A Stated Meeting of the Trustees of the University of Pennsylvania was convened at 11:27 a.m. on Friday, November 6, 2009 in the Woodlands Ballroom at the Inn at Penn.


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.

Chair’s Report

Chairman James Riepe welcomed everyone to the meeting and thanked everyone for their kind remarks at dinner the night before. He then mentioned upcoming Homecoming weekend activities, including the Alumni Award of Merit gala.

Mr. Riepe called the meeting to order.

University Chaplain Reverend Charles Howard presented the invocation.

The minutes of the June 19, 2009 meeting were approved as distributed.

Mr. Riepe called for a moment of silence in honor of late trustee J. Peter Skirkanich and then presented the following resolution, which was approved (full resolution text is appended):
Memorial Resolution for J. Peter Skirkanich (p. 1)

Trustee Andrew Rachleff announced that members of the Board of Overseers of the School of Engineering and Applied Science as well as several trustees had collectively increased the level of the Skirkanich family’s most recent gift to that of a permanent chair in the Department of Bioengineering. Dean of the School of Engineering and Applied Science Eduardo Glandt added his thanks for all that Mr. Skirkanich had done for the School.

Nominating Committee Report

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

- Resolution of Appreciation for Robert S. Blank and Designation as an Emeritus Trustee (p. 2)

Trustee Robert Blank expressed his gratitude for being able to serve Penn for ten years and his admiration for the leadership of Dr. Gutmann, Mr. Riepe, and Penn’s deans, administrators, and faculty.

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

- Resolution of Appreciation for Paul Williams (p. 3)

Trustee Paul Williams thanked the board for its wisdom and for the opportunity to play an active role at Penn.

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

- Resolution to Elect Jay S. Fishman as a Term Trustee (p. 5)
- Resolution to Elect Robert M. Levy as a Term Trustee (p. 6)
- Resolution to Elect Marie A. Savard as a Term Trustee (p. 7)

President’s Report

Dr. Gutmann gave an update on several campus construction projects. Since 2004, Penn has invested nearly $200 million in upgrading on-campus housing. In October 2009, the Du Bois College House renovations were unveiled. Dr. Gutmann also noted the recent opening of the Annenberg Public Policy Center Building designed by Pritzker Prize-winning architect Fumihiko Maki and the upcoming opening of the Roberts Proton Therapy Center, which will provide extraordinarily advanced cancer care.

Dr. Gutmann reported that “Saviors of Our Cities: 2009 Survey of College and University Civic Partnerships” recently recognized Penn as a “Best Neighbor” among national colleges and universities. The first-place award made special mention of Penn’s university-assisted school model, service learning curriculum and the Penn Connects plan. She also noted that more than 1,500 Penn undergraduates are involved in 59 academically-based service courses across 21 departments and nine schools.
Dr. Gutmann stated that, for the second consecutive year, Penn received an A- on the Sustainable Endowment Institute’s College Sustainability Report Card. She also noted that Penn recently launched its Climate Action Plan, which will further minimize waste, reduce energy consumption, build greener buildings, and begin a minor in Sustainability in Environmental Management. She added that Penn continues to seek out best practices in urban design and creatively apply them to Penn Connects projects including Penn Park which will increase campus green space by 20%.

Academic Report

Provost Vincent Price reported that Penn continues to be at the forefront of critical and interdisciplinary research. Dr. Price cited two examples: the new Center for Neuroscience and Society and a new program in Market and Social Systems Engineering. The Center for Neuroscience and Society is a coalition of schools and departments focusing on the social, ethical and legal challenges posed by recent scientific advances. Market and Social Systems Engineering, the first such program in the country, analyzes new technologies and social media such as Google and Facebook from cross-disciplinary perspectives in the School of Engineering and Applied Science, Wharton, and the School of Arts and Sciences.

Dr. Price reported that Rory Stewart, Executive Chairman of the Turquoise Mountain Foundation, will speak on campus as part of the Penn Global Forum Premiere Speaker series about creating his NGO in Afghanistan, which is dedicated to local handicrafts and traditional arts, as well as his work with the British Foreign Office in post-war Iraq.

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

- Resolution on Faculty Appointments, Leaves and Promotions (p. 8)

Financial Report

Executive Vice President Craig Carnaroli stated that the Consolidated University saw net asset growth of approximately $500 million due to the rebound in the financial markets. Revenue growth was also strong at 7.5%, principally driven by the clinical activity in the Health System. Clinical growth exceeded expense growth by approximately 3%, due to cost-containment measures. The Academic Component of the University had more modest revenue growth due to the slow growth in net tuition and related recent increases in student aid. This was partially offset by strong expense control.

Mr. Carnaroli advised that, while the University was expecting an appropriation from the Commonwealth of Pennsylvania, the appropriation had not been fully resolved. He noted that sponsored program growth, or research-related revenue, was strong due to the grants awarded through American Recovery and Reinvestment Act (ARRA). The School of Medicine received $136 million of these awards, bringing the University’s ARRA awards total to $163 million. Mr. Carnaroli reported that the Health System had a very strong first quarter with a positive operating margin, which has improved all the balance sheet ratios, and that adjusted admissions were up 4.3%, particularly in clinical service lines.

Penn Medicine Report
Executive Vice Dean and Chief Scientific Officer for the School of Medicine Glen Gaulton presented the Penn Medicine report on behalf of Executive Vice President for the Health System and Dean of the School of Medicine Arthur Rubenstein. Dr. Gaulton reported that the Health System was both strong and well-positioned to meet the current financial challenges by taking advantage of potential increases in the NIH budget and actively engaging in the federal healthcare reform debate.

Dr. Gaulton assured that the Health System was remaining vigilant about the H1N1 flu and had successfully executed an awareness and vaccination plan. Resources have been targeted at the most at-risk groups: children and pregnant women. Despite the rising number of cases and a full hospital, the Health System is managing well through this public health emergency.

Dr. Gaulton advised that the Perelman Center for Advanced Medicine is open and exceeding expectations, both in terms of patient satisfaction and in productivity for physicians and staff; the Roberts Proton Therapy Center is scheduled to open in late November; and the Fisher Translational Research Center is on budget and will open on schedule in the fall of 2010.

Dr. Gaulton gave an update on honors and awards recently bestowed on Penn Medicine faculty. Four faculty members have been elected to the Institute of Medicine: Garret FitzGerald, Chair of the Pharmacology Department; Frederick Kaplan, Professor of Orthopaedic Surgery; Amita Sehgal, Professor of Neuroscience and Thomas Curran, Professor of Pathology and Laboratory Medicine. Dr. Gaulton also commended the School of Medicine faculty for their success in securing $136 million in ARRA grants received and the exceptional research it will generate.

Dr. Gutmann thanked Dr. Gaulton for his report and for the interdisciplinary and departmental planning that went into the Fisher Translational Research Center.

**Academic Policy**

Academic Policy Committee Chair Deborah Marrow reported that the Committee examined the history and future of academic theme years at Penn. Theme years began in 2006 as an initiative of the Office of the Provost and the Council of Undergraduate Deans to increase opportunities for shared academic experiences among Penn undergraduates. Themes are anchored in the Penn Reading Project, which started in 1991 to provide all entering Penn students with a common text to read and discuss as part of new student orientation.

Vice Provost for Education Andrew Binns discussed the history of theme years and their selection process, which draws on suggestions from across the university with an emphasis on topics that already have faculty interest. David Fox, Director of Academic Initiatives for College Houses and Academic Services, reviewed the programs and events of past theme years. The Year of Food in 2007-2008 began the theme year concept with lectures and symposia. The Year of Evolution, from 2008-2009, was a more fully-developed series of events tied to the anniversary of Darwin’s *On the Origin of Species*, including an acclaimed Penn Museum show called “Surviving: The Body of Evidence,” and a Penn Reading Project on *Your Inner Fish*, by former Penn biology professor Neil Shubin. The current Arts & the City Year is the most ambitious theme year yet, with academic programs, student initiatives, and community partnerships designed to spotlight arts and culture on campus and in Philadelphia. The reading project focused on a visual text, Thomas Eakins’ painting *The Gross Clinic*, an important American artwork of the 19th century. The theme year for 2010-2011 will focus on water as it relates to the University’s overall emphasis on sustainability.
The committee members discussed various ways in which parents and alumni could participate more extensively in theme years. They also emphasized the importance of ensuring the lasting impact of programs beyond each specific theme year.

Audit & Compliance

Audit and Compliance Committee Chair Jay Fishman thanked Mr. Riepe for his personal and direct support and guidance. He then reported that the Audit and Compliance Committee received an update from Associate Vice President for Audit, Compliance, and Privacy Mary Lee Brown on the activities of the Office of Audit, Compliance and Privacy; the 2010 Work Plan status; and open audit issues, all of which were routine. Institutional Compliance Officer Linda Yoder and Executive Director for Environmental Health and Radiation Safety Matthew Finucane gave a presentation on the proper disposal of chemical, biological, and radioactive waste. The Committee was updated on the 2009 Management Letter and on prior Management Letter comments for both the University and the Health System. Trustee Perry Golkin provided the Committee with a report from the Penn Medicine Audit and Compliance Committee.

Budget & Finance

Budget and Finance Committee Chair Mark Winkelman thanked Mr. Riepe for his guidance, preparation, and dedication, especially during the recent financial turmoil. He reported that the Committee reviewed the financial report of the Consolidated University, the Academic Component, and the Health System for the three months ended September 30, 2009. The University’s financials remain strong despite the current economic climate. Increases on the revenue side and the operating side were reasonable, while the expense side remained relatively contained due to timely cost control actions. The non-operating side has sufficiently recovered due to the rebound in financial markets. Michael Delli Carpini, Dean of the Annenberg School for Communication, gave the Committee a presentation on the School, which is in good financial condition and well-equipped to face the continuing changes in communication technology and industry structure.

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

- Resolution to Authorize Design and Construction for the Law School Sansom Street Replacement Building for an Additional $30,200,000 (Total Revised Budget of $33,600,000) (p. 53)

- Resolution to Authorize a Master Lease for Space at 3535 Market Street With a Total Lease Obligation/Present Value of $15,131,243 (p. 54)

- Resolution to Authorize 10 Year New Lease for ULIB, Heritage Collection/High Density Storage Facility; 31 Phoenix Drive, West Deptford, NJ; Total Estimated Lease Obligation (PV) $4,516,799, inclusive of $2,866,501 in Capital (p. 55)

- Resolution to Authorize Design and Construction of the Phase IV Campus Electrical Infrastructure Upgrades in the Amount of $3,800,000 (p. 56)
• Resolution to Authorize SEAS Design and Construction for the Replacement of Air Handling Unit 256A and Design Only for the Replacement of Air Handling Unit 358-1 of the Towne Building in the Amount of $2,500,000 (p. 57)

• Resolution to Authorize Design and Construction of the Chemistry 1958 Building Laboratory Renovations Phase II in the Amount of $2,500,000 (p. 58)

Development

Development Committee Chair George Weiss thanked Mr. Riepe for being a wonderful friend, classmate, and Pennsylvanian. He reported that 2009 was an extremely challenging year for fundraising across the non-profit sector, and that Penn’s Making History Campaign was no exception. Mr. Weiss added that Penn was very well-positioned relative to its peers and remained on a steady course to meet its Campaign goals.

As of November 6, 2009, commitments stood at $2.53 billion, 72% of the overall goal. Mr. Weiss assured that, while the first quarter of FY2010 had been slow in terms of major gifts, there was a strong pipeline of prospects, with encouraging trends in engagement and participation. Mr. Weiss expressed his confidence that the pace and volume of giving would pick up in the upcoming months.

At the Committee meeting, Dr. Gutmann reinforced the importance of focusing on Campaign priorities, and noted how donors have made major gifts in response to specific goals set and emphasized by Penn. Vice President for Development and Alumni Relations John Zeller presented a three-year plan for the balance of the Campaign. Mr. Zeller also previewed plans for regional outreach in 2010, featuring “Engaging Minds” events that will bring PIK Professors to New York, Los Angeles, and San Francisco. Assistant Vice President for Development and Campaign Director Lisa McClatchy described Penn’s Campaign communications strategy, which features new electronic and digital elements, giving Penn more flexible tools to shape its message and delivery to a wider audience.

On behalf of the Development Committee, Mr. Weiss thanked the trustees for their support and assistance, especially Mr. Riepe for his decade of leadership and teamwork as Chair.

External Affairs

External Affairs Committee Chair Edward Mathias stated that Lori Doyle, Vice President for University Communications, gave a presentation on the use of the internet in Penn’s communications outreach. The Committee learned how social networking sites, such as Twitter, Facebook, and YouTube, create and maintain new connections with Penn students, alumni, faculty, staff, and prospective new friends of Penn. Mr. Mathias noted that Penn is at the forefront in the Ivies in its use of new media and web communication tools.

Maureen Rush, Vice President for the Division of Public Safety, gave an update on the state of crime on campus and in the City of Philadelphia. Crime rates are down in the city compared to the previous year. She updated the Committee on the PennReady Emergency Preparedness program, specifically the installation and testing of the new Penn Siren Outdoor System (Penn SOS), which is able to effectively deliver emergency communications very quickly to the Penn community.
Finally, Ms. Doyle highlighted some of the recent news coverage about Penn. She reported that Penn has received coverage in a wide range of areas and showed the Committee a short video of recent television coverage about Penn.

Facilities & Campus Planning

Facilities and Campus Planning Committee Chair William Mack thanked Mr. Riepe for his dedication, leadership and guidance. Mr. Mack reported that the Facilities and Campus Planning Committee heard a presentation from Michael Fitts, Dean of the Law School, and architects Sheila Kennedy and Frano Violich, on the new 40,000 square-foot Law School building to replace Pepper Hall on Sansom Street. The new structure will physically connect Penn Law’s signature, 110-year-old, Georgian-style Silverman Hall to the east with its 16-year-old contemporary Tanenbaum Hall to the west while respecting the historical three-story row homes on Sansom Street. The $33.6-million building will play an instrumental role in promoting the collegial and collaborative environment that is central to Penn Law’s educational mission.

In the second presentation, Vice President for Facilities and Real Estate Services Anne Papageorge and Vice President for Business Services Marie Witt gave an overview of the University’s sustainability goals and initiatives as outlined in the recently launched Penn Climate Action Plan. The Plan was enacted as part of the University’s commitment to reduce Penn’s carbon footprint and to embrace sustainable practices within all facets of campus life. The presentation outlined the following environmental initiatives: learning about sustainability; minimizing waste; conserving energy; reducing emissions and designing green.

Neighborhood Initiatives

Neighborhood Initiatives Committee Chair Susan Taylor reported that the Committee received an update from Ira Harkavy, Associate Vice President and Director of the Barbara and Edward Netter Center for Community Partnerships, on the Center’s work. As Dr. Gutmann previously noted, Penn earned the title of “Best Neighbor” in “Saviors of Our Cities: 2009 Survey of College and University Civic Partnerships.” Dr. Taylor attributed this honor to the work of the Netter Center. In addition, the Netter Center and the Graduate School of Education received one of seven awards from the American Federation of Teachers Innovation Fund. The Center’s endeavors are advancing the Penn Compact at the local, regional and national levels, through academically-based community service courses, work with University-assisted schools, and efforts to evaluate and support the replication of its work.

Co-Directors of the Penn Institute for Urban Research Eugenie Birch and Susan Wachter gave a presentation on urban sustainability, which outlined metrics for assessing whether cities and neighborhoods are environmentally, economically, socially and physically healthy. They also provided an overview of Penn’s work, both regionally and nationally, to identify best practices and chart new directions based on cutting-edge research.

Student Life

Student Life Committee Chair Julie Beren Platt stated that the Student Life Committee heard an update on the June 2009 joint meeting of the Ad Hoc Committee on Diversity and Student Life Committee related to undergraduate academic advising. Vice Provost Andrew Binns described efforts made by Penn’s advising offices to train faculty and staff advisors, including ongoing
collaborative efforts with the Office of International Programs, advising offices, and the Office of the Vice Provost for University Life in the peer advising of international students. He also reported on survey data indicating that graduating seniors have shown increased satisfaction with both pre-major and major advising over the past ten years. Dr. Binns then gave examples of how each of the four undergraduate schools has been working to support faculty members who actively engage in undergraduate advising and to encourage students to utilize faculty, administrative, and peer advising networks.

Vice President for Business Services Marie Witt provided an update from campus dining, featuring an introduction of the University’s new dining vendor Bon Appétit. Ms. Witt described the process of identifying a new campus dining vendor that was better suited to the challenges of university dining. Some of the factors that made Bon Appétit particularly attractive to Penn included its institutional experience, emphasis on healthy eating and devotion to sustainable business practices. Ms. Witt also indicated that it was particularly important for the University to work closely with students to offer products that increasingly reflect the diversity of Penn’s students and promote nutrition, health and wellness.

Director of Student Health Systems Evelyn Wiener gave an overview of the University’s planning and preparedness efforts regarding public health emergencies, particularly communicable diseases. Dr. Wiener emphasized the extensive collaboration among the Commonwealth and City health departments, Penn’s Health System, and the University to protect the health and well-being of the Penn community. As an example of the University’s efforts, Dr. Wiener described the upcoming H1N1 vaccination efforts for students, faculty and staff and advised the Committee about preventative actions. She also shared the extensive efforts to communicate this information to the Penn community.

**Investment Board**

Trustee David Silfen gave the report on behalf of Investment Board Chair Howard Marks. Mr. Silfen reported that the Investment Board reviewed the strategic asset allocation and current policy portfolio with the Office of Investments. While no changes were made to current allocations or targets, the Board discussed current investment opportunities with a special emphasis on the state of the real estate market.

Mr. Silfen noted that the Associated Investments Fund was up 9.9% for the quarter ended September 30, 2009, primarily driven by strong returns in equity, credit and absolute return portfolios. Despite the difficult financial environment, the endowment was down approximately 10% from its absolute peak level, and was flat from twelve months ago. Mr. Silfen added that, unlike some peer institutions, Penn’s endowment was not experiencing any issues with liquidity and had sufficient cash on hand to meet anticipated capital needs and take advantage of current market opportunities.

Mr. Silfen acknowledged Chief Investment Officer Kristen Gilbertson and her staff for their hard work during this difficult period of time. He then thanked Mr. Riepe for his guidance, insightful comments, and great stewardship of the Investment Board over the last decade. Mr. Riepe also extended his thanks to the Office of Investments for its success in handling the recent financial difficulties.

**Alumni Report**
Penn Alumni President Lee Spelman Doty advised that Penn Alumni was voting to elect three new Alumni Trustees on January 1, 2010 for five-year terms: Andrea Berry Laporte (N’69) from Maryland; James Greene (W’72) from California; and Simon Palley (WG’83) from London. Ms. Doty noted the transition of three Alumni Trustees, Jay Fishman, Robert M. Levy, and Marie Savard, who were elected to five-year Term Trustees, and thanked them for their service to Penn Alumni. Ms. Doty announced that two additional positions will open in 2011 and asked that the Trustees submit recommendations and nominations.

Ms. Doty provided an update on alumni events around the country. “Engaging Minds” panels have been scheduled in New York, San Francisco, and Los Angeles.

Ms. Doty also reminded the Committee about the annual Alumni Award of Merit Gala and Homecoming activities, including many events based on Arts & the City, the theme for 2009-2010.

Appointments to Penn Medicine, Overseer and Other Boards

Mr. Riepe thanked Ms. Doty for her work in organizing another successful Homecoming weekend. He then presented the following resolutions, which were approved (full resolution text is appended):

- Resolution to Appoint Robert V. Sinnott to the Athletics Board of Overseers (p. 59)
- Resolution to Appoint Elisabeth A. LeFort to the Board of Overseers of the Graduate School of Education (p. 60)
- Resolution to Appoint Kevin T. Baine and to Re-Appoint Helen P. Pudlin to the Board of Overseers of the Law School (p. 61)
- Resolution to Appoint Andrew R. Heyer to the Penn Medicine Board and the Penn Medicine Executive Committee (p. 62)
- Resolution to Appoint Ehsan El-Tahry Zayan to the Board of Overseers of the Museum of Archaeology and Anthropology (p. 63)
- Resolution to Appoint Jamie B. Bischoff to the Board of Trustees of the University of Pennsylvania Press (p. 64)
- Resolution to Appoint Douglas S. Briggs, Ronald L. Caplan and Maida R. Milone, Esq to the Board of Trustees of the Wistar Institute (p. 65)

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

- Resolution to Appoint James S. Riepe as Chair of the Penn Medicine Board (p. 66)

Vice Chairs’ Report
Vice Chairs William Mack and George Weiss thanked Mr. Riepe for his exemplary work as Chairman of the Board of Trustees and presented the following resolution, which was approved (full resolution text is appended):

- Resolution of Appreciation for James S. Riepe (p. 67)

Mr. Riepe thanked everyone for their kind words throughout the meetings and stated how much of a privilege it had been to have been the Board Chair for the last decade. He noted the progress that the University has made with the help of current and former trustees and expressed his confidence that incoming Chair David Cohen will continue this progress.

The meeting was adjourned at 12:34 p.m.

Respectfully submitted,

Leslie Laird Kruhly
Secretary of the University