A Stated Meeting of the Trustees of the University of Pennsylvania was convened at 11:33 a.m. on Friday, February 17, 2012 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
Chair David L. Cohen called the meeting to order. Mr. Cohen started the meeting by noting an extremely productive set of meetings.

University Chaplain Reverend Charles Howard presented the invocation.

The minutes of the November 11, 2011 meeting were approved as distributed.

Following the invocation, Mr. Cohen noted the loss of Jacqueline G. Wexler, Hon’79. He also expressed the University’s deep appreciation and affection for her husband, Paul J. Wexler; daughter, Dr. Wendy Wexler Branton; son, Wayne Lewis Wexler; and granddaughter Jane C. Branton.

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

- Memorial Resolution for Jacqueline G. Wexler (p. 1)
Nominating Committee Report
Before presenting the resolutions, Mr. Cohen took a moment to express appreciation for the Trustee service of Mr. Ed Mathias and his designation as Emeritus Trustee.

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

- Resolution of Appreciation for Edward J. Mathias and Designation as Emeritus Trustee (p. 3)
- Resolution to Elect James G. Dinan as Term Trustee (p. 4)
- Resolution to Elect Lee Spelman Doty as Charter Trustee (p. 5)
- Resolution to Elect Mark O. Winkelman as Charter Trustee (p. 6)

President’s Report
President Amy Gutmann reported that for only the second time in Penn’s history, the University’s application numbers surpassed the 31,000 mark. President Gutmann also expressed continuing commitment to moderating growth in tuition and fees. She noted that the Trustees are recommending a 3.9% increase in total tuition and fees, the second smallest tuition increase at Penn in more than 40 years. She went on to express that more importantly, financial aid will increase its budget by 7.7%. President Gutmann related that she had met with Vice President Joseph Biden who was very complimentary of Penn’s financial aid programs and the decreasing net out-of-pocket expenses for students on financial aid. President Gutmann then reported on new construction projects on campus. She noted the Krishna P. Singh center and the Law School’s newly opened Golkin Hall, which will be dedicated by Justice Sotomayor this spring. She thanked Krishna Singh and Perry Golkin for their generous donations to these projects. President Gutmann expressed her excitement about the new Education Commons at Franklin Field: 7,000 square feet of dynamic study space in the Weiss Pavilion. Finally, President Gutmann mentioned that the Arch renovation project will begin this summer.

President Gutmann related that none of these projects would be possible without the support of alumni and friends. Through the Making History campaign, over 208,000 individual donors around the world have contributed to the University’s goals. She noted that while Penn crossed its $3.5 billion goal this fall, the University is working tirelessly through the end of the campaign in December, 2012 to achieve support for several remaining key strategic projects. She concluded her remarks by inviting everyone to the David and Lyn Silfen University Forum, and congratulating the eight new Thouron fellowship award recipients.

Academic Report
Provost Vincent Price added to the President’s report, updating the Trustees on two new developments. The first is the new center for the study of contemporary China; the second being the appointment of Professor John Jackson as Senior Advisor to the Provost for Diversity. Provost Price made special recognition of Dr. W.E.B. Du Bois, with a resolution to appoint him as Honorary Emeritus Professor of Sociology and Africana Studies. Provost Price concluded by presenting for approval the resolution of faculty appointments, leaves and promotions.

Dr. Price presented the following resolutions, which were approved (full resolution text is appended):
Financial Report
Executive Vice President Craig Carnaroli reported that for the first six months of the year both the University and Health System remain on track. He pointed to three major influences that are reflected in the financial activity for the first six months; the phase out of ARRA funding from grants, volatility in the financial markets, and contributions, which have been a real positive. Mr. Carnaroli reported positive operating performance for both the University and by the Health System. The University is running approximately $50 million ahead of budget, and the Health System $30 million ahead of budget, both on a net asset basis. Mr. Carnaroli also reported that the Health System implemented a new financial system called EPIC. Mr. Carnaroli expressed concern about the decreasing federal budget, NIH sponsored programs, as well as the Commonwealth’s five percent decrease in Vet School funding. Finally, Mr. Carnaroli stated that low interest rates could have a potential negative effect on the University’s balance sheet in regards to pension and long term disability obligations.

Penn Medicine Report
Dr. Larry Jameson, Executive Vice President of the University Health System and Dean of the Perelman School of Medicine, reported on Penn Medicine’s contributions of nearly $854 million to the benefit of the communities they serve. These contributions included free and subsidized medical care, physician training, and research support. Dr. Jameson chose to highlight two contributions to the communities: vaccines for early stage breast cancer, and gene therapy for congenital blindness. Dr. Jameson also reported collaborating with the First Lady, Michelle Obama, on the Joining Forces partnership. This project seeks to join academic medical centers with the military health system. Finally Dr. Jameson discussed new technologies being advanced, with a mind towards cost effectiveness.

Academic Policy
Dr. Deborah Marrow presented the report on behalf of Chair Scott Bok. Dr. Marrow discussed Penn’s upcoming reaccreditation from the Middle States Commission on Higher Education. Penn’s formal reaccreditation will occur in Spring, 2014. The University will spend the next few years preparing for it through a self-study of undergraduate education. In Spring, 2014 a team of senior leaders from other academic institutions will evaluate Penn’s compliance with national standards, and offer recommendations for the future. The committee discussed ways in which the Trustees can be involved in the self-study process.

Dr. Marrow also presented a resolution for approval for the Department of Business Economics and Public Policy in the Wharton School. The new department would merge the school’s existing departments of Business and Public Policy and Insurance and Risk Management.

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

- Resolution to Establish a Department of Business Economics and Public Policy in the Wharton School (p. 48)
Audit and Compliance
Mrs. Lee Spelman Doty presented the Audit and Compliance Committee report on behalf of Chair Jay Fishman. Mrs. Doty noted that during the committee meeting, she had provided an update on the Penn Medicine Audit and Compliance meeting that was held the week prior. Mrs. Doty then discussed a report from Mary Lee Brown, Associate Vice President for Audit, Compliance and Privacy, stating that the University was on budget with respect to last year’s fiscal budget. Mrs. Doty then reported on presentations from Steve Golding, Vice President of Finance and Treasurer, and John Mattie, PricewaterhouseCoopers Engagement Partner, regarding their participation in the Financial Accounting Standard Board Not-for-Profit Advisory Committee. She summarized that the University is participating in regulatory discussions which could lead to more extensive financial reporting for Not for Profit Entities.

Mrs. Doty then reported an update on the A-133 audit, as well as an update on the financial statements for this second quarter ending December 31, 2011, presented by John Horn, Comptroller; Keith Kasper, Senior Vice President and Chief Financial Officer; Steve Golding, and representatives from PWC.

Mrs. Doty then reviewed two resolutions for approval: a resolution to establish Upenn International, creating an entity to expedite Penn’s entry into China, and a resolution appointing PWC as the University’s auditor for FY 2012.

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

- Resolution to Authorize Establishment and Incorporation of Upenn International as a not for profit corporation under the control of the University and to Designate a Member Representative to Upenn International (p. 49)

- Resolution on the Engagement of the Independent Accountant for Fiscal Year 2012 (p. 50)

Budget and Finance
Mr. Rachleff presented the Budget and Finance report on behalf of Chair Andrew Heyer. He reported that Steve Golding, Vice President of Finance and Treasurer; Bonnie Gibson, Vice President for Budget and Management Analysis; and Keith Kasper, Senior Vice President and Chief Financial Officer, reported on the University and Health System financial results as of December 31, 2011. He then noted that Craig Carnaroli shared key financial numbers. Mr. Rachleff next reported on proposed changes to the University’s tuition and fees for the academic year 2012–2013. The committee recommended that the University raise undergraduate tuition and total charges including room, board, and fees by 3.9%.

Mr. Rachleff next reported that Steve Fluharty, Vice Provost for Research, updated the committee on Sponsored Research and Technology Transfer. Fiscal year 2012 research awards are slightly off due to the wind down of the ARRA stimulus program. Mr. Rachleff next reported on a presentation by Robin Beck, Vice President for Information Systems, advocating modernization and consolidation through a new combined University Health System data center. This would be a part of a hybrid plan to combine data center capacity with cloud computing.

Mr. Rachleff then discussed a presentation by Steve Golding on international student loans. Budget and Finance recommended approval of a new risk sharing loan program funded to the amount of $60 million. In addition to a previous loan sharing program, this would bring the total cost of the program to
$125 million. Finally, Mr. Rachleff offered for approval 15 resolutions that were reviewed and approved by the Budget and Finance Committee.

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

- Resolution to Authorize Design and Construction of the Steinberg Hall – Dietrich Hall West Entrance Addition for an Additional $17,390,000 (Total Revised Budget of $18,500,000) (p. 51)

- Resolution to Authorize Design, Preconstruction Services and Early Construction Packages for the ARCH Building Restoration in the Amount of $7,259,000 (p. 52)

- Resolution to Authorize Design and Construction of the Special Collections Center Phase II in the Amount of $5,830,000 (p. 53)

- Resolution to Authorize Design, Preconstruction Services and Early Construction Packages for the Palestra-Hutchinson Gymnasium, Phase I Infill Building for an Additional $3,147,000 (Total Revised Budget of $5,565,000) (p. 54)

- Resolution to Authorize Planning and Design Development for a Combined University/Health System Data Center in the Amount of $3,100,000 (p. 55)

- Resolution to Authorize Graduate Research Wing of the Moore School Floors 0 to 3 Renovations and Air Handling Unit Replacement in the Amount of $2,400,000 (p. 56)

- Resolution to Authorize Purchase of Two Cone Beam Computed Tomography Units for the Roberts Proton Therapy Center in the Amount of $2,192,000 (p. 57)

- Resolution to Authorize Lease Renewal for the Perelman School of Medicine, Department of Medicine, Division of Pulmonary; Total Lease Obligation (PV) $1,205,000 (p. 58)

- Resolution to Authorize Lease Renewal for the Perelman School of Medicine, Department of Radiology; Total Lease Obligation (PV) $1,079,000 (p. 59)

- Resolution to Authorize Tuition, Fees, and Other Student Charges for Academic Year 2012-2013 (p. 60)

- Resolution to Authorize Participation in Loan Programs for International Graduate Students Guaranteed by the University (p. 61)

- Resolution to Authorize the Financing of Certain Capital Projects for the University of Pennsylvania Health System (p. 63)
Resolution to Authorize the Restructuring of Certain University of Pennsylvania Health System Indebtedness (p. 66)

Resolution to Declare the University of Pennsylvania Health System’s Intent to Reimburse Capital Costs with Proceeds of Borrowing (p. 68)

Resolution to Authorize the Incurrence of Indebtedness to Refinance Certain Existing Indebtedness (p. 71)

Development Committee
Chair George A. Weiss delivered the Development Committee report. Mr. Weiss started his report by noting that the University is in the final ten months of the Making History campaign, with over $3.667 billion; cash receipts being at $3.131 billion. Mr. Weiss reported that President Gutmann had addressed the Budget and Finance Committee the previous day, and stressed that all Trustees must continue to work closely with donors to achieve campaign core priorities. President Gutmann also spoke about her trip to California and Penn’s robust engagement program there. Mr. Weiss next reported on a briefing by John Zeller, Vice President for Development and Alumni Relations, on the University’s campaign status and priorities yet to be met. During Mr. Zeller’s presentation, Mr. Weiss stressed the need for Trustees who have not made their second or final campaign gift to do so. After Mr. Zeller’s presentation, Marcy Merz, Executive Director of Gift Planning, spoke to the group about the key areas of marketing and fundraising in the gift planning program. Finally, Mr. Weiss reported on the presentation by Kris Davitt, Assistant Vice President for Undergraduate Programs and the Penn Parents Program.

Facilities and Campus Planning Committee
Mr. Leitner presented the Facilities and Campus Planning Committee report on behalf of Chair Egbert Perry. Mr. Leitner related an engaging session that focused on four specific investments on campus. Mr. Leitner discussed a report by Wharton Dean Tom Robertson on the $18.5 million addition to Steinberg Hall-Dietrich Hall. The second report was from Athletic Director Steve Bilsky who presented a report on a $22.2 million renovation project for Hutchinson Gymnasium to be completed in August 2013. The third report was from Anne Papageorge regarding a $2.2 million urban park planned for the intersections of Spruce, 33rd, and 34th streets. Finally Mr. Leitner discussed the new Special Collections Center at Van Pelt Library that is already 50% complete.

Local, National, and Global Engagement Committee
Chair Marc McMorris delivered the Local, National, and Global Engagement Committee report. Mr. McMorris began by discussing Vice President for University Communications Steve McCarthy’s report on communicating in a digital world. Mr. McMorris discussed a report from the students at the Daily Pennsylvanian (DP). The DP faces declining print circulation numbers, but has done a superb job of maintaining the integrity of their print edition, and expanding its online presence. Mr. McMorris concluded by summarizing a report from Dr. Ezekiel Emanuel, Vice Provost for Global Initiatives. Dr. Emmanuel explained to the committee that there are very few countries around the world where the University doesn’t have some presence or impact; whether through internships, research projects, teaching, or instructional efforts.

Student Life Committee
Chair Julie Platt delivered a report from the Student Life Committee meeting. Ms. Platt reported on peer to peer student mentoring for incoming and first year undergraduate students, such as Penn Cap.
Particular discussions were held on the impact of residential college houses and residential staff helping to identify and respond to students’ needs. Ms. Platt discussed the second topic that her committee reviewed: campus mental health support and counseling services. Drs. Max King and Meeta Kumar provided the committee an overview of services available. Drs. Max King and Meeta Kumar also discussed the increasing use of Counseling and Psychological Services (CAPS). Ms. Platt concluded by noting that Penn continues to address the mental health needs of the Penn community.

Alumni Trustee Committee
Mrs. Lee Spelman Doty delivered the report for the Alumni Trustee Committee. Mrs. Doty opened her remarks by welcoming Osagie Imasogie and Ann Reese as two new Alumni Trustees. Mrs. Doty discussed the Alumni Trustee Committee’s winter retreat the previous weekend, where attendance included leadership from local clubs around the country, as well as alumni representatives from schools and centers. Mrs. Doty stated the meeting was productive in setting goals and planning high alumni participation in as many future events as possible. Next, Mrs. Doty discussed the upcoming implementation of the Secondary Schools Committee, which will replace the Alumni Admissions Resource Center slated to close at the end of the year. The new center should provide more opportunities for alumni volunteers. Mrs. Doty also discussed the well attended Engaging Minds seminars in Los Angeles and San Francisco hosted by President Gutmann. Mrs. Doty noted upcoming Penn alumni events- the first Quaker night coming up in Miami, Penn to You coming to Chicago, and Penn Spectrum visiting New York and Miami. Mrs. Doty closed by thanking Hoopes Wampler, Assistant Vice President for Alumni Relations, Elise Betz, Director of Penn Alumni and Penn Traditions, and the entire alumni relations team.

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 Nancy Zellerbach Boschwitz and Richard C. Gay to the Board of Overseers of the Annenberg Center for the Performing Arts (p. 73)

- Resolution to Appoint Adam K. Bernstein, Jamie Osman Handwerker, William A. Kussell, Gillian Meltzer Miniter and Ramanan Raghavendran to the Board of Overseers of the School of Arts and Sciences and to Appoint William J. Constantine as an Emeritus Member of the Board of Overseers of the School of Arts and Sciences (p. 74)

- Resolution to Appoint David Tai-Man Shen to the Board of Overseers of the School of Dental Medicine (p. 76)

- Resolution to Appoint Matthew V. O’Malley to the Board of Overseers of the Graduate School of Education (p. 77)

- Resolution to Appoint Susan Drossman Sokoloff, Seth M. Ginns and Patricia Martin to the Board of Overseers of the School of Nursing (p. 78)

- Resolution to Appoint Joseph Zebrowitz, M.D. to the Penn Medicine Board (p. 79)

- Resolution to Reappoint Lee Spelman Doty and Stephanie Naidoff, Esq. to the Penn Medicine Board (p. 80)
• Resolution to Appoint Daniel Gordon to the Board of Trustees of the University of Pennsylvania Press (p. 81)

• Resolution to Appoint Martin E. Winter to the Board of Overseers of the School of Veterinary Medicine (p. 82)

• Resolution to Appoint the 2012 Slate of The Wistar Institute Board of Trustees (p. 83)

The meeting was adjourned at 12:32 p.m.

Respectfully submitted,

Leslie Laird Kruhly
Vice President and Secretary of the University