A Stated Meeting of the Trustees of the University of Pennsylvania was convened at 11:31 a.m. on Friday, February 26, 2010 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 David Cohen welcomed everyone to the Winter Trustee Meeting and also welcomed new Alumni Trustees James Greene, Andrea Laporte and Simon Palley. Mr. Cohen then called the meeting to order.

University Chaplain Reverend Charles Howard presented the invocation.

The minutes of the November 6, 2009 meeting were approved as distributed.

Mr. Cohen commented on the devotion and service to Penn of late trustee Christopher Browne and presented the following resolution, which was approved (full resolution text is appended):

- Memorial Resolution for Christopher H. Browne (p. 1)

Mr. Cohen called for a moment of silence in honor of Christopher Browne and then invited Andrew Gordon to speak about his late partner. Mr. Gordon thanked all those who spoke at and attended the Celebration of the Life of Christopher Browne the previous evening.
Nominating Committee Report

Nominating Committee Chair James Riepe presented the following resolution, which was approved (full resolution text is appended):

- Resolution of Appreciation for Paul K. Kelly and Designation as Emeritus Trustee (p. 3)

Trustee Paul Kelly thanked the trustees and the University’s administration for all that they had done for the University and expressed his confidence that they would be able to continue working at the same high level.

President’s Report

President Amy Gutmann called for a moment of silence in honor of former Trustee Carl Kaysen and noted his accomplishments in economics, sociology, law, international policy, higher education and national security.

Dr. Gutmann then reported on Penn’s successful admissions cycle – 26,800 students submitted applications for the class of 2014, which represents a 17% increase in applications over the previous year’s cycle. The School of Engineering and Applied Science and the School of Nursing saw increases of 32% and 31%, respectively. Dr. Gutmann noted that total charges to attend Penn for 2010-2011 would increase by 3.9%. Because of the continuing effects of the economic crisis on Penn families and students, the University has augmented its financial aid budget by $15 million (11%) to $149 million.

Dr. Gutmann reported that three Penn students, one a recent alumna, were awarded prestigious Gates-Cambridge Scholarships – 10% of the total of 30 given worldwide.

Dr. Gutmann gave an update on several campus construction projects, noting the recent opening of the Roberts Proton Therapy Center and renovated Music Building. Additionally, Skirkanich Hall received a prestigious 2010 Honor Award from the American Institute of Architects.

Dr. Gutmann also reported on Penn’s sustainability efforts. The University was continuing its participation in RecycleMania, a 10-week competition between over 400 colleges and universities in the United States and Canada. Penn also has recently signed the Sustainability Campus Charter with other members of the Global University Leadership Forum.

Dr. Gutmann then provided a fundraising update and noted five recent gifts. Campaign Chair and Trustee George Weiss made a $20 million contribution to endow four new PIK professorships, a strategically critical gift that will allow Penn to recruit more eminent faculty members who engage in interdisciplinary research. Marian T. and Robert J. McDonald made a $5 million gift to Penn Medicine to establish the McDonald Women’s Cancer Risk Evaluation Center at the Abramson Cancer Center. An anonymous member of the Library Board of Overseers made a $4.25 million contribution to the Penn Libraries to support the creation of a special collections center in Van Pelt Library. Jonathan Jacobson and Joanna Miller-Jacobson have augmented the Paul J. Miller endowed scholarship with a $2.5 million gift to support undergraduate students in
Wharton and the College. Finally, Trustee Richard Perry and his wife Lisa have made a $1 million gift to create the Perry Capital Endowed Scholarship Fund, supporting student aid at Wharton and the School of Arts and Sciences.

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

- Resolution to Reappoint Michael X. Delli Carpini as Dean of the Annenberg School for Communication (p. 4)

Academic Report

Provost Vincent Price highlighted several new initiatives aimed at fostering Penn’s outstanding teachers and researchers. The newly-organized Penn Forum for Women Faculty recently had its inaugural event. The Forum focuses on building networks and mentoring and is an important new voice for gender equity on campus. Dr. Price noted that in April 2010, the Trustees’ Council of Penn Women (TCPW) would be honoring the recipient of the first Provost’s TCPW award in recognition of significant contributions by Penn faculty to advancing the role of women in higher education. Dr. Price also summarized several recent family-friendly initiatives. Two local childcare providers have partnered with the University to offer 100 additional spaces for children to receive quality daycare near campus. Penn also is initiating a new in-home backup childcare program, enabling Penn faculty and staff to access subsidized temporary child and adult caregivers on short notice.

Dr. Price then reported on the second cohort of Penn Fellows, select mid-career faculty members who participate in leadership development opportunities, meet with academic leaders, and think strategically about universities and university governance. The 2010 Penn Fellows are Professors Lisa Bellini from the School of Medicine, Camille Charles from the School of Arts and Sciences, Chanita Hughes-Halbert from the School of Medicine, Kelly Jordan-Sciutto from the School of Dental Medicine, Randall Mason from the School of Design, and Peter Struck from the School of Arts and Sciences.

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

- Resolution on Faculty Appointments, Leaves and Promotions (p. 5)

Financial Report

Executive Vice President Craig Carnaroli stated that the overall net asset position of the University grew by $788 million (+10.4%) over the last six months, largely due to favorable investment performance, as well as positive operating performance both in the Academic Component and the University Health System. Specifically, in the Academic Component, the University was performing well despite continued pressures from the economic downturn. Highlights include strong growth in sponsored program or research activity, an outgrowth of the University’s highly productive faculty and their ability to secure external grants, and strong expense control, as highlighted by an actual decline in overall expense activity. Mr. Carnaroli also discussed the 22% decline of the Commonwealth appropriation to the University, which primarily impacts the School of Veterinary Medicine. In the Health System, there was strong...
growth in adjusted patient admissions, which grew by 4.4% in the last six months resulting in strong operating performance and favorable investment performance. Mr. Camaroli concluded by announcing that Standard and Poor had just reaffirmed the Health System’s Aa- bond rating.

**Penn Medicine Report**

Executive Vice President of the University of Pennsylvania for the Health System and Dean of the University of Pennsylvania School of Medicine Arthur Rubenstein noted that, even in the harsh winter weather, the Health System had continued operations as normal. Dr. Rubenstein reiterated that the Health System was financially strong and reported on its recent community benefit report, which details Penn Medicine’s efforts in and impacts on the community, particularly West Philadelphia. He also noted Penn Medicine’s response to the earthquake in Haiti. A nine-person surgical team and hundreds of pounds of supplies were flown to Haiti under the auspices of the Clinton Foundation and Partners in Health, a global medical relief organization. In addition, UPHS received the first Haitian patients evacuated from Port-au-Prince. Dr. Rubenstein stated that, of the $10 billion in American Recovery and Reinvestment Act funding, Penn Medicine had currently been awarded $136 million, one of the largest total amounts in the country. He also commented on the School of Medicine’s strong applicant pool, with a likely admit rate of 4%.

**Academic Policy**

Academic Policy Committee Chair Deborah Marrow reported that the Committee began with an expression of admiration and gratitude for the contribution of Christopher Browne on the work of the Committee. The Committee then examined Penn’s roles and responsibilities in light of transformative discoveries in the life sciences. The Committee learned that universities, in partnership with the federal government, perform more than half of all basic scientific research and train the next generations of scientific leaders. Recent scientific breakthroughs at the intersection of science, education and public policy have increased the need to examine ethical consequences and educate the public about the importance of scientific research. Dr. Marrow asserted that Penn was well-positioned in these areas, given Penn’s emphasis on integrating knowledge.

Senior Vice Provost for Research Steven Fluharty provided three examples of interdisciplinary Penn research centers: the Institute for Regenerative Medicine, which aims to harness the therapeutic potential of stem cells, with a focus on cross-disciplinary approaches and partnerships; the Genome Frontiers Institute, which develops new technologies for genomics research, with the additional goals of fostering and training cross-disciplinary research teams; and the Center for Neuroscience and Society, which brings together practitioners and philosophers to consider the wide ranging impacts of contemporary advances in the neurosciences and which helps advocate for their responsible use.

The Committee’s discussion, which included important perspectives from Penn Integrates Knowledge Professor and biomedical ethics expert Jonathan Moreno, focused on the ways in which Penn can use its unique strengths to help advance public knowledge about the importance of scientific research and the roles that Penn can play in future public policy discussions.

**Audit & Compliance**
In the absence of Audit and Compliance Committee Chair Jay Fishman, Mr. Perry Golkin delivered the report. Mr. Golkin stated that Dr. Gregg Fromell, Executive Director of the Office of Human Research, gave a presentation on its Division of Research Compliance and Quality Improvement, which reviews all research studies involving humans, tissues and anything described as having more than a minimal risk. The Committee was very impressed by the level of detail which Dr. Fromell’s office reviews all active studies. Associate Vice President for Audit, Compliance and Privacy Mary Lee Brown presented a report on institutional compliance and privacy matters. On the financial side, Vice President for Finance and Treasurer Stephen Golding reported on Penn’s A-133 audit. The Committee also heard reports on the financial statements for the fiscal quarter ended December 31, 2009. The Committee reviewed PricewaterhouseCoopers’ audit plan for both the University and the Health System and discussed cost-saving measures with regard to Penn’s reappointment of PwC. Mr. Golkin affirmed that there were no serious findings and that the Committee was continually impressed by the constant and diligent reviews in place at Penn.

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

- Resolution on the Engagement of the Independent Accountant for Fiscal Year 2010 (p. 44)

Budget & Finance

Budget and Finance Committee Chair Mark Winkelman reported that the Committee reviewed the University and Health System financial reports for the six months ended December 31, 2009. The Committee also heard a presentation on and discussed the recommended tuition and fee increases of 3.9% for 2010-2011. Mr. Winkelman noted that the University had been consistently below the national average of public and private institutions in terms of tuition increases. The Committee also heard a presentation by Joan Hendricks, Dean of the School of Veterinary Medicine, on the effects of the Commonwealth’s reduced appropriation to the School, which was cut back to $30 million from $43 million. In order to meet these new financial constraints, the School had to undergo a major restructuring, which has resulted in the closing of a number of departments and a substantial reduction in staff. The Committee acknowledged the tough decisions and steps taken by Dr. Hendricks and her staff at the Vet School.

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

- Resolution to Authorize a 10 Year Lease for the Wharton School, San Francisco; Total Present Value of Lease Obligation of $23,121,914, (Inclusive of $7,599,075 in Capital) (p. 45)

- Resolution to Authorize Sansom East and West Interim Renovations in the Amount of $10,000,000 (p. 46)

- Resolution to Authorize the Design of the Krishna P. Singh Center for Nanotechnology for an Additional $8,175,000 (Total Project to Date of $11,600,000) (p. 47)
Resolution to Authorize New Bolton Center Infrastructure Improvements in the Amount of $5,250,000 (p. 48)

Resolution to Authorize the Design and Construction of the Steinberg Hall – Dietrich Hall Café and Reprographics Renovation in the Amount of $4,680,000 (p. 49)

Resolution to Authorize the Design and Construction of Locust Walk 3600 and 3800 to 4000 Blocks in the Amount of $3,500,000 (p. 50)

Resolution to Authorize Phase 3 Renovations to Fagin Hall – 2nd Floor in the Amount of $2,955,000 (p. 51)

Resolution to Authorize Renovations to Evans Building 3rd Floor and Schattner Lobby in the Amount of $1,500,000 (p. 52)

Resolution to Authorize Blockley Hall Elevator Modernization in the Amount of $1,470,000 (p. 53)

Resolution to Authorize the Design and Construction of an Electrical and Systems Engineering Lab in Moore 101 in the Amount of $1,000,000 (p. 54)

Resolution on Tuition, Fees and Other Student Charges for Academic Year 2010-2011 (p. 55)

Development

In the absence of Development Committee Chair George Weiss, Trustee Andrew Heyer delivered the report. Mr. Heyer provided an update on Campaign progress. Penn brought in over $74 million in new commitments in December 2009, more than any other U.S. university with a campaign goal of over $1 billion. For the year, Penn received $440 million in cash contributions, 4th among U.S. universities and Penn’s second-best year in history. Commitments stand at $2.669 billion, 76% of the overall goal. Participation remains strong in annual giving and activity is increasing at higher gift levels.

At the Committee meeting, Dr. Gutmann reinforced her emphasis on core Campaign priorities and spoke in detail about meeting goals for faculty, undergraduate and graduate financial aid, and selected capital projects. The Committee discussed the importance of funding endowed professorships (PIK and non-PIK); encouraging major donors to make commitments to student aid; and securing naming gifts for facilities that have been designated as core priorities, such as the Neural and Behavioral Science building and the College House. Brett Barth, Chair of the Penn Fund Executive Board, spoke briefly on annual giving programs. He noted Penn’s continued strength in a difficult economy and outlined challenges that must be met strategically to ensure growth in annual giving. Assistant Vice President for Alumni Relations Hoopes Wampler previewed Penn Spectrum, an alumni conference focusing on issues of community and diversity scheduled for October 2010.
On behalf of Committee Chair George Weiss and the entire Development Committee, Mr. Heyer thanked the trustees for their continued support and assistance.

**External Affairs**

Dr. Marie Savard gave the report on behalf of External Affairs Committee Chair Edward Mathias. At the meeting, Jeffrey Cooper, Vice President for Government and Community Affairs, reviewed the Federal, Commonwealth and City government budgets. He discussed the financial challenges facing all levels of government due to current economic conditions. Mr. Cooper highlighted websites that publicize the benefits of stimulus and other federal funding for scientific research, especially through the National Institutes of Health. He noted the high level of funding received by Penn through the American Recovery and Reinvestment Act (ARRA) – $171 million in support of 348 grants. He also reviewed Governor Edward Rendell’s FY2010-11 budget recommendations for the University’s direct appropriation from the Commonwealth.

Anne Waters, Executive Director of International Programs, gave an overview of Penn’s international programs and various support efforts available for international students and scholars at Penn. She presented data on the levels of participation as well as demographic information about the University’s international student and scholar populations. Dr. Waters also discussed challenges involved with monitoring incoming and outgoing students with regard to visa regulations, travel safety and cultural acceptance.

Members of the editorial board of *The Daily Pennsylvanian* (Rachel Baye, Elizabeth Gormisky, Jared McDonald, Samantha Sharf and Dana Vogel) discussed the newspaper’s priorities for the coming year. Their current focus is improving newspaper content, accuracy in reporting, and web presence. The newspaper’s new website design and new domain name, [www.TheDP.com](http://www.TheDP.com), were examined. The editorial board members also presented their other websites, [www.underthebutton.com](http://www.underthebutton.com) and [www.eventsatpenn.com](http://www.eventsatpenn.com). One of the newspaper’s ongoing operational challenges as an organization independent of the University and free of its financial support is to generate sufficient ad revenue from print and web editions. They also noted that the newspaper will move its headquarters from its current location in the next few years due to the University’s future plans for that space.

**Facilities & Campus Planning**

Trustee John Clark gave the report on behalf of Facilities and Campus planning Committee Chair William Mack. At the Committee meeting, Eduardo Glandt, Dean of the School of Engineering and Applied Science, and Rebecca Bushnell, Dean of the School of Arts and Sciences, highlighted the multi-disciplinary goals for the Krishna P. Singh Center for Nanotechnology and introduced its architects, Marion Weiss and Michael Manfredi. Mr. Weiss and Mr. Manfredi presented the design of the new facility to be located on the north side of the 3200 block of Walnut Street. The $80 million center will bring together researchers from both the School of Engineering and Applied Science and the School of Arts and Sciences, and will facilitate interactions among Penn researchers and their peers as a regional center for nanotechnology. Work is scheduled to begin in November 2010, with occupancy to occur between November 2012 and May 2013.
In the second presentation, Vice President for Facilities and Real Estate Services Anne Papageorge and Executive Director of Real Estate Edwin Datz provided an update on the University’s real estate development portfolio. The presentation summarized the University’s non-academic real estate holdings and highlighted the continued strong performance in revenue generation and occupancy. For example, the residential portfolio has maintained a 98% occupancy rate and retail tenancy has maintained a 96% level. While new third-party development opportunities have been slowed by current financial market conditions, new acquisition opportunities may still arise in this market.

Finally, Mr. Clark reported that Executive Vice President Craig Carnaroli commended the joint efforts of Facilities and Real Estate Services, Public Safety, and Business Services in combating the unprecedented snowfall over the winter.

Neighborhood Initiatives

In the absence of Neighborhood Initiatives Committee Chair Susan Taylor, Trustee Sarah Fuller gave the report. Mrs. Fuller reported that the Committee heard from Vice President for Public Safety Maureen Rush, who reported that crime was down 14% in the Penn patrol zone and 9% overall in the City as compared to the previous year. This positive result is due in part to the extensive and effective collaboration between Penn’s Division of Public Safety, the Philadelphia Police Department, the University City District, and many other public and private law enforcement and safety and security organizations. Furthermore, Security Magazine recognized Penn for having the number one safety and security program in the higher education sector.

Anthony Sorrentino, Executive Director for Public Affairs in the Office of the Executive Vice President, presented highlights of Penn’s local engagement efforts, featured in the University’s 2008-2009 Annual Financial Report.

Vice President for Facilities and Real Estate Services Anne Papageorge and Executive Director for Real Estate Edwin Datz provided an update on Penn’s real estate and retail development strategies. The Domus and Radian projects have both been very well-received and have occupancy rates of more than 95%. Mr. Datz also described strategic capital investments and partnerships, such as the final Phase IV of the lighting initiative west of 40th street, which have enhanced the quality of life for the campus community and surrounding neighborhood. Furthermore, Penn has recently partnered with two childcare providers, the Parent Infant Center and the Caring Center, which will result in 100 new spaces for the children of Penn faculty and staff.

Student Life

Trustee Susan Danilow gave the report on behalf of Student Life Committee Chair Julie Beren Platt. Mrs. Danilow reported that the Committee heard a brief update from Vice Provost for Education Andrew Binns related to academic theme years, including an introduction to the upcoming “Year of Water.” Student Health Service Director Evelyn Wiener gave the committee an update on Penn’s student and public health response to pandemic flu. Dr. Wiener noted that the impact of pandemic flu had been very moderate on campus thus far and that nearly 8,000
students had received H1N1 vaccines, which represents a far higher percentage of student vaccinations than at other colleges and universities across the country.

University Chaplain Rev. Charles Howard and four student members of the student-led “PRISM” organization provided an update on interfaith life on campus. Some of the highlights included hearing student perspectives on the overall diversity of interfaith communities on campus; learning about the history of interfaith traditions at Penn; and gaining a sense, particularly from the students, of the incredibly wide range of observations, involvement, and service of interfaith students and student groups at Penn.

Dr. Richard Shannon, Frank Wister Thomas Professor of Medicine and Chairman of the Department of Medicine, gave the Committee an update on the School of Medicine’s active and engaged response to the devastation in Haiti. Vice Provost for University Life Dr. Valarie Swain-Cade McCoullum also noted the many other significant efforts of students and student groups in response to the earthquake in planning benefit events, coordinating donations, and spearheading other relief efforts across campus and beyond.

Investment Board

Investment Board Chair Howard Marks noted that, while Penn’s endowment was down just over 15.2% in FY2009, its recovery was much better than its peers. For the six months ended December 31, 2009, the endowment was up 13.1%, resulting in a net decline of 3.6% over an 18-month period. Mr. Marks attributed this to Penn’s relative lack of holdings in private equity and other private strategies compared to its peers. Mr. Marks then described a typical peer endowment, which would have gone down 26% and up 10% in the first half of FY2010, resulting in a net loss of 18.4% over 18 months. Based on these figures, Mr. Marks assured the trustees that Penn was very well-positioned.

Alumni Report

Penn Alumni President Lee Spelman Doty welcomed new Alumni Trustees James Greene, Andrea Laporte and Simon Palley. Mrs. Doty reported that the Alumni Trustees heard a report on Penn Spectrum, Penn’s inaugural weekend-long diversity conference for Asian, Black, Latino, LGBT and Native American alumni to be held October 1-3, 2010. Sponsored by the Office of the President and Alumni Relations, Penn Spectrum will feature intellectual social and professional programming with the goal of connecting more alumni to Penn. Mrs. Doty also noted that the Penn Alumni Board would be participating in a retreat later that day, as an opportunity for Penn’s volunteer leadership to work on its committee objectives and learn more about the University’s activities. She then provided an update on Engaging Minds, a series of lectures by leading Penn faculty which are moderated by the President and Provost. Successful events were recently held in New York, San Francisco, and Los Angeles and upcoming events are scheduled in Shanghai, Boston, New York and London. Mrs. Doty reminded the trustees that Alumni Weekend was May 14-17, 2010 and would feature more comprehensive week-long programming, including Franklin Fest, an all-Reunion party to be held the Friday night of Alumni Weekend. Mrs. Doty concluded by stating that so many Penn alumni were proud of all that the University has accomplished.
Appointments to Penn Medicine, Overseer and Other Boards

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

- Resolution to Appoint Dean Stewart Adler to the Board of Overseers of the School of Design (p. 56)
- Resolution to Appoint Dennis A. Brady, Jr. and Ryan D. Limaye to the Board of Overseers of the School of Engineering and Applied Science (p. 57)
- Resolution to Appoint J. Robert Hillier to the External Advisory Board of the Penn Institute for Urban Research (p. 58)
- Resolution to Appoint David P. King to the Board of Overseers of the Law School (p. 59)
- Resolution to Reappoint Randall E. Mehrberg to the Penn Medicine Board as Term Member (p. 60)
- Resolution to Appoint Jane Pepper to the Board of Trustees of the University of Pennsylvania Press (p. 61)
- Resolution to Appoint Kenneth F. Courage, Jr., and Karl A. Racine to the Board of Overseers of the School of Social Policy & Practice (p. 62)
- Resolution to Appoint Catherine George Adler, Krista L. Buerger, John P. Shoemaker, and Lynne L. Tarnopol to the Board of Overseers of the School of Veterinary Medicine (p. 63)
- Resolution to Appoint Silas K. F. Chou, Traci Shanbrun Lerner, and Aditya Mittal to the Board of Overseers of the Wharton School (p. 64)
- Resolution to Appoint the 2010 Slate of The Wistar Institute Board of Trustees (p. 65)

The meeting was adjourned at 12:37 p.m.

Respectfully submitted,

Leslie Laird Kruhly
Secretary of the University