A meeting of the Executive Committee of the Trustees of the University of Pennsylvania was convened at 1:13 p.m. in the Class of 1949 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’s Report
Chair David Cohen welcomed all in attendance for the first meeting of the Executive Committee for the academic year, which is the University’s 275th year. He added that as a trustee, he enjoyed the energy of having students back on campus, in full swing. The Chair then introduced President Amy Gutmann to present her report.

President’s Report
President Gutmann reported that excellent weather had allowed the Opening Convocation on August 26 to be held outside in front of College Hall for the first time in four years. She applauded Admissions Dean Eric Furda and his team for their outstanding efforts in assembling the most selective, diverse, and academically accomplished class in Penn’s history.

She noted that Penn has welcomed several new members to its leadership team: Geoffrey Garrett, Dean of the Wharton School; John L. Jackson, Jr., Dean of Social Policy & Practice; Antonia M. Villarruel, Dean of the School of Nursing, and Grace Calhoun, Director of Recreation and Intercollegiate Athletics. In addition, Presidential Professor Wendell Pritchett has agreed to serve as Interim Dean of the Law School. President Gutmann indicated that decanal search committees for Law, chaired by Dean Michael Delli Carpini, and Engineering, chaired by Dean Steven Fluharty, are now hard at work.

President Gutmann announced that on September 8, she was joined by Dean Larry Jameson, Ray Perelman, and hundreds of leaders, friends, and fans of the Perelman School of Medicine to kick off the celebration of the School’s 250th anniversary year with a cake cutting on College Green. The anniversary celebration will culminate with a black tie gala in May of 2015. President Gutmann then called on Provost Vince Price for the Academic Report.
**Academic Report**

Provost Price indicated that Penn continues to advance a broad array of student programs and services. He noted that the new Center for the Analysis of Archaeological Materials, housed in the newly-renovated Penn Museum labs, will open at the end of September. Center faculty will teach and mentor students in scientific techniques crucial to archaeologists and other scholars. He added that this collaboration between the Provost’s Office, the School of Arts and Sciences, and the Penn Museum fits very well within Penn’s interdisciplinary research and teaching goals.

The Provost announced that the Office of the Chaplain recently relocated to Houston Hall, providing a central location for its invaluable work and that of the Spiritual and Religious Life Center. In addition, the Family Resource Center relocated to the Graduate Student Center on Locust Walk, a move that unifies the work of both centers under joint director Anita Mastroieni.

The following resolution was presented and approved:

- Resolution on Faculty Appointments, Leaves and Promotions.........................Appendix

**Financial Report**

Executive Vice President Craig Carnaroli reported that the University finished the fiscal year in a very strong financial position with total net assets for the Consolidated University at approximately $13 billion, an increase of $1.7 billion, largely due to strong investment performance. The return for the last fiscal year for the AIF was 17.5 percent, exceeding both budget and the prior fiscal year, and the endowment totals an aggregate $9.6 billion. Mr. Carnaroli indicated that with reference to the academic component, net assets from operating activities increased by $26 million, despite many challenges from last winter. This increase was driven principally by strong philanthropic results, particularly in June, and by higher than expected performance in sponsored programs. The Health System also had a very strong year financially, with an operating margin of $292 million dollars, significantly above budget and the prior fiscal year. Mr. Carnaroli noted that the Health System had successfully integrated Chester County Hospital into its activities and, including Chester County, reported adjusted admissions for the 12 months at 17.5 percent above the prior year.

**Penn Medicine Report – Dr. J. Larry Jameson**

Dr. Larry Jameson, Executive Vice President of the University for the Health System and Dean of the Perelman School of Medicine indicated that he had been very pleased to kick off the 250th celebration on College Green with President Gutmann. He noted that Penn Medicine’s focus on translational research and the forthcoming Penn Center for Innovation puts the School in a prime position to convert scientific discoveries into practical and clinical advances for patient care. Dean Jameson noted progress on capital projects, such as Penn Medicine in University City, the new home for orthopedic activities and rehabilitation medicine, and developments at the South Tower of the Perelman Center for Advanced Medicine, which will house education facilities as well as laboratories for cell and gene therapy.

Dean Jameson added that the School had recently held its White Coat ceremony to welcome new students and that students in Biomedical Graduate Studies have also arrived to launch their careers in scientific discovery. He reiterated the Health System’s fiscal strength as noted by Mr.
Carnaroli, and emphasized Penn Medicine’s focus on quality and service provided to patients and its impact through clinical care.

The Chair introduced Audit and Compliance Acting Chair Perry Golkin to present the committee’s report.

**Audit & Compliance Committee**

Mr. Golkin indicated that the committee had received reports from Comptroller John Horn and PricewaterhouseCoopers partners Kelly Thornton and Jeff Williams on the conclusion for the audit of FY2014. He added that the University had received an unmodified opinion from PricewaterhouseCoopers, and that the Audit and Compliance Committee had approved the financial statements and the accompanying audit.

Mr. Golkin then presented the following resolution, as discussed and approved by the Audit and Compliance Committee, for approval:

- Resolution to Approve the Audited Financial Statements for Fiscal Year 2014

The resolution was approved.

**Budget and Finance Committee**

The Chair then called on Budget and Finance Committee Chair Andrew Heyer. Mr. Heyer indicated that the Committee had received reports on the University, Health System, and consolidated financial results for year end June 30, reflecting strong operating and investment performance. In addition, Vice President for Finance and Treasurer Stephen Golding had presented a FY2004-FY2014 10-year summary on Penn’s financials, and Mr. Heyer noted that Penn’s net assets more than doubled over this period from $5.9 billion to $13 billion, operating revenue increased over 80% from $3.6 billion to $6.6 billion.

Mr. Heyer added that the endowment, spurred by strong fundraising and prudent investment management, increased from $4 billion in FY2004 to $9.6 billion in FY2014. Penn’s working capital position doubled over the 10-year period, and an additional $2.8 billion of cash was invested in AIF (Associated Investment Fund) and ITF (Intermediate Term Fund) for future needs. Penn improved its resources-to-debt position significantly in comparison to peers, which include many AAA-rated universities, and with this increase in financial resources, the University has been able to invest significantly in facilities and increase annual capital investment.

Mr. Heyer presented the following resolutions, which had been discussed and approved by the Budget and Finance Committee, for approval:

- Resolution to Authorize Renovations to Richards Building C&D Tower Floors Basement through 4 and 7 and Goddard Building 6th Floor in the Amount of $16,500,000
- Resolution to Authorize Stemmler Hall 2nd Floor Renovations for Renal Division of the Department of Medicine in the Amount of $12,000,000
Chair Cohen then presented one resolution relating to overseer and other board appointments.

- Resolution to Reappoint Jon M. Burnham as Term Member of the Penn Medicine Board

All resolutions were approved. There being no further business to conduct, the meeting was adjourned at 1:24 p.m.

Respectfully submitted,

Leslie Laird Kruhly
Vice President and University Secretary