A Stated Meeting of the Trustees of the University of Pennsylvania was convened at 11:28 a.m. in the Woodlands ABCD room, Inn at Penn.


Administrators and other guests present: Dan Bernick, Elise Betz, Kathleen Boesze-Battaglia, Mary Lee Brown, Craig Carnaroli, Ram Cnaan, Jeffrey Cooper, Jody Foster, Bonnie Gibson, Stephen Golding, Pam Grossman, Jack Heuer, Charles Howard, David Kahn, Joyce Kim, Monica Yant Kinney, Linda Kronfeld, Leslie Laird Kruhly, Matthew Lane, Amy Leach, Stephen MacCarthy, Aidan McConnell, Leslie Mellet, Trina Middleton, Marguerite Miller, Samantha Miller, Gail Morrison, Thomas Murphy, Medha Narvekar, Anne Papageorge, Mecky Pohlschroder, Vincent Price, Peter Rockett, Gregory S. Rost, Maureen Rush, Justine Sefcik, Sue Snyder, Anthony Sorrentino, Corey Stern, Kelsey VanGelder, Hoopes Wampler, Wendy White, Jeffrey Winkler, Marie Witt, Andy Wu, and John H. Zeller.

Chair David Cohen welcomed all in attendance and called the meeting to order. University Chaplain Reverend Charles Howard presented the invocation. The minutes of the October 31, 2014 meeting of the Trustees were approved as distributed.

**Chair’s Report**

Mr. Cohen indicated his appreciation to the Trustees for their active engagement throughout the meetings. The full slate of resolutions for the meeting were presented and approved, including those for Faculty Appointments, Leaves and Promotions and Appointments to Penn Medicine, Overseer and Other Boards. 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.

**Nominating Committee Report**

The chair read from a Resolution of Appreciation for Trustee Howard Marks, highlighting his many years of service on the board and several committees, and his impactful tenure as chair of the
Investment Board, during which the endowment nearly doubled in size. The Chair noted the election of Mr. Marks as an Emeritus Trustee effective January 1, 2015.

Mr. Marks expressed his appreciation for having the opportunity to serve the University as a trustee and as chair of the Investment Board, adding that he felt lucky to have been admitted to Penn, which had been a life-changing experience. He added that he had much to be thankful for and looked forward to continued service as an Emeritus Trustee.

President’s Report
President Gutmann announced that she and the Provost were delighted that Penn Law professor and Deputy Dean Theodore Ruger will be the next Penn Law dean effective July 1. She expressed her gratitude to Presidential Professor Wendell Pritchett for his superb service as interim dean of Penn Law. The President noted that the new dean of the Graduate School of Education, Pam Grossman, began her term in January and received a warm welcome from the Penn community. She indicated that the University would celebrate the opening of the new Penn Wharton China Center in Beijing in March and thanked those whose work made the new center a reality, adding that upcoming programming will showcase Penn’s global reach and opportunities in China. The Center’s formal dedication and gala celebration will be held September 10 in Beijing.

She indicated that last year she and the Provost had formed a Task Force on Student Psychological Health and Welfare co-chaired by Professor Rebecca Bushnell and Professor Tony Rostain, Director of Education for Psychiatry and Pediatrics in the Department of Psychiatry, Perelman School of Medicine. She expressed her thanks to the co-chairs, Task Force members, and all in the Penn community involved in the successful completion of these efforts. The final report has now been published. The President noted that the University implemented early Task Force recommendations as they were made, including the creation of the Penn Helpline, and that she looked forward to continued implementation of recommendations.

President Gutmann noted that the 2015 Commencement speaker would be Samantha Power, the U.S. permanent representative to the United Nations and a member of President Obama’s cabinet. She added that Ms. Power and the other six honorary degree recipients represent the highest human achievements as role models for this year’s graduating class.

Academic Report
Provost Price announced that Dr. Giang Nguyen would become the new Executive Director of the Student Health Service on April 1. Dr. Nguyen has been a family physician in the Department of Family Medicine and Community Health at the Perelman School of Medicine since 2003, and in 2009 became the Medical Director of Penn Family Care. The Provost indicated that Dr. Nguyen brings a strong commitment to the value of diverse experiences in clinical care and to the importance of student health.

Provost Price noted that the new Penn Wharton China Center would be a vibrant hub for the exchange of knowledge with China and home for members of the Penn community in the region. He added that he, Wharton Dean Geoffrey Garrett, Vice Provost for Global Initiatives Zeke Emanuel, and seven other deans and dozens of distinguished faculty and staff members would participate in the Center’s opening events with academic leaders and faculty from many of Penn’s partner institutions in China.
Financial Report
Executive Vice President Craig Carnaroli reported that for the consolidated University, net assets grew to $13.1 billion as of December 31, 2014, due in large part to operating performance, particularly at the Health System. Strong operating performance for the academic component is due to an increase in the success rate in competing for research grants, particularly in the Perelman School of Medicine; growing philanthropic support, and good expense management in the areas of compensation, benefits, and utilities. He also noted that the University is on schedule with a number of strategic and important projects, including the New College House on Hill Field, the Neural and Behavioral Sciences building, and Perry World House.

Mr. Carnaroli reported that the Health System outperformed its budget for the first six months of the fiscal year and indicated that Chester County Hospital has been a positive contributor; that adjusted admissions, a combination of inpatient and outpatient activity, is up 9.4% for the year, and that Penn continues as a strong referral center in the region.

Penn Medicine Report
Dr. Gail Morrison, Senior Vice Dean for Education, Perelman School of Medicine relayed Dr. Larry Jameson’s regrets that he was unable to attend. She noted that the School, in its 250th year, continued to make a reality of Franklin’s view that “charity is the best room in the house.” Dr. Morrison noted that in FY14, Penn Medicine contributed $771 million to the benefit of the community, including free and subsidized medical care, community programs, physician training, and research support. She added that Penn and Penn Medicine, including jobs and spending, have an annual economic impact of nearly $4 billion in Philadelphia. Dr. Morrison added that this year’s White House State of the Union message had cited a Penn Medicine program which enabled staff to earn a college degree.

Academic Policy
Chair Scott Bok indicated that the committee had heard presentations on advancements in teaching and learning at Penn, including next stages of open online learning and the initiative for Structured Active In-Class Learning (SAIL), as well as new technologies for teaching and learning in the Penn Libraries, including the Weigle Information Commons, Vitale Media Labs, and the Canvas course management system. He noted that Vice Provost for Research Dawn Bonnell had updated the committee on research developments at Penn, including external funding, patent policy changes, and the challenges and opportunities that lie ahead. Mr. Bok added that committee discussion had focused on directions for growth of Penn’s open learning initiatives and technological resources, and a comparison of patent policy at peer universities.

Mr. Bok noted that the committee endorsed a resolution to approve revisions to the University’s patent policy, which help the University stay ahead of new developments and best practices.

Audit & Compliance
Chair Jay Fishman indicated that Associate Vice President for Audit, Compliance, and Privacy Mary Lee Brown had provided a full report from the office of Audit and Compliance and Privacy, noting that activities are well underway and on budget for the year. He added that the committee had received updates on Penn’s information security initiative, compliance with reference to the Affordable Care Act, and the status of OMB audit and accounting matters for the
second quarter. The committee also received a report from PWC on their activities, and endorsed a resolution for the engagement of PWC for Fiscal Year 2015.

**Budget & Finance**
Chair Andy Heyer indicated that Vice President for Budget and Management Analysis Bonnie Gibson, Senior Vice President and Chief Financial Officer of the Health System Keith Kasper, and Vice President for Finance and Treasurer Steve Golding reported on the University and Health System’s financial results as of December 31, 2014. Additionally, Mr. Golding reported that the University had successfully completed a bond refinancing transaction of approximately $380 million in existing bonds at an all-in interest cost of 3.36%, fixing out debt service on balloon maturities and yielding net present value savings of approximately $25 million. Ms. Gibson presented recommendations for a 3.9% increase for undergraduate tuition and fees for academic year 2015-2016, with average freshman tuition, fees, room, and board to be $63,526.

Chief Executive Officer of the Health System Ralph Muller reviewed the proposed merger with Lancaster General Health (LGH). LGH is a strong community health system with AA- rating from S&P, revenues of over $1 billion, and strong cash and profitability ratios. The relationship with LGH will benefit Penn Medicine in numerous ways, including protecting the existing market and expanding regional geography. A member substitution is intended whereby the University will become the sole member of LGH. Upon University Board approval, Penn Medicine will work toward executing a Definitive Agreement with LGH in March with a goal of closing the transaction on July 1, 2015.

Vice President for Business Services Marie Witt and Executive Director of Purchasing Services Mark Mills presented an update on Penn Purchasing Services. In FY14, purchase order spending totaled almost $600 million, $234 million of which was purchases with preferred contract suppliers. Since FY12, initiatives including preferred contract suppliers resulted in total savings/cost avoidance of approximately $55 million. Local and diversity suppliers comprised 38% of Penn suppliers.

Mr. Heyer noted that the committee had endorsed the eight resolutions presented at this meeting.

**Development**
Chair Lee Doty indicated that President Gutmann led discussion on the *Penn Compact 2020* and how Penn is moving forward on its highest priorities. Discussion focused on the budgetary impact of endowed faculty positions and the goal to cover more faculty compensation from endowment income, further articulating the case for support of this core priority. The committee also reviewed the Digital Humanities program, which recently received substantial philanthropic support. This emerging area applies computing tools to academic inquiry in the humanities and social sciences. Faculty provided examples on how the Penn Museum, Penn Libraries, and other areas of the University are embracing digital technology.

Ms. Doty also noted that Vice President for Development and Alumni Relations John Zeller had spoken about fundraising progress against goals, new communications tools in support of initiatives, and methods of engaging a growing base of donors at the lower levels of the gift pyramid who may have increased giving capacity in future years.
Facilities & Campus Planning
Trustee Jamie Greene indicated that Chair Egbert Perry was unable to attend due to winter weather. He noted that Vice Provost for Research Dawn Bonnell and lead design architect Matthias Hollwich had presented highlights of the Penn Innovation Center, the 58,000 square foot facility that will house a dynamic business incubator, a 12,000 square foot Penn Engineering lab, co-working space, common amenities, and space for additional tenants. This first project at the Pennovation Works site (formerly the South Bank) is set for completion in July 2016.

Jerry Sweeney, President and CEO of Brandywine Realty Trust, presented to the committee final designs for the FMC Tower’s signage at Penn’s Walnut Street gateway. The 49-story, 830,000 square foot mixed-use tower will house the global headquarters for the FMC Corporation, and other tenants including 97,000 square feet of Penn administrative offices. The tower’s highest floors will house luxury extended-stay apartments to be operated by Korman Suites. Construction of the project is scheduled for completion in the summer 2016.

Michael Dausch, Executive Director of Design and Construction, updated the committee on the progress of Facilities and Real Estate Services economic inclusion goals for major new construction and renovation projects, charting both contractual and workforce participation, and also highlighted other University-sponsored programs that foster advancement of minorities and women in design and construction.

Local, National and Global Engagement
Chair Marc McMorris indicated that Vice Provost for Global Initiatives Zeke Emanuel and Amy Gadsden, Executive Director for Global Initiatives, had led a discussion on efforts to provide students with diverse international experiences to meet varied academic and post-graduate goals. The discussion highlighted the ways in which Penn Global supports short-term and embedded study abroad programs.

Mr. McMorris added that Associate Vice President for Federal Affairs Bill Andresen had moderated a panel discussion regarding Penn programs in the nation’s capital. Students representing Fox Leadership’s Penn in Washington program, the Wharton Public Policy Initiative, and Penn Law’s Model Government and Public Affairs Initiative described the ways these programs have enhanced their educational experiences and shaped their career aims.

Student Life
Chair Claire Lomax indicated that the committee discussed the findings of the Task Force on Student Psychological Health and Welfare, which included wellness-related topics such as leaves of absence and the importance of self-care for faculty and staff working closely with students contending with stress. She indicated that committee members are very interested and focused on student wellbeing and contemplate a tour of CAPS and the Student Health Service during an upcoming session.

She added that Penn Dining had brought sample menu items and spoke about efforts to enhance and expand dining options. Students spoke of collaborations that resulted in stocking vegan grocery items in 1920 Commons and nutritional labeling for entrees in Houston Hall. Ms. Lomax noted that with 17 campus dining locations, students can find nourishment 19 hours a day within 660 feet of any College House.
Members also heard from representatives of the College House system on the important role that Penn’s 204 student Graduate Associates and Resident Advisors play in shaping the residential experience, functioning as surrogate siblings, social programmers, mediators, advisors, academic mentors, and helping their residents to connect with campus resources such as CAPS.

**Penn Alumni Report**

Penn Alumni President Julie Beren Platt welcomed three new Alumni Trustees: Bonnie Miao Bandeen, Alberto J. Chamorro, and Ofer Nemirovsky. She indicated that the Alumni Trustees had received updates on two programs: Penn Traditions offers students an understanding of Penn’s mission, history, and traditions, and the role of alumni and students in its community. She noted that there was over 80% participation in *The Seniors for the Penn Fund* this past year. Engagement of Penn’s youngest undergraduate alumni is the focus of the yPenn program, which engages in the young alumni years to create a vibrant community of alumni volunteers and donors.

Ms. Platt indicated that the upcoming Penn Alumni Board annual retreat would include updates on University priorities and strategizing with Alumni Relations staff on programming to engage the alumni community. She noted that Penn Alumni and the Provost’s Office will present the second annual Faculty Award of Merit to Engineering Professor Daniel Lee. Ms. Platt invited all Trustees to participate in Alumni Weekend on May 15-18, noting that the Alumni Parade would return to Locust Walk. She thanked the Trustees for their support of Penn Alumni.

The meeting was adjourned at 11:58 a.m.

Respectfully submitted,

Leslie Laird Kruhly
Vice President and University Secretary
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