An Executive Meeting of the Trustees of the University of Pennsylvania was convened at 9:50 a.m. on September 20, 2012 in the Class of ’49 Auditorium, 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 David L. Cohen called the meeting to order, and called upon President Gutmann to deliver her report.

President's Report

Dr. Gutmann reported that on the fourth of September, the University welcomed the Class of 2016 at Convocation. She stated that the 2,461 freshmen are the most academically accomplished freshmen in Penn’s history, with an average SAT score of 2163, the highest in Penn’s history and a seven point increase from last year. She also noted that 44% of the incoming class self-report as minorities, and 22% of those are under-represented minorities, which is a three percent increase over the last year. The Class of 2016 has the highest number of African American students of any Penn entering class to date.

Next, Dr. Gutmann welcomed called attention to Penn’s new faculty as well as Dr. Julian Siggers as the new Williams Director of the University of Pennsylvania Museum of Archaeology and Anthropology, and Amy Sadao as the Daniel Dietrich II Director of the Institute of Contemporary Art.

Dr. Gutmann reported that she and Vincent Price, Provost and the Steven H. Chaffee Professor of Communication and Political Science, appointed Edward Rock, Saul A. Fox Distinguished Professor of Business Law, as Senior Advisor and Director of Open Course Initiatives. Dr. Gutmann related that Professor Rock will be a key partner to her and Provost Price as Penn’s engagement with Coursera expands to further tap the potential of new online technologies to transform teaching and learning. Dr. Gutmann stated his background in law and economics and desire to take on an exciting new challenge really makes him the ideal partner in moving the initiative forward. Dr. Gutmann also noted that the new University Director of Financial Aid, Joel Carstens, will be a great asset moving forward on Penn’s all grant, no loan policy.
Continuing to acknowledge faculty, Dr. Gutmann noted Dr. Aaron Beck, an Emeritus Professor in the Psychology Department in the Perelman School, was presented with the Prince Mahidol Award, which honors his lifetime of achievement as a developer of cognitive behavioral therapy.

Dr. Gutmann also recognized Peter Reese, Assistant Professor of Medicine and Epidemiology at the Perelman School and Joseph Subotnik, Assistant Professor of Physical and Theoretical Chemistry in Arts and Sciences, as recipients of the Presidential Early Career Award for Scientists and Engineers - the highest honor the U.S. government bestows on the most promising individuals in the field.

Dr. Gutmann noted various recent facilities improvements on campus, including Shoemaker Green, the work in progress on the ARCH Building, the Hutchinson Gymnasium renovations, and renovations to 1920 Commons. She thanked Marie Witt and Anne Papageorge for their work on these initiatives. As part of Penn Connects 2.0, Dr. Gutmann also noted the Spruce Street Plaza being created between the Penn Museum and HUP.

Dr. Gutmann went on to update the status of the Making History campaign. She noted that more than 103,000 Penn alumni gave to Annual Giving last year, breaking the all-time record and totaling nearly $63 million across the University.

To close, Dr. Gutmann reported that Penn had received national recognition from the Foundation for Individual Rights and Education for its commitment to free speech on campus. Penn is the only private institution in FIRE’s national rankings.

Concluding her report, Dr. Gutmann called upon Provost Price for the Academic Report.

Academic Report

Provost Price updated the Board on Penn’s participation in Coursera. He reported that the initiative has been quite successful and well received both on campus and off. At the start of September, Penn’s course offerings had several hundred thousand registered students. Modern and Contemporary Poetry, Healthcare Policy, and Listening to World Music classes each drew over 30,000 students. Basic Behavioral Neurology drew 51,000 students, and Wharton’s first offering, Gamification, enrolled over 75,000 students. Courses began during the last week in June and have ranged in duration from 5 - 12 weeks.

Provost Price reported that Ed Rock is the Senior Advisor to both himself and the President, and as Director of the Coursera project. The Provost noted that Ed Rock has been working very closely with Vice Provost for Education Andy Binns, the University Libraries, the Center for Teaching and Learning, Deans of all the schools, Information Systems and Computing, and with the Coursera staff in California as this project moves forward.

Provost Price concluded by offering for approval the resolution on faculty appointments, leaves and promotions.

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

- Resolution on Faculty Appointments, Leaves and Promotions

Click here for full text of resolutions
Financial Report

Following Provost Price’s presentation, Dr. Gutmann called upon Craig Carnaroli, Executive Vice President of the University of Pennsylvania, to deliver the financial report.

Mr. Carnaroli stated that on a consolidated basis the net assets of the University were subject to a slight decline. The positive growth experienced in philanthropy and other areas were overshadowed by the impact of low interest rates and the valuation of the University’s pension liabilities, as well as the University’s modest investment return for the fiscal year. Mr. Carnaroli reported that on an operating basis, both components, the University and the Health System, experienced positive performance for the fiscal year ending 2012.

For the Health System, FY12 was the twelfth consecutive year of positive operating performance. The University’s operating performance was lower than the prior year, predominantly due to the positive impact of the Perelman naming gift in 2011.

Mr. Carnaroli indicated that the University continues to reinvest in the physical plant of the University. Last year the University spent approximately $350 million on a variety of capital projects, consistent with prior years. From a cash flow perspective, Penn is down approximately 15%. This is due to a variety of factors, none of which are particularly concerning, according to Mr. Carnaroli.

Mr. Carnaroli concluded by noting that the Health System reduced its days in Accounts Receivable to 39, despite the challenges of the Epic system integration that began at the early part of the fiscal year.

Dr. Gutmann next called upon Dr. J. Larry Jameson, Executive Vice President of the University for the Health System and Dean of the Perelman School of Medicine, to deliver the Penn Medicine report.

Penn Medicine Report

Dr. Jameson reported that Penn Medicine had welcomed its new class of medical students with the White Coat ceremony. This year, in addition to handing out stethoscopes, Penn Medicine distributed iPads to both the first and second year students. Students’ entire syllabus curriculum will now be on the iPad.

Penn Medicine welcomed 166 new faculty to the Perelman School of Medicine and recently promoted 99 faculty.

Dr. Jameson reported that the Novartis arrangement to support the delivery of immunotherapy for cancer is proceeding. He also noted that research is going very well. Penn Medicine is at the vanguard of biological research and is having an impact on the field of cancer.

Dr. Jameson announced the appointment of a new chair at the Department of Radiology, Mitchell D. Schnall. Dr. Schnall has a degree in physics, an MD degree, and a PhD in biophysics.

Dr. Jameson concluded his report by noting a major gift will be reported later in the fall, but at the moment details are still embargoed.

Following Dr. Jameson’s report, Chair Cohen asked Lee Spelman Doty to deliver the Audit and Compliance report on behalf of Chair Jay Fishman.
Audit & Compliance

Ms. Doty reported the minutes of the June 2012 meeting for the University Audit and Compliance Committee were approved and that the Committee heard a presentation from management on the footnote disclosures to FY2012 audited financial statements for the Health System and the University. PricewaterhouseCoopers (PwC) provided the Committee with their report and required communications on the University’s financial audit and independence standards noting that an unqualified, clean opinion was rendered for both the consolidated University and the Health System financial statements.

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

- Resolution to Approve the Audited Financial Statements for Fiscal Year 2012 page 34

Chair Cohen then called upon Andrew Heyer, Chair of the Budget and Finance Committee, to deliver the committee’s report.

Budget and Finance

Mr. Heyer reported that Budget and Finance Committee met and reviewed the Fiscal Year 2012 year in financials. The committee was updated on the positive results of the indirect cost recovery negotiations. Mr. Heyer stated that the committee also reviewed the new Moody’s rating score card and that the Board should be pleased with how the University scored. Mr. Heyer concluded his report by putting forth a resolution to authorize a $5 million investment in UPenn International to support an investment in a China-based legal entity.

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

- Resolution to Authorize University investment in UPENN International to Support an Investment in a China-based Legal Entity page 35

The resolution was approved, and the meeting was adjourned at 10:04 a.m.

Respectfully submitted,

Leslie Laird Kruhly
Vice President and Secretary of the University