A meeting of the Executive Committee of the Trustees of the University of Pennsylvania was convened on Thursday, September 17, 2009 at 1:53 p.m. in Bodek Lounge, Houston Hall.

Trustees present at the meeting were: James Riepe (Chair), Chris Browne, David Cohen, Lee Spelman Doty, Sarah Fuller, Amy Gutmann, Andrew Heyer, William Mack, Deborah Marrow, Andrea Mitchell, Egbert Perry, David Silfen and Mark Winkelman.

Administrators and guests present were: Mary Lee Brown, Craig Carnaroli, Lori Doyle, Bonnie Gibson, John Heuer, Leslie Laird Kruhly, Marguerite Miller, Gail Morrison, Susan Phillips, Vincent Price, Gregory Rost, F. Hoopes Wampler, 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 James Riepe welcomed everyone and called the meeting to order.

Chair’s Report

The minutes of the May 15, 2009 meeting were approved as distributed.

Mr. Riepe introduced the Resolution to Authorize the Registration of a Branch in Abu Dhabi, indicating that the resolution was legally necessary for Wharton faculty to conduct scholarly research, publish an Arabic version of Knowledge at Wharton and potentially teach executive education classes in Abu Dhabi. Mr. Riepe emphasized that this would not be a new campus, only a new branch.

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

- Resolution to Authorize the Registration of a Branch in Abu Dhabi, United Arab Emirates (p. 1)

President’s Report

President Amy Gutmann reported that the academic had started strongly, despite inclement weather during Convocation. Dr. Gutmann stated that the average SAT score of the Class of 2013 moved up to 2150, a 20-point increase from the previous year. Furthermore, 10% of incoming students are the first in their families to attend college and 44% are minority students. Dr. Gutmann also noted that the new no-loan financial aid plan had been implemented, ensuring
access for qualified students of all backgrounds. All Penn undergraduates eligible for financial aid received loan-free packages, a step toward reaching the Penn compact goal of increasing access.

Dr. Gutmann reported that Penn had recently reached $2.5 billion or 71% of its $3.1 billion Making History Campaign goal. In the second public phase of the Campaign, Penn raised $440 million in cash receipts, which was the second largest amount in Penn’s history. Additionally, the University received $398 million in new commitments, $49.5 million in annual giving, and $23 million for the Penn fund. Despite challenging economic times, more than 90,000 alumni, parents and friends made gifts to the campaign. Furthermore, Penn’s gain in July 2009 surpassed those of 31 other American universities seeking to raise at least $1 billion in their campaigns.

Dr. Gutmann gave an update on Penn’s construction projects, including the openings of the Annenberg Public Policy Center and the Roberts Proton Therapy Center and the upcoming openings of the Weiss Pavilion at Franklin Field and the renovated and expanded Music Building. She added that will break ground on Penn Park in the fall of 2009 and complete the Park in the spring of 2011, increasing Penn’s campus green space by 20%.

Dr. Gutmann expressed how proud she was of the University for its attention to strategic goals and its progress during challenging times and stated that Penn would continue to grow stronger under the rubric of the Penn Compact.

Academic Report

Provost Vincent Price reported that the Office of the Provost was continuing its work to attract and develop a world-class faculty. Last year, the Office of the Provost launched a workshop series for newly-appointed department chairs and planned to augment this program in the coming year, making it available to all chairs, new and continuing. New efforts have been made to enhance student-focused initiatives and faculty recruitment, such as providing workshops for faculty search committees, advocating best practices in identifying outstanding and diverse applicant pools, avoiding unconscious bias, and highlighting Penn’s many family-friendly policies. Dr. Price stated that Penn’s Reading Project on Thomas Eakins’ 1875 painting The Gross Clinic, the launch to Penn’s theme year dedicated to Arts and the City, received front-page coverage in the Philadelphia Inquirer and in several national news outlets. Dr. Price also noted several educational technology initiatives in partnership with Information Systems and Computing, including a major upgrade to PennInTouch, designed facilitate course registration, and to PennPortal, the University’s electronic gateway, which will make it fully customizable.

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

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

Financial Report

Executive Vice President Craig Camaroli reported that the economic downturn was still affecting the University’s finances. The University’s net asset position for the Fiscal Year ended June 30,
2009 declined $1.3 billion. The endowment return for the year declined 15.7%, which is favorable compared with preliminary reports from peer institutions. Mr. Carnaroli noted that the University’s financial management was monitoring the liquidity of both the University and the Health System and that the Health System had its best quarter in history, with cash collections reaching a new record. Mr. Carnaroli assured the Committee that the University was in a very stable cash position during challenging economic times.

**Penn Medicine Report**

Vice Dean for Education of the School of Medicine Dr. Gail Morrison presented the Penn Medicine Report on behalf of Executive Vice President for the Health System and Dean of the School of Medicine Dr. Arthur Rubenstein. Dr. Morrison reported that Penn Medicine ranked third in NIH funding in the United States. Dr. Morrison also noted the opportunities made available through the American Recovery and Reinvestment Act. The University submitted over 1,100 grants requesting over $800 million. To date, the University had received $43 million in awards and expected to hear back about the remaining grants in the near future.

Dr. Morrison stated that Penn held its traditional white coat ceremony in early August 2009. This ceremony, a Penn Medicine tradition, bestows students with their first white coat and connotes the responsibility of being a physician.

Dr. Morrison also reported that the Health System was strong, both operationally and financially, despite the economic downturn. She noted that the Perelman Center for Advanced Medicine was attracting many new patients and had recently opened a sculpture exhibit in the atrium. She added that the administration was making preparations in the event that the economic downturn further impacts the healthcare sector.

**Audit & Compliance Committee Report**

Trustee David Cohen presented the Audit and Compliance Committee report on behalf of Audit and Compliance Committee Chair Jay Fishman. Mr. Cohen reported that the Committee heard presentations on the FY 2009 audited financials for the Health System and the University. Mr. Cohen stated that the Committee also discussed the potential reclassification of operating cash flows related to endowment distributions. He assured that this would have no impact on the University’s balance sheet or income statements. PricewaterhouseCoopers also provided the Committee with reports and required communications on the University’s audits and independence and found no significant deficiencies or material weaknesses in internal controls.

Mr. Cohen presented the following resolution, noting that it had been amended to take account of the potential reclassification of cash flows (full resolution text is appended):

- Resolution to Approve the Audited Financial Statements for Fiscal Year 2009 (p. 32)
Budget & Finance Committee Report

Budget and Finance Committee Chair Mark Winkelman reported that the Committee reviewed the consolidated audited financial results for the fiscal year ended June 30, 2009 and a comparison of actual to budget for both the University and the Health System. Mr. Winkelman noted that Penn outperformed its budget despite the economic downturn. The Committee also received an update on the University’s response to the current financial and economic crisis from Mr. Carnaroli. Mr. Winkelman complimented, on behalf of the entire Committee, the prudent financial management of the University administration, especially its long-term preparations in place before the economic crisis, good cost control, timely actions, and the University’s ability to respond cohesively across departments. Mr. Winkelman stated that Penn was in an enviable position to balance continued support for critical projects and programs while using the pressures of the current crisis to address any inefficiencies.

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

- Resolution to Authorize the Renewal of Lease for Space to be Occupied by the School of Arts and Science, the School of Medicine and the Graduate School of Education at 3440 Market Street with a Net Present Value of $5.12 Million (p. 33)

Appointments to Other Boards

Mr. Riepe presented the following resolutions which were approved (full resolution text is appended):

- Resolution to Appoint Peter N. Detkin and Harlan M. Stone to the Board of Overseers of the School of Engineering and Applied Science (p. 34)
- Resolution to Appoint Stephen R. Weber as Vice-Chair of the Board of Overseers of the Institute of Contemporary Art (p. 35)
- Resolution to Appoint Robert M. Levy and William L. Mack as Vice-Chairs of the Board of Overseers of the Wharton School (p. 36)

Adjournment

The meeting was adjourned at 2:09 p.m.

Respectfully submitted,

Leslie Laird Kruhly
Secretary of the University
Resolution Authorizing Change in Address of the Corporation’s Registered Office

**Intention:** The management of the Corporation wishes to ensure that legal and other correspondence which is sent to the Corporation is received at an appropriate address so as to assure proper and timely response to such communications.

Frequently, such communications are sent to the address designated as the Corporation’s registered office address in filings made with the Commonwealth of Pennsylvania Department of State. It is therefore important to ensure that an appropriate registered office address is provided in those filings.

**RESOLVED,** that the address of the Corporation’s registered office shall be changed through appropriate filings with the Corporations Bureau of the Commonwealth’s Department of State to indicate a registered office address as follows:

Office of the Vice President for Finance and Treasurer
University of Pennsylvania
The Franklin Building
3451 Walnut Street, Room 737
Philadelphia, PA 19104

Any actions heretofore taken by the officers of the Corporation in furtherance of the purposes of this Resolution are hereby ratified and affirmed.