The Annual Stated Meeting of the Trustees of the University of Pennsylvania was convened on June 18, 2010 at 11:30 a.m. in Bodek Lounge, Houston Hall.


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**

Mr. Cohen called the meeting to order.

University Chaplain Reverend Charles Howard presented the invocation.

The minutes of the February 26, 2010 meeting were approved as distributed.

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

- Resolution of Appreciation for James D. Dunning, Jr. (p. 1)

Trustee James Dunning expressed his gratitude for his time spent on the Board of Trustees working with the administration in pursuing its vision for Penn’s future.
Mr. Cohen then presented the following resolution, which was approved (full resolution text is appended):

- Resolution of Appreciation for Laurie J. Landeau (p. 2)

Trustee Laurie Landeau stated that it had been her privilege to serve the University, in particular the School of Veterinary Medicine, and thanked everyone for their efforts during the School’s difficult financial period.

Mr. Cohen expressed his thanks to Mr. Dunning and Ms. Landeau for past and continued service to the University and called on Dr. Amy Gutmann for the President’s Report.

President’s Report

Dr. Gutmann stated that the University-wide cost containment initiative reached its goal of $58 million in budget savings six months ahead of schedule. She also noted that the University had extended the timeframe of these initiatives and has targeted a total of $100 million in savings by June 2011. Dr. Gutmann reported that these savings will enable Penn to continue to recruit top faculty, including PIK professors and other professors across schools. Furthermore, Penn has been able to maintain its commitment to supplanting loans with grants in undergraduate financial aid packages and increase its financial aid budget by $15 million or 11% to $149 million in FY2011.

Dr. Gutmann also reported on several Penn initiatives that focus on local and global engagement. Penn’s Fox Leadership Program and the Barbara and Edward Netter Center for Community Partnerships fuse learning, service, and leadership, which enable students to become involved in many communities. Additionally, Penn has leveraged its strengths in traditional and interdisciplinary fields through faculty-to-faculty and school-to-school partnerships around the world.

Dr. Gutmann provided an update on several campus construction projects including the Annenberg Public Policy Center, the Roberts Proton Therapy Center and the renovated and expanded Music Building. The George A. Weiss Pavilion at Franklin Field, which had its groundbreaking in June 2009, has opened its doors to student athletes and will have an official dedication ceremony during Homecoming 2010. The tennis courts outside of Weiss Pavilion will be transformed into Shoemaker Green. Lastly, the Sustainable Sites Initiative selected Penn Park as a pilot for green landscape design construction and maintenance.

Dr. Gutmann concluded with an update on the Making History Campaign. With two years remaining, the Campaign has raised $2.74 billion, or 78% of the $3.5 billion goal. Recent major gifts and pledges to the Campaign include: a $25.5 million commitment from Leonard and Madlyn Abramson to Penn Medicine to support the research and clinical teams at Abramson Cancer Center; a $6 million gift from Walter and Anne Gamble to support the 21st Century Scholarship Fund at Penn Medicine; a $5 million gift from Jeffrey and Julie Seaman from the Seaman Family Foundation to support the Neural and Behavioral Sciences building; and a $2.25 million from Dr. Charles K. Williams II to support the Penn Museum’s West Wing renovation.
Academic Report

Provost Vincent Price provided an update on student and faculty summer research projects. Through funding from the Program for Undergraduate Research and Mentorships, 45 student-faculty pairings are working on a wide variety of subjects, ranging from the arts in Philadelphia to the poetry of Kashmir. Additionally, 45 rising sophomores and 10 rising juniors funded by Dr. Gutmann’s Carnegie donation are working on projects including the self-reconfiguration of robot magnet faces, architectural plastics and environmental health, immigrant arts and culture in Philadelphia, and virtual economics. Several undergraduates on Hewlett Research Awards are participating in a four-week program to study development in Ghana. A summer research project allows Vet students to study environmental protection and veterinary public health in China. Faculty recipients of the Provost International Research Award are spending the summer collaborating with colleagues at partner institutions in China and the Netherlands. Finally, Dr. Price noted that the upcoming academic theme year will be the “Year of Water” and that the Penn reading project text is *The Big Necessity - The Unmentionable World of Human Waste and Why it Matters*, by Rose George, a Penn alumna.

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 Carnaroli reported that the University will conclude the fiscal year in a surplus position on a GAAP basis and a favorable budget variance to initial predictions. The University continues to receive awards through the American Recovery and Reinvestment Act, particularly in the area of sponsored research. For the consolidated University for the 10 months ended April 30, 2010, total net assets grew by over $1 billion (13.6%) and revenue growth was approximately $247 million (5.8%). The total endowment value as of April 30, 2010 was slightly under $6 billion, an increase of 15.6% or $806 million. For the Academic Component, revenues grew approximately 3.2% to a total of $1.95 billion. Total operating expenses also grew very modestly by 1.7%. Year-to-date capital expenditures were approximately $241.7 million (+7.4%), which is principally due to construction at the Translational Research Center. For the Health System, year-over-year adjusted admissions grew by approximately 2.3%. As of April 30, 2010, excess revenues over expenses were $177 million, 32% higher than the prior fiscal year. Capital expenditures for the Health System declined by approximately 37% as construction was completed on certain projects. Mr. Carnaroli noted that the University enthusiastically participated in a Power Down Challenge for approximately one hour, which resulted in a reduction in consumption of 11.6 megawatts and cost savings of approximately $110,000.

Penn Medicine Report

Dr. Rubenstein thanked Dr. Gutmann and the Trustees for their guidance and encouragement over the past year. He reported that more admitted applicants were choosing Penn Med over
other prestigious offers such as Harvard and Hopkins. The percentage of the incoming class who are underrepresented minorities increased from 13% to more than 25% this year and the class is equally divided between men and women. He then provided an update on the biomedical complex: the Perelman Center for Advanced Medicine is exceeding both patient and physician expectations; the Roberts Proton Therapy Center is now open; and the final phase of the biomedical complex, the Translational Research Center, will soon be complete. He noted that the complex will be instrumental in developing cross-disciplinary research efforts to provide the most advanced patient care. He concluded by thanking the 17,000 men and women who make up Penn Medicine. Dr. Gutmann thanked Dr. Rubenstein and noted that Penn Medicine was named the number two School of Medicine in the country in the most recent U.S. News and World Report survey.

Admissions Report

Mr. Furda reported that Penn’s Class of 2014 was selected from an applicant pool of 26,939 with a 14.3% admit rate and a 63% yield. This class represents the strongest and most diverse class in Penn’s history, with an average combined SAT score of 2,152 and 44% of the class from underrepresented backgrounds. Mr. Furda noted that the second class of QuestBridge students and the first Posse Foundation class from Miami will enroll in the fall.

Academic Policy

Lee Spelman Doty presented the report of behalf of Chair Deborah Marrow. Mrs. Doty indicated that the Committee had a spirited debate about new uses of technology in teaching and educational outreach. Dr. Al Filreis, Kelly Professor of English and Faculty Director of the Kelly Writers House, presented some of the ways in which new forms of media and technology support the teaching of writing and poetry, and increase the reach of the Writers House and its programs. For example, he broadcasts selected classes on the internet, allowing parents, alumni, prospective students and others to participate along with his students. He also uses Facebook to build interest in the Kelly Writer's House, has assembled an online database of more than 2,000 recordings of poetry readings, and has led online book discussion groups for alumni. Dr. Filreis increasingly moves lecture and other traditional course content online so that the classroom experience is discussion-focused. The Committee discussion centered on the ways in which these new teaching and learning models can be expanded to other academic fields, especially the sciences. The Committee expressed interest in ensuring that undergraduate students continue to experience the benefits of classroom interactions, even as more pedagogical materials move online.

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

- Resolution to Establish a Principal Lecturer Track Within the Academic Support Staff of the School of Engineering and Applied Science (p. 61)
- Resolution to Change the Name of the Department of Medical Ethics in the School of Medicine to the Department of Medical Ethics and Health Policy (p. 62)
Audit & Compliance

Audit and Compliance Committee Chair Jay Fishman stated that the Committee received a status report on the FY2010 Work Plan, and the FY2011 Risk Assessment Outcomes and Proposed Work Plans from Associate Vice President for Audit, Compliance and Privacy Mary Lee Brown. Mr. Fishman noted that the majority of the 2010 internal audit work had been completed on schedule. The Committee discussed the risk assessment and proposed work plan and ultimately approved the 2011 work plan as submitted. Vice President for Finance and Treasurer Stephen Golding, Comptroller John Horn, and Senior Vice President and Chief Financial Officer for the University of Pennsylvania Health System Keith Kasper reported on year end accounting and reporting matters and the Management Letter update for both the University and the Health System. Mr. Fishman stated that Penn was substantially complete with respect to its responses as to the comments in the Management Letter. PricewaterhouseCoopers Engagement Partner John Mattie provided an update on the status of the FY2010 audit plan, which is on schedule.

Budget & Finance

Budget and Finance Committee Chair Mark Winkelman stated that the Committee heard FY2011 Operating and Capital Budgets for both the University and the Health System. Mr. Winkelman reported that both areas look forward to a positive operating margin in FY2011. On the capital side, the University had plans for expansion in spite of the economic downturn due to its prudent management over the past years. The Committee heard a presentation on the procedures, processes, and targets that the University has in place to prudently manage the lifting of electricity rate caps in Pennsylvania in January 2011.

Mr. Winkelman presented the following resolutions (full resolution text is appended):

- Resolution to Authorize a Revision to the Spending Rule for Endowments (p. 64)
- Resolution to Authorize the Fiscal Year 2011 Operating Budget for the University of Pennsylvania (p. 65)
- Resolution to Authorize the Fiscal Year 2011 Capital Plan for the University of Pennsylvania (p. 66)
- Resolution to Authorize the Fiscal Year 2011 Operating Budget for the University of Pennsylvania Health System (p. 67)
- Resolution to Authorize the Fiscal Year 2011 Capital Budget for the University of Pennsylvania Health System (p. 68)
- Resolution to Declare University’s Intent to Reimburse Capital Costs with Proceeds of Borrowings (p. 69)
Development Committee Chair George Weiss stated that Penn was in a strong position to achieve its $3.5 billion goal in the final two years of the Making History Campaign. Commitments are $2.746 billion, 78% of the overall goal, and the University is on target to meet its goal of $375 million in new commitments for the current fiscal year. Broad-based donor participation and alumni engagement are high. The current task is finishing the Campaign successfully by raising $752 million in 24 months and directing these dollars to Penn’s strategic core priorities.

Mr. Weiss reported that the Campaign Steering Committee heard remarks from Dr. Gutmann on Penn’s progress towards its core priorities including faculty support, undergraduate and graduate aid, and core capital projects, and what remains to be done in these areas. Vice President for Development and Alumni Relations John Zeller summarized the upcoming fundraising plan, which has been tailored to Penn’s strengths. F. Hoopes Wample, Assistant Vice President for Alumni Relations and Lee Doty, Penn Alumni President presented Penn’s strategy for alumni engagement, which is a key non-financial goal of the Campaign. They explained the metrics by which Penn measures success in engaging alumni and outlined the plan to strengthen engagement over the next two years, which entails an increased focus on young alumni. Dr. Gutmann unveiled the new Campaign video, which depicts ways that the Campaign has transformed the University. She also announced new Campaign co-chairs Ms. Andrea Mitchell
and Dr. Rosemary Mazanet. The Committee also paid tribute to the memory of late co-chairs Mr. Chris Browne and Dr. Henry Jordan.

On behalf of the Development Committee, Mr. Weiss thanked the Trustees for their support and assistance.

**External Affairs**

Dr. Marie Savard gave the report on behalf of External Affairs Committee Chair Edward Mathias. The External Affairs Committee heard from Roger LaMay, General Manager of WXPN, Amanda Mitchell-Boyask, Director of Development for the University Museum, and Eric Furda, Dean of Undergraduate Admissions.

Mr. LaMay presented a brief overview of the station’s yearly activities, gave a financial update, and outlined strategies for weathering the economic challenges which include minimizing WXPN’s deficit and working to recruit more financial support and new members.

Mrs. Mitchell-Boyask gave a presentation on the signature traveling exhibition *Secrets of the Silk Road*, on view at the Penn Museum from February 5 – June 5, 2011. The Penn Museum will be the only East Coast venue of the exhibition and presents a great opportunity for the Museum and for Penn to showcase its facilities. The exhibition includes an extraordinarily well-preserved 3,800 year old mummy and features other mummies and related materials from China never before seen in the U.S. Related exhibitions, programming and new visitor amenities at the Penn Museum including new dining options from Restaurant Associates were covered in the presentation.

Mr. Furda gave an update on the communication and marketing efforts utilized by Penn to yield the extraordinary class of 2014. Recruitment initiatives for the classes of 2015 and beyond were also reviewed.

**Facilities & Campus Planning**

Facilities and Campus Planning Committee Chair William Mack reported on two presentations. In the first presentation, Vice President for Facilities and Real Estate Services, Anne Papageorge and Gerald McGillian, Director of Facilities Services, gave a status update on the University's energy management initiatives. In light of the University's $60 million annual energy expenditure, FRES has developed a proactive strategic plan in response to volatile energy prices, the pending lift of electricity rate caps in January 2011, and Penn’s stated goals in the Climate Action Plan. Ongoing and new policies were outlined that will reduce energy consumption, control costs of steam and electricity, and improve the energy efficiency of University facilities.

In the second presentation, Anne Papageorge and Michael Dausch, Executive Director of Design and Construction Management, provided an overview of a number of campus construction projects that have recently been completed and others that will continue this summer. All facilities projects are proceeding on time and on budget. New projects that were highlighted included the Music Building Renovation and Addition, the George A. Weiss Pavilion at Franklin
Field, the Morris Arboretum Horticultural Center, the New Bolton Center Iso-Colic Facility and Digester, and renovations to the 3700 Block of Woodland Walk.

Neighborhood Initiatives

Neighborhood Initiatives Committee Chair Susan Taylor shared that Committee members received an update of the local engagement initiatives at PennDesign and the Graduate School of Education. During the first portion of the meeting, Dean Marilyn Jordan Taylor provided an overview of the ways that PennDesign integrates theory and practice to address some of the issues facing the City and the Northeast corridor. Some of PennDesign's current and recent projects include Penn Praxis participation in creating a vision for the Central Delaware River Waterfront and the design of the Bernice Elza home, an affordable housing project located in West Philadelphia’s Mantua neighborhood. This is the first project of its kind to secure LEED gold certification in the Commonwealth and was developed using the concept of whole architecture which takes economic constraints and social issues into account during the design process. Two recent PennDesign alumni who are collaborating with Dean Taylor on a proposal for a high speed rail line between Washington, DC and Boston provided an overview of the planning process and described the discussions underway with government officials.

During the second portion of the meeting, Dean Andrew Porter provided an update on the Graduate School of Education's local engagement efforts in West Philadelphia. The Penn Alexander School is one of the crown jewels of Penn's neighborhood initiatives and is rated among the top 10 schools in the Philadelphia School District. Through GSE's collaboration with the principals of both the Lea and Wilson Middle Schools, their students' performance continues to improve quite significantly. Dean Porter also described a multiplicity of other efforts that faculty members and GSE students are leading to strengthen both the academic experience and performance of neighborhood teachers and students including those supported by an innovative grant awarded by the American Federation of Teachers to GSE and the Philadelphia Federation of Teachers. He also described GSE's efforts to engage a number of leaders across the University and at CHOP to discuss ways of narrowing and eradicating the achievement gap. To that end, the Dean reported that GSE is finalizing a proposal for a planning grant as a part of the US Department of Education's Promise Neighborhoods Initiative. If received, this planning grant will leverage Penn's and other neighborhood anchor resources to provide a continuum of solutions from cradle through college to career in order to improve student health and safety, community stability, family and community engagement and student access to 21st century learning tools.

Student Life

Julie Beren Platt, Chair of the Student Life Committee, reported that the Committee heard an update from Vice Provost for Education Dr. Andrew Binns describing how the University selects annual campus-wide themes for the University community and builds related programming and academic connections. Dr. Binns reviewed last year’s highly-successful Arts and the City Year and previewed the upcoming Year of Water, including the campus reading project: "The Big Necessity."
Dr. Binns and Director of the Graduate Student Center and Family Resource Center Anita Mastroieni provided an overview of the many University services, policies, and practices related to students with families. The recently-opened campus Family Resource Center in Houston Hall was highlighted as were other available resources to help students and families thrive academically and socially at Penn.

Executive Director of the Weingarten Learning Resources Center Dr. Myrna Cohen, along with members of her learning resources team, led an interactive presentation, “From Syllabus to Finals,” illustrating how Penn students learn and study. Dr. Cohen also noted examples of University strategies and efforts to bolster student study skills and academic success.

**Investment Board**

In the absence of Investment Board Chair Howard Marks, incoming Investment Board Chair Robert M. Levy delivered the report. Mr. Levy stated that the endowment has rebounded significantly over the year and was up 17.1% as of March 31, 2010. Results were driven by exposure to public equities in the absolute return portfolio. Mr. Levy thanked Chief Investment Officer Kristin Gilbertson and her team for their excellent work. He then also thanked outgoing Investment Board Chair Howard Marks for his strong leadership during a volatile decade.

**Alumni Report**

Penn Alumni President Lee Spelman Doty advised that the Nominating Committee of Penn Alumni recommended the following slate of two candidates to fill alumni trustee positions for five-year terms beginning January 1, 2011: Charles Leitner, C’81 and Nanou Zayan, CW’73. Mrs. Doty expressed her confidence that the candidates would continue their strong commitments to Penn. She added that she would be accepting candidate submissions for two 2012 positions until January 1, 2011.

Mrs. Doty provided highlights of the 2010 Alumni Weekend, which included over 40 academic and intellectual programs under the theme "Enrich Your Mind, Body, and World with Penn in 2010." Over 8,000 people participated in 15 undergraduate reunions ranging from the classes of 1935 to 2010. She then thanked the Development and Alumni Relations staff for their work during these events. Mrs. Doty also provided an update on Penn Spectrum, the first ever weekend-long conference devoted entirely to diversity and community, and Homecoming, which will be infused with a robust arts and culture component including the presentation of the Creative Spirit Award at the Alumni Award of Merit.

**Vice Chair's Report**

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

- Resolution to Reelect David L. Cohen as Chair of the Board of Trustees (p. 87)
Nominating Committee Report

Nominating Committee Chair James Riepe congratulated Incoming Vice Chair David Silfen, thanked him for his service to the University and presented the following resolutions, which were approved (full resolution text is appended):

- Resolution to Elect David M. Silfen and to Reelect George A. Weiss as Vice Chairs of the Board of Trustees (p. 88)
- Resolution to Elect the Executive Committee (p. 89)
- Resolution to Elect the Investment Board (p. 90)
- Resolution of Appreciation for William L. Mack and Designation as Emeritus Trustee (p. 91)

Mr. Mack thanked everyone for their kind words during the trustee meetings and expressed his desire for his continued involvement with the University.

Mr. Riepe welcomed Carol Ware Gates, Janet Haas and Krishna P. Singh as Term Trustees and presented the following resolutions, which were approved (full resolution text is appended):

- Resolution to Elect Carol Ware Gates as a Term Trustee (p. 92)
- Resolution to Elect Janet Haas as a Term Trustee (p. 93)
- Resolution to Elect Krishna P. Singh as a Term Trustee (p. 94)
- Resolution to Elect Howard S. Marks as a Charter Trustee (p. 95)
- Resolution to Reelect Richard C. Perry as a Term Trustee (p. 96)
- Resolution to Reelect Andrew S. Rachleff as a Term Trustee (p. 97)

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 James J. Fuld Jr. and Naomi S. Grabel to the Board of Overseers and to Appoint David M. Brashear as Chair and Andrew R. Brownstein as Vice Chair of the Board of Overseers of the Annenberg Center for the Performing Arts (p. 98)
- Resolution to Appoint Alan G. Hassenfeld and Richard F. Lee to the Board of Overseers of the School of Arts and Sciences (p. 100)
• Resolution to Appoint Umit Yigit to the Board of Overseers of the School of Dental Medicine (p. 101)

• Resolution to Appoint Robert L. Kirkpatrick to the Board of Overseers of the Institute of Contemporary Art (p. 102)

• Resolution to Re-Appoint Paul G. Haaga Jr. as Chair of the Board of Overseers of the Law School (p. 103)

• Resolution to Appoint Judith L. Bollinger, Joshua A. Polan, and Andrew Miles Snyder to the Board of Overseers and to Appoint Erik D. Gershwind as Vice Chair of the Board of Overseers of the Penn Libraries (p. 104)

• Resolution to Appoint Catherine R. Clifton to the Penn Medicine Board as Term Member (p. 106)

• Resolution to Reappoint Mitchell L. Morgan to the Penn Medicine Board as Term Member (p. 107)

• Resolution to Reappoint Members of the Penn Medicine Executive Committee (p. 108)

• Resolution to Appoint Christina Fournaris, Janet Haas, William Harral III, Pamela M. Hill, and Martha J. Wallace to the Board of Managers, to appoint John A. H. Shober as an Emeritus member of the Board of Managers, and to Re-Appoint Ann Reed as Chair of the Board of Managers of the Morris Arboretum of the University of Pennsylvania (p. 109)

• Resolution to Appoint Daniel J. Hilferty, Gail Kass, Wendy Hurst Levine, and Ralph Reynolds to the Board of Overseers of the School of Nursing and to Appoint Vivian W. Piasecki as Chair Emerita of the Board of Overseers of the School of Nursing (p. 111)

• Resolution to Appoint Brian D. Schwartz to the Board of Overseers of the School of Social Policy & Practice (p. 113)

• Resolution to Appoint Jay S. Fishman to the Board of Overseers of the School of Veterinary Medicine (p. 114)

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

Respectfully submitted,

Leslie Laird Kruhly
Secretary of the University