A Stated Meeting of the Trustees of the University of Pennsylvania was convened at 11:33 a.m. on Friday, November 8, 2013 in the Woodlands Ballroom at the Inn at Penn.


Former Trustees present: Marlene Arnold, Mitchell Blutt, Robert Gleason, John Hover, A. Eugene Kohn, Laurie Landeau, Nina Robinson and Sara Senior.


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.

Chairman David Cohen welcomed all in attendance and called the meeting to order. University Chaplain Reverend Charles Howard presented the invocation.

The minutes of the June 14, 2013 and September 19, 2013 Trustee meetings were approved as distributed.

Chair's Report

Mr. Cohen noted that the meetings of the Trustees had been quite productive with more events to come, including the groundbreaking celebration for the New College House, the Alumni Award of Merit Gala and Homecoming Weekend.
Mr. Cohen then reported the death of a dear friend of Penn, President Emeritus Sheldon Hackney, and read excerpts of the Memorial Resolution presented, noting particularly the University community’s great respect for Dr. Hackney as a university leader, as well as his support for building minority enrollment and opportunities for women in higher education administration.

After a moment of silence in honor of Dr. Hackney, Mr. Cohen announced that a University memorial service would be held on Thursday, March 27, 2014 at 4 p.m. at Irvine Auditorium.

Turning next to a Resolution of Appreciation for William P. Egan II, Mr. Cohen spoke of Mr. Egan's freely sharing his talents and wealth of business experience with the University, and with his wife, Jacalyn, his strong support of Penn and Wharton in endowing the William and Jacalyn Egan Fund for Leadership and The William and Jacalyn Egan Distinguished Professorship.

Mr. Egan gave his thanks to the Trustees, adding that he had been honored when invited by Mr. Riepe to consider board membership and that his sense of honor had only increased during his 10 years of service.

Mr. Cohen then presented a Resolution of Appreciation to Robert A. Gleason, Jr. for his longstanding efforts on behalf of Penn as a Commonwealth Trustee, as well as his extensive community service. He noted particularly Mr. Gleason’s successful efforts in securing important Commonwealth funding for the University, especially for the School of Veterinary Medicine.

Mr. Gleason introduced his wife, Jeanne, and family who were in attendance, and indicated how much he had enjoyed being a trustee and his great affection for Penn. He added that without question he will continue to work hard on behalf of the University.

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

- Memorial Resolution for F. Sheldon Hackney ............................................................page 1
- Resolution of Appreciation for William P. Egan II ....................................................page 3
- Resolution of Appreciation for Robert A. Gleason .....................................................page 4

Mr. Cohen completed his report and introduced the following resolution, which was presented and approved (full resolution text is appended):

- Resolution to Amend the Bylaws of Penn Medicine to Establish a New Clinical Care Committee and Modify the Committee Charge and Name of the Research, Education and Patient Care Committee ..............................................................................................page 5
President's Report

President Gutmann indicated that in October, Penn had celebrated the long-awaited grand opening of the Krishna P. Singh Center for Nanotechnology, which the Trustees had toured the day before. She added that it also gave her great pleasure and pride to celebrate the groundbreaking today of the New College House, which will have a transformational effect on undergraduate student living and learning, and which as a top developmental priority, was now moving “full steam ahead.”

In sharing news about Penn faculty, President Gutmann noted that in September, Dr. Angela Duckworth of the Department of Psychology had received a MacArthur Foundation Genius Grant for her path-breaking research and insight into determination, grit, and student learning. She added that seven Penn faculty members were recently elected members of the prestigious Institute of Medicine, representing an extraordinary 10 percent of the year’s total new inductees.

Turning to a Memorial Resolution for former University Chaplain Stanley Johnson, President Gutmann noted that for 35 years, Reverend Johnson was an absolutely beloved presence on Penn’s campus and that his chaplaincy had spanned the tenures of three Penn presidents. She conveyed condolences on behalf of the University to Reverend Johnson’s wife Sally and his family attending today’s meeting.

The following resolution was presented and approved and a moment of silence observed (full resolution text is appended):

- Memorial Resolution for Stanley E. Johnson..............................................................page 6

Academic Report

Provost Vincent Price provided an update on three new initiatives which demonstrate Penn’s leadership in integrating knowledge to spur innovation and address some of the world’s most important challenges. First, a single learning management system across all Penn courses, called Canvas, will be put into place this year and will offer the flexibility for faculty to customize it according to their needs. Second, Penn recently received a $20 million grant from the FDA and NIH to create a pioneering Tobacco Center of Regulatory Science. The Center will bring together the Annenberg School, the Perelman School of Medicine and the Wharton School to study communication about tobacco in the 21st century and make recommendations about future regulations. The Provost also noted that next week Penn will host a major international conference on India, drawing together Penn experts with business and government leaders to discuss India’s future as a pioneer in innovation.

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

- Resolution on Faculty Appointments, Leaves and Promotions ................................. page 8
Financial Report

Executive Vice President Craig Carnaroli presented the Financial Report, noting that for the consolidated University for the first three months of the fiscal year ending September 30, total net assets totaled $11.8 billion, an increase of $1.8 billion over prior year, which is approximately $842 million above budget. This was largely driven by strong investment performance in the first quarter, as well as an improved pension valuation, following a slight upturn in interest rates. Net operating income for the period was $28 million, $4 million higher than the same period last year and $56 million above budget. Total revenue was $63 million above budget, and expenses were approximately $7 million above budget.

Referring to the academic component, net operating income reflected a decrease of $41 million, $39 million below the prior year but $7 million above budget. Revenue was $15 million higher, while expenditures were $8 million above budget. Total contributions, pledges and new gifts, both operating and non-operating, totaled $59 million, representing a decrease of $16 million over the prior fiscal year’s first quarter.

With regard to the Health System, year-to-date net operating income or operating margin for the health system was $79 million, $43 million above budget and prior year. Operating revenue increased by $65 million from $860 million as of September 30, 2012, to $925 million as of September 30, 2013. Expenses increased by $21 million from $825 million to $846 million. Adjusted admissions of approximately 33,000 in the first quarter were higher than budget and the prior year by 2.3% and 6.3 %, respectively. Inpatient admissions were consistent with budget, while outpatient activity and high-intensity services were mixed. In the first quarter for inclusion of Chester County Hospital, activity of approximately 2,000 adjusted admissions and 1,000 adjusted inpatient admissions was reported.

Penn Medicine Report

Executive Vice President of the Health System and Dean of the Perelman School of Medicine Dr. Larry Jameson, in speaking of Penn’s newest inductees into the Institute of Medicine, noted that three of the seven are women scientists. Indicating that Penn has done well in sustaining its research portfolio even during the sequester, Dr. Jameson also spoke briefly about preparations in response to the Affordable Care Act rollout. He completed his report by relating that the Serene Highnesses Prince Albert and Princess Charlene recently visited to celebrate the relationship between Penn Medicine and Princess Grace Hospital in Monaco, touring Penn Medicine, including the Roberts Proton Therapy facility.

Academic Policy

Chair Scott L. Bok reported that the Academic Policy Committee had reviewed and discussed the draft Self-Study Report on Undergraduate Education currently being finalized as part of Penn’s reaccreditation by the Middle States Commission on Higher Education. He noted that the report draws on the efforts of seven working groups composed of faculty, students and staff and is
available for comment by all members of the Penn community until the end of the year. A final draft will be submitted to the Commission in January. In the spring, Penn will host a team of senior leaders and experts from peer institutions who will conduct a detailed review evaluating Penn’s compliance with national standards and offer recommendations. Middle States will then make its final recommendation on reaccreditation next summer. The Committee also discussed the most appropriate metrics for measuring Penn’s success in education, evaluating progress and implementing the recommendations of the report.

Audit & Compliance

Vice Chair Perry Golkin indicated that the Committee had heard reports from Trustee Jamie Greene, Chair of the Penn Medicine Audit & Compliance Committee, from Associate Vice President for Audit, Compliance and Privacy Mary Lee Brown on the status of fiscal 2014 activities to date, and from Senior Vice President and Chief Financial Officer for the Health System Keith Kasper reviewing comments in PwC’s Management Letter and providing an update on progress in resolving comments from the prior year.

The Committee also heard briefings presented by Institutional Compliance Officer Linda Yoder pertaining to Penn’s obligations with respect to the Jeanne Clery Disclosure of Campus Security Policy and Crime Statistics Act (“Clery Act”) and the Annual Security & Fire Safety Report; from Executive Vice President Craig Carnaroli on progress on Penn’s Institutional Risk Management initiative; and from Vice President and Chief Information Officer Thomas Murphy on IT security at Penn.

The Committee concluded its meeting with an executive session.

Budget & Finance

Chair Andrew Heyer indicated that the Committee had received reports from Vice President Bonnie Gibson, Mr. Kasper and Vice President of Finance and Treasurer Stephen Golding on University and Health System financial results as of September 30, 2013. Mr. Golding also provided a review of a 10-year history of University financial metrics used to assess overall financial strength and guide liquidity and investment planning and strategy.

Dean Richard Gelles then presented to the Committee on the School of Social Policy & Practice. The school has five degree-granting programs with 21 standing faculty members and 40 lecturers and instructors. Dean Gelles, who will step down as Dean at the end of the academic year, discussed a strategic plan to strengthen the School's main research and educational pillars, while expanding global engagement and supporting a faculty who will lead in key areas of policy and practice.

The Committee also reviewed and approved two resolutions.

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

Trustee Lee Spelman Doty indicated that with post-campaign celebrations ending, the Trustee Development Committee turns its focus to sustaining the high energy level and unity of purpose created by the Making History campaign. In presenting to the Committee, President Gutmann cited leadership giving and strong alumni engagement as catalysts for the great momentum achieved. Vice President for Development and Alumni Relations John Zeller discussed post-campaign planning and fundraising progress to date for FY14, and outlined plans in support of Penn Compact 2020 priorities.

A student from the Class of 2014 shared her experience with Penn’s international internship program, which led to a general discussion about Penn’s global initiatives, and Assistant Vice President for Alumni Relations Hoopes Wampler provided a tutorial of the new Penn alumni online community Quakernet, designed to improve connectivity.

Facilities & Campus Planning

Chair Egbert Perry reported that the Committee had heard two presentations, the first outlining plans for a new office building at 3901 Walnut Street. The six-story brick structure with 30,000 square feet is planned to accommodate newly relocated offices of the University’s Office of the General Council, Office of Government and Community Relations, and the Office of University Communications. These relocations will enable the renovation of the West Philadelphia Title and Trust Building as part of the Perelman Center for Political Science and Economics.

Anne Papageorge, Vice President of Facilities and Real Estate Services, and Ken Ogawa, Executive Director of Operations and Maintenance, outlined efforts to improve the maintenance staff’s effectiveness. Analysis and subsequent process redesign was completed with the aid of faculty from the Organizational Dynamics program. Twenty-five of the 26 trade shops have completed the process with an average reduction of work order duration by 46 percent. Future efforts will address reduction of needed repairs through preventive maintenance and education of the FRES work force.

Local, National and Global Engagement

Chair Marc McMorris indicated that the Committee on Local, National and Global Engagement had received reports outlining the progress of Penn’s communication efforts. Over the past two years, Penn has made significant gains in growing media coverage, developing original content and engaging the social media universe. He noted that Penn has quickly moved to be a national leader in the communications area, due to the work of Vice President of Communications Stephen MacCarthy’s team and the leadership of the schools and centers.
The Committee also heard a report on the status of research efforts at Penn and the challenges posed by sequestration. While federal support for research is strained, Penn continues to run one of the most successful research enterprises in the world, and is developing creative new ways to engage the business community under the Pennovation banner.

The Committee’s final report was on the global activities of Penn graduate students, with two students sharing their remarkable experiences while studying abroad.

**Student Life**

Chair Claire Lomax reported that the Student Life Committee discussion had focused on the issue of sexual assault and Penn’s education, engagement, support and response. University Counsel Wendy White and Vice President for Public Safety Maureen Rush outlined national statistics, laws and evolving federal mandates faced by all universities. Penn Women’s Center and the LGBT Center staff, together with student leaders, led a panel discussion on popular informational campaigns and antiviolence training programs for faculty, staff, and students. Committee members also heard about successful student-led outreach programs, explored options for counseling and coordinated services for students who experience sexual assault and discussed cultural and generational factors that lead to low reporting of sexual assault on college campuses nationwide. Provost Price also reported on the work of the Commission of Student Safety, Alcohol and Campus Life in exploring the role that alcohol use plays in sexual assault.

The Committee also learned more about the “Year of Sound” and the 2013 Penn Reading Project: *Book of Rhymes: the Poetics of Hip Hop*, and the creative ways faculty and students are exploring this musical theme year.

**Alumni Trustees Report**

Trustee Julie Beren Platt reported that the Penn Alumni Board and Council of Representatives will vote Saturday to fill three Alumni Trustee positions for five-year terms beginning January 1, 2014. She asked that the Trustees consider nominating candidates for three January 2015 Alumni Trustee openings. The deadline for these nominations is January 10, 2014.

At their meeting, Alumni Trustees were also presented with an overview of the Penn alumni online directory Quakernet as well as a status update of the Penn Alumni website redesign, which will roll out in early 2014.

Thanking everyone for their support of Penn Alumni, Mrs. Platt encouraged all to participate in this weekend’s Homecoming events, including the Penn vs. Princeton football game on Saturday and the Alumni Award of Merit Gala. The Friday evening Gala will honor four distinguished alumni, including Emeritus Trustee John Clark and Mindy Heyer, wife of Trustee Andy Heyer.

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

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

Mr. Cohen then presented a Resolution of Appreciation and Designation as Trustee Emerita for Katherine Stein Sachs, noting her tireless contributions in support of arts and culture at Penn and her instrumental role in establishing the Arts Leadership program and transforming Homecoming Weekend celebration events.

Mrs. Sachs thanked the Nominating Committee and the Trustees, adding that she was thrilled to be able to continue her service on behalf of the University and to push for priorities such as the arts.

In presenting a Resolution of Appreciation and Designation as Emeritus Trustee for James S. Riepe, Mr. Cohen remarked on Mr. Riepe’s tireless work throughout his decades of service as a trustee, noting that a resolution could not adequately capture his many contributions. He particularly noted Mr. Riepe’s leadership through the period leading to the establishment of the Penn Medicine board and as chair of the Presidential search Committee which brought Amy Gutmann to Penn. Mr. Cohen added that Mr. Riepe, together with his wife Gail, had strongly supported University life for many students through scholarships and involvement with the Riepe College House.
Mr. Riepe expressed his thanks, adding that it had been his good fortune to be associated with Penn, where he had been lucky to receive his education, meet his wife and make lifelong friends. He added that it had also been wonderful to partner with such dedicated and talented people, and noted particularly his great pride in seeing Penn’s important momentum and discovery of its true identity.

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

- Resolution of Appreciation for James S. Riepe and Designation as Emeritus Trustee
- Resolution of Appreciation for Katherine Stein Sachs and Designation as Emerita Trustee
- Resolution to Elect David Ertel as Term Trustee
- Resolution to Elect Sarah Fuller as Term Trustee
- Resolution to Elect Michael J. Kowalski as Term Trustee

In closing, Mr. Cohen encouraged everyone to attend the groundbreaking celebration for the New College House at Hill Field, to be held immediately following this meeting.

The meeting was adjourned at 12:25 pm.

Respectfully submitted,

Leslie Laird Kruhly
Vice President and University Secretary