news, Forbes reported earlier this month that the recent increase in the purchase of wind power energy has made Penn the largest purchaser of Green Power among American colleges and universities.

Dr. Gutmann reported that Penn, once again, yielded a record number of applicants for admission to the Class of 2012. She noted that the applicant pool was even stronger and more diverse than the previous year and that strong recruitment programs continue to reap dividends. For example, Penn offered admission to more African Americans, more Latinos, and more international students than last year. Furthermore, Penn posted its lowest tuition increase in seven years, 4.5%.

Dr. Gutmann announced the selection of Marilyn Jordan Taylor to be the next Dean of the School of Design effective October 1st. Dr. Gutmann described Marilyn Taylor as internationally known for her distinguished and passionate involvement in the design of large-scale urban projects and civic initiatives. She is a Partner in charge of the Urban Design and Planning Practice at Skidmore Owings & Merrill LLP. Ms. Taylor is a graduate of Radcliffe College and received her M.Arch from University of California at Berkeley. Dr. Gutmann noted that Dean Gary Hack, who will formally complete his 12 year term on June 30th, has graciously agreed to extend his term through September 30th in order to facilitate a smooth transition in leadership at the school.

Dr. Gutmann reported the appointment of Jeffrey Cooper as Vice President for Government and Community Affairs effective July 1st. Mr. Cooper serves as Chief Counsel for the Pennsylvania State System of Higher Education and Executive Deputy Counsel in Governor Edward G. Rendell’s Administration. Dr. Gutmann noted that Mr. Cooper is a graduate of Penn Law and Northwestern University.

Dr. Gutmann reported the status of the Making History campaign. It is expected to log the best fundraising year ever and is continuing to break records. With less than two months remaining in the fiscal year, the campaign has surpassed the $450 million goal for the year with $481 million in new commitments. Through Tuesday, May 13th, Penn has raised $1.93 billion or 55% of the overall campaign goal.

Finally, Dr. Gutmann introduced a screening of the Senior Class Gift Drive video. Each year graduating seniors are invited to show their appreciation for Penn with a gift. Dr. Gutmann remarked that the video shows the creativity taken by the Class of 2008 in its appeal for the senior class gift drive.
Academic Report

Provost Daniels began his report by praising the Class of 2008 for its creative video. He mentioned that Jason Karsh, one of the participants in the video, had told him that the video took a total of 10 hours to create from conception to finished product.

Provost Daniels reported the launch of an exciting new international program at Kelly Writers House: “Writers without Borders,” which brings emerging writers from around the world to Penn’s campus. To date, the series has included a Chilean poet and filmmaker, a South African memoirist, a Lebanese novelist, a Pakistani playwright, a Chinese poet and a New Zealand poet. Provost Daniels noted that the Writers House is particularly pleased to showcase talents that are little known in North America whether because of regional unrest, cultural turmoil, aesthetic misunderstanding, difficulty of travel, or problems of translation.

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

- Resolution on Faculty Appointments, Leaves and Promotions

Financial Report

In lieu of an expanded financial report, Executive Vice President Craig Carnaroli moved that the written report included in the materials be accepted as his report.

Penn Medicine Report

Executive Vice President for the Health System and Dean of the School of Medicine Dr. Arthur Rubenstein reported on historic news regarding the School of Medicine. The Thomas Eakins painting, “The Agnew Clinic,” was removed from the Morgan building several years ago due to a steam pipe burst. It has since been on loan to the Philadelphia Museum of Art, where it is both safe and available to a wide audience. While the original continues to be on loan, an exact replica created by local artists has been placed in the original painting’s former location in the Office of the Dean of the School of Medicine. Dr. Rubenstein acknowledged Susan Phillips for her special efforts in this regard.

Dr. Rubenstein also noted the Medical School’s graduation ceremony, where 140 new physicians will be awarded medical degrees. He also announced the largest-ever pool of applicants to the School of Medicine: 6,500 for roughly 150 places.

Audit and Compliance Report

Mr. David L. Cohen provided the report of the Audit and Compliance Committee in the absence of Committee Chair Jay Fishman. Mr. Cohen reported that the minutes had been approved and the Committee was briefed on two separate management requests.

First, prior approval by the Committee Chair was received to engage PricewaterhouseCoopers for non-audit services. Second, the planned retirement in 2009 of PwC partner William Stulginsky was announced. At the time of his retirement in 2009, Mr. Stulginsky will have been assigned to the Penn account for 10 years. Management reported that a process has been initiated to identify a successor partner and to effectuate a smooth transition.
Mr. Cohen announced that Mr. Robert Blank, Chair of the PENN Medicine Audit Committee, provided a report to the Committee noting highlights of its meeting on May 6th.

Associate Vice President of Audit, Compliance and Privacy Mary Lee Brown updated the Committee regarding FY2008 reported activities on open audit issues. The Committee reviewed the open audit issues and the status of management progress in addressing them.

Additionally, a briefing on significant changes to the IRS Form 990 and a briefing on the A133 Audit of Federal Awards were presented. The Committee reviewed and approved the financial statements for the third quarter for both the University and the Health System, and received reports from PwC on those financial statements. Mr. Cohen noted that the Committee held a brief executive session.

Budget and Finance Report

Budget and Finance Committee Chair John Clark reported that the Committee met and reviewed the consolidated University Academic and Health System results for the nine months ended March 31, 2008.

Mr. Clark remarked that the Committee reviewed a presentation on sponsored research and indirect cost reimbursement.

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 for Maloney 9 Renovations for ITMAT in the Amount of $3.1 Million
- Resolution to Authorize Design and Construction of the Chemistry 1958 Building Laboratory Renovations in the Amount of $5 Million

Appointments to Other Boards

Vice Chair William Mack presented the following resolution which was approved (full resolution text is appended):

- Resolution to Appoint Dr. William Y. Brown to the Board of Managers of the Wistar Institute

The meeting concluded at 2:55 p.m.

Respectfully submitted,

Leslie Laird Kruhly
Secretary of the University