A Stated Meeting of the Trustees of the University of Pennsylvania was convened at 11:34 a.m. on March 1, 2013 in Woodlands ABCD, 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 David L. Cohen called the meeting to order. He spoke briefly about the great success of both the previous evening’s celebration to mark the close of the Making History Campaign and the campaign itself, which had raised nearly $1 billion more than its goal. He also noted that the evening also afforded a wonderful opportunity to thank Campaign Chair George Weiss for his tireless efforts, noting his inspirational leadership and passion for the University and his dedication to the Campaign’s success. He asked that the Board offer Vice Chair Weiss their thanks in congratulation of his achievements.
After the invocation by Associate Chaplain Stephen Kocher, Chair Cohen called for a motion to approve the minutes of the meeting on October 26, 2012. The minutes were approved as distributed. Mr. Cohen then delivered the Chair’s Report.

**Chair’s Report**

Chair Cohen acknowledged the recent loss of two University Trustees, Saul P. Steinberg and Charles D. Dickey. He briefly excerpted sections of the two Memorial Resolutions being presented and then asked for a moment of silence.

Speaking on behalf of the Steinberg family, Mr. Jonathan Steinberg recounted the impact that attending the University had had on his father’s life and his father’s desire to give back so that other young men and women could enjoy the same opportunity at Penn. He thanked the Board for inviting the Steinberg family to attend today’s meeting.

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

- Memorial Resolution for Charles D. Dickey, Jr.  
- Memorial Resolution for Saul P. Steinberg

Chair Cohen then presented a resolution to amend the bylaws of Penn Medicine to change term limit provisions, noting that the Penn Medicine Executive Committee had recommended approval.

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

- Resolution to Amend the Bylaws of Penn Medicine to Establish an Individual’s Maximum Term of Service Following Appointment as a University Trustee

**Nominating Committee**

Chair Cohen brought forward three resolutions with the approval of the Nominating Committee to elect Ronald O. Perelman, George A. Weiss and Paul S. Levy to Emeritus Trustee status. He spoke about each Trustee, highlighting their achievements. Chair Cohen added that Mr. Weiss had been an important mentor when he had first joined the Board years ago and asked Mr. Weiss to speak.

Mr. Weiss thanked all in attendance for the celebration the evening prior. He added that it has been an honor to serve as a Trustee, and in quoting former Trustee Walter Annenberg, indicated that he considered his efforts to be simply a “matter of good citizenship”.

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

- Resolution of Appreciation for Ronald Perelman and Designation as Emeritus Trustee
- Resolution of Appreciation for George A. Weiss and Designation as Emeritus Trustee
- Resolution to Elect Paul S. Levy as Emeritus Trustee
President’s Report

President Gutmann noted for the record that the grand total for the Making History Campaign was $4.3 billion raised, with 326,942 alumni and friends contributing. She thanked Campaign Chair George Weiss, Co-chairs Andrea Mitchell, Rosemary Mazanet and Bob Levy; Board Chair Cohen and former Board Chair Jim Riepe for their efforts in the successful campaign. She also thanked Penn’s many devoted alumni and friends and particularly noted the tireless efforts of John Zeller, Vice President, and Medha Narvekar, Associate Vice President of Development and Alumni Relations, as well as the staff of Development and Alumni Relations.

President Gutmann indicated that momentum continued post-Campaign and reported that Trustee Ronald O. Perelman’s recent $25 million gift would establish the Ronald O. Perelman Center for Political Science and Economics in SAS to house those two departments. She also noted a generous gift of $15 million from Frank Quattrone and Denise Foderaro to create the Quattrone Center for the Fair Administration of Justice at Penn Law, and that the University had also received a new $10 million gift from Trustee Bill Mack and his wife Phyllis Mack to expand their center at Wharton into the William and Phyllis Mack Institute for Innovation Management.

Turning to student-related news, President Gutmann stated that she and Provost Vincent Price had created a Commission on Student Safety, Alcohol and Campus Life, charged to review the status of student social life at Penn, with focus on alcohol, drug use, and consequences for student conduct. Noting that there had been no similar examination since 1998, she announced that Dr. Charles O’Brien, Vice Chair of the Department of Psychology and Director of the Center for Studies on Addiction at the Perelman School of Medicine, would chair the commission, which will review current campus conditions, national trends and peer practices. The commission’s findings and recommendations are expected by the end of 2013.

President Gutmann also noted that the Excellence Through Diversity Fund had made its inaugural call for proposals to fund interdisciplinary projects by Penn faculty on topics related to equity, inclusion and diversity. A committee led by Vice Provost Lynn Lees will review the proposals.

President Gutmann then presented two resolutions, including a Resolution of Appreciation for Vice President of Information Systems and Computing Robin Beck, who has stepped down after 23 years at Penn. She called on Ms. Beck to speak.

Ms. Beck thanked President Gutmann, Provost Price and Executive Vice President Craig Carnaroli and the staff of Information Systems and Computing for their support through the years, noting the University’s ongoing transformation from what was essentially a “paper-based organization” when she arrived at Penn.

President Gutmann then introduced Thomas H. Murphy as the University’s new Vice President for Information Technology and University Chief Information Officer and presented a resolution for his appointment.
The following resolutions were presented and approved (full resolution text is appended):

- Resolution of Appreciation for Robin Beck  
- Resolution to Appoint Thomas H. Murphy as Vice President for Information Technology and University Chief Information Officer

Dr. Gutmann then called upon Provost Vincent Price to deliver the Academic report.

**Academic Report**

Provost Price opened his remarks by noting that Penn had partnered with Coursera less than one year ago to launch its first round of massive open online courses (MOOCs). Coursera now has dozens of university partners and millions of users worldwide. In April, Penn will host the inaugural Coursera Partners Conference to discuss the challenges and opportunities of open learning in higher education.

The Provost then noted that five Penn students, three current undergraduates and two recent alumni, have received Thouron Awards and will pursue their graduate studies in the United Kingdom next year.

In conclusion, he then presented the Resolution on Faculty Appointments, Leaves, and Promotion.

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

- Resolution on Faculty Appointments, Leaves and Promotions

Dr. Gutmann then called on Craig Carnaroli for the Financial Report.

**Financial Report**

Executive Vice President Craig Carnaroli indicated that financial performance was strong in the second quarter, with total net assets increasing 3% over the first quarter to $10.3 billion due to growth in both positive investment and operating performance.

He stated that operating revenue increased 4.5% over the prior year, driven by a tuition revenue increase of 3.7%, partially offset by a 7% increase in student aid. He added that strong gains in philanthropy also contributed to the revenue increase, with a 54% operating contribution increase driven by the receipt of several major gifts in the Perelman School of Medicine and the successful close of the *Making History Campaign*. With reference to sponsored program revenue, Mr. Carnaroli noted a modest increase of 2%, which reflects capital grant spending for the Singh Center for Nanotechnology and the Smilow Center for Translational Research.

On operating expenses, Mr. Carnaroli noted an increase of 4.5% driven by higher compensation expenses, primarily due to continued pressure of employee benefit cost and a 3% increase in salary expense. Current expense was less than the prior year due to lagging sponsored program expenditures not related to capital, along with lower legal expenditures.
Turning to finances for the Health System, Mr. Carnaroli indicated a positive operating margin of $79 million despite a 1.3% decrease in adjusted admissions, which is consistent with market trends. In addition, cost containment efforts offset lower patient activity. Overall, total net assets for the Health System increased 6.9% from June 2012 driven by the strong investment performance and the positive operating margin.

**Penn Medicine Report**

Executive Vice President of the Health System and Dean of the Perelman School of Medicine Larry Jameson reported that the Health System and school were doing well and also doing “good,” with Penn Medicine’s annual “community benefit” exceeding $827 million, which includes free and subsidized care, community health programs, and doctor and resident training and research. As a Philadelphia economic engine, Penn Medicine research provides 13,000 jobs not inclusive of its clinical enterprise. Noting a rapidly changing environment with sequestration and the implementation of the Affordable Care Act, Dr. Jameson added that Penn Medicine is acting on its strategic plan for each of its mission areas to adapt to these changes.

In closing, Dr. Jameson spoke about the upcoming match process for medical students to residency programs. He acknowledged the death of C. Everett Koop, former U.S. Surgeon General, who had been on Penn’s faculty and at the Children’s Hospital of Philadelphia for many years, and who had made a huge impact on health care in the United States.

**Academic Policy Committee**

Scott L. Bok, Chair of the Academic Policy Committee, summarized the topics discussed by the committee. Professor Ed Rock, Senior Advisor to the President and Provost and Director of Open Course Initiatives at Penn, spoke about Coursera and Penn’s goals on open learning. He stated that Penn’s offering on single variable calculus, taught by Andrea Mitchell University Professor Robert Ghrist, was one of the only courses selected by the American Council of Education to be recommended for college credit.

Mr. Bok noted the three main goals in pursuing open learning as described by Professor Rock: furthering Penn’s core mission of creating and disseminating knowledge, particularly to underserved communities; innovating teaching and learning, and advancing business models to sustain open learning for the future. He noted that committee discussion focused on how Penn can preserve its reputation and distinctiveness within this environment, Coursera’s implications for the future of higher education and the utilization of online instruction in institutions such as community colleges and high schools.

**Audit and Compliance Committee**

Chair Jay Fishman began his remarks by commending Mr. Weiss for his remarkable work on behalf of the campaign. In its meeting, the committee received a comprehensive update by Associate Vice President Mary Lee Brown on the Office of Audit Compliance and Privacy’s work.
plan, and Mr. Fishman said that the committee was quite pleased with progress to date. The
committee also received briefings from Craig Carnaroli on an enterprise risk management program
for the University, Ben Evan of Risk Management on the University’s insurance program and
Linda Yoder of Institutional Compliance.

The committee also received updates from Trustee Lee Doty on the most recent Penn Medicine
Executive Committee meeting, John Horn and Keith Kasper of the Comptroller’s Office on second
quarter significant accounting transactions and a report from Price Waterhouse Coopers.
The committee approved the engagement of Price Waterhouse Coopers for fiscal year 2013, and
the resolution is presented here for Trustee approval.

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

- Resolution on the Engagement of the Independent Accountant for Fiscal Year 2013

**Budget and Finance Committee**

Chair of the Budget and Finance Committee Andy Heyer indicated that Bonnie Gibson, Steve
Golding and Keith Kasper had provided reports on financial results as of December 31, 2012 for
the University and Health System.

Dean of Penn Law Michael Fitts also presented to the committee, and noted that applications and
placements at Penn Law remain very strong despite national trends. For 2013, Penn Law received
5,896 applications for just 240 spots, and 98% of 2012 graduates were either employed or enrolled
in continuing education programs. The *National Law Review Journal* has named Penn Law the
number one “go-to” school, and Mr. Heyer noted Penn Law’s number of integrated programs,
including a very successful three-year JD/MBA. Due to generous alumni support, Penn Law’s
endowment has tripled since 2000 and the school has invested $60 million in physical plant
without incurring debt.

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

- Resolution to Authorize Chemistry 1973 Building HVAC Upgrades in the Amount of $18,000,000

- Resolution to Authorize New College House Construction Documents Phase and Early Site Utility Work Bidding for an Additional $4,600,000 (Total Revised Budget of $11,000,000)

- Resolution to Authorize Installation of the Supervisory Control and Data Acquisition System Replacement for an Additional $8,760,000 (Total Revised Budget of $9,910,000)
• Resolution to Authorize Graduate Research Wing Renovations
  Phase 2 in the Amount of $5,855,000 page 52

• Resolution to Authorize Gregory College House Renovations
  in the Amount of $5,000,000 page 53

Facilities and Campus Planning Committee

Chair of the Facilities and Campus Planning Committee Egbert J. Perry provided an overview of presentations the committee had received from Vice President for Facilities and Real Estate Services Anne Papageorge and her staff on a third-party residential development, the Grove at Cira Centre South, which is a partnership between Brandywine Realty Trust, Campus Crest Communities and Harrison Street Real-Estate Capital. Project architect Scott Erdy of Erdy McHenry Architects presented designs for a 33-story tower with 345 apartments and retail and office space. Demolition began in December of last year and we anticipate the fall 2014 completion and opening.

Dean Bushnell introduced a presentation on the new Neural-Behavioral Sciences building, to be the interdisciplinary home of Penn Life Sciences and the biology and psychology departments. David King of Smith Group Architects presented the design of the $65 million 78,000 square foot project which will house research and teaching labs, lecture space, faculty offices and interaction spaces to foster cross-disciplinary collaboration. The building will also house the Vagelos Program in Life Sciences and Management. Work on the building is scheduled to begin this fall, with occupancy in 2016.

Local, National and Global Engagement Committee

Committee Chair Marc McMorris outlined committee discussions. Jeff Cooper, Vice President for Government and Community Fairs, spoke on sequestration and its potential challenges to Penn, particularly with reference to NIH funding. Dean Richard Gelles of the School of Social Policy & Practice outlined how the school’s students provide services to agencies across the region, contributing an impressive total of nearly 250,000 service hours last year valuing nearly $6 million. Hoopes Wampler of Alumni Relations then gave an overview of the activities DAR is undertaking to connect alumni regionally, nationally, and internationally. As the final presentation to the committee, Executive Editor of the Daily Pennsylvanian Jennifer Sun gave the newspaper’s annual report, recounting the tremendous energy and enthusiasm students were contributing to keeping the paper viable as a unique asset for the Penn community.

Student Life Committee

Presenting on behalf of Chair Julie Platt, Trustee Claire Lomax first congratulated Ms. Platt for her outstanding work leading the committee and thanked her as Ms. Platt’s term as chair nears its end. She noted that the committee had participated in discussions of Penn’s college house system with College House Faculty Director Dr. Mark Lieberman and Executive Director Marty Redman as well as several College House deans. She added that 5,500 undergraduates participate each year in the 11-house system. Many students are also employed within the system, as resident and graduate
advisors and in other positions such as in the café and information technology. The system works closely with Residential Living, Food Services and University Life to create a seamless student experience, unify academic and nonacademic enrichment and offer a unique and enriching interdisciplinary experience.

The committee was also briefed by the Provost on the establishment on the Commission on Student Safety, Alcohol and Campus Life.

**Alumni Trustees Report**

President of Penn Alumni Lee Doty spoke about the campaign’s significant and very successful non-financial goal to increase alumni outreach and engagement. She thanked Hoopes Wampler, Executive Director Elise Betz and Alumni Relations staff for their efforts engaging ever increasing numbers of alumni. In their meeting, Alumni Trustees received an update by the Penn Alumni Communications team, who maintain a daily and growing social media presence on Facebook and Twitter and on newer online tools such as Instagram, Pinterest, and Storify. She asked that everyone note Alumni Weekend events May 10-13 would be promoted via hash tag #PennAW.

Ms. Doty noted that the Penn Alumni Board’s fifth annual weekend retreat would begin today. Members will strategize with Alumni Relations on future programming and be updated by administrators including Dean of Admissions Eric Furda and Netter Center Director Ira Harkavy. She concluded by announcing that the second Penn Spectrum conference, devoted entirely to diversity and community, would be held on campus on September 20-23.

Chair Cohen noted that Ms. Doty’s term as Alumni president would be coming to a close and asked the Board to thank her for her incredible service as president of the alumni committee and for her willingness to take on the role as new Chair of the Development Committee.

**Appointments to Penn Medicine, Overseer and Other Boards**

Mr. Cohen introduced a series of resolutions concerning appointments to Overseer and other boards.

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

- Resolution to Appoint Charles B. Leitner III as Chair of the Athletics Board of Overseers page 54
- Resolution to Appoint D. David Slosburg to the Athletics Board of Overseers page 55
- Resolution to Appoint Jonathan Coslet to the Board of Overseers of the School of Dental Medicine page 56
- Resolution to Appoint Jeffrey Horing and Alexander F. Stern to the Board of Overseers of the School of Engineering and Applied Science page 57
- Resolution to Appoint Carol T. Finley and Marjorie Levine to the Board of Overseers of the Institute of Contemporary Art page 58
- Resolution to Appoint Robert Carrady, Garry Rayant and Howard Reiter to the Board of Overseers of the Katz Center for Advanced Judaic Studies page 59
• Resolution to Appoint Judith Bollinger as Chair of the Board of Overseers of the University Libraries  
  page 60
• Resolution to Appoint Richard J. Green and Richard W. Vague to the Penn Medicine Board as Term Members  
  page 61
• Resolution to Reappoint Randall E. Mehrberg as Term Member of the Penn Medicine Board  
  page 63
• Resolution to Appoint William L. Mack as Chair of the Board of Overseers of the Wharton School  
  page 64
• Resolution to Appoint the 2013 Slate of The Wistar Institute Board of Trustees  
  page 65

The resolutions were approved and the meeting was adjourned at 12:31 pm.

Respectfully submitted,

Leslie Laird Kruhly
Vice President and University Secretary