A meeting of the Executive Committee of the Trustees of the University of Pennsylvania was convened at 1:11 p.m. in the Conference Center, Perelman Center for Advanced Medicine.

Trustees present: David L. Cohen (Chair), Perry Golkin, Amy Gutmann, Andrew R. Heyer, Andrea Mitchell, Egbert Perry, Andrew S. Rachleff, and Mark O. Winkelman.


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 and called the meeting to order. He noted that Penn had begun its 276th year as an institution with Convocation held on August 25.

The minutes of the August 5, 2015 meeting of the Trustees was approved as distributed.

Mr. Cohen noted that Michael J. Price, who was elected as a Term Trustee in June, had indicated that he would be able to begin his term in November, and so a resolution with a revised start date was being put forward.

- Resolution to Elect Michael J. Price as Term Trustee (revised start date) .................... page 1

Mr. Cohen added that the proposed resolution to amend the Bylaws of Penn Medicine would accommodate the entry of Lancaster General Hospital into the Penn Medicine governance structure.

- Resolution to Amend the Bylaws of Penn Medicine to Include Lancaster General Health and Lancaster General Hospital as Clinical Components in the Penn Medicine Governance and to Establish a Regional Planning Committee ................................. page 2

Both resolutions were approved.

President’s Report
President Gutmann began her report by noting that the University has two new deans in place - Vijay Kumar at Penn Engineering and Ted Ruger at Penn Law. She added that September events “bringing Penn to the world” had culminated at the Penn Wharton China Center with the
Silfen University Forum. With ten deans in attendance, and a robust and enthusiastic audience, the Forum was an edifying discussion with Ambassador Li Zhaoxing, General Colin Powell, CEO and co-founder of SOHO China Ltd., Zhang Xin, and emeritus Trustee Howard Marks participating.

**Academic Report**
Provost Vincent Price provided updates on the University’s open learning efforts. He noted that on September 1, Professor Stanton Wortham began his term as Faculty Director of the Online Learning Initiative, replacing Professor Ed Rock. Professor Wortham is the Judy and Howard Berkowitz Professor in the Graduate School of Education. He has taught at Penn since 1998, served twice as Interim Dean of GSE, and for ten years as Associate Dean for Academic Affairs.

The Provost added that Penn has partnered with edX, the massive open online course provider, thus expanding the University’s course offerings to reach millions of additional learners.

The following resolution was presented and approved:

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

**Financial Report**
Executive Vice President Craig Carnaroli indicated that the University had completed a very strong year financially with total net assets about $13.5 billion, an increase of $500 million over the previous year and driven by strong operations and investment performance. He added that the return on the AIF for FY15 was 7.4%, far exceeding the composite benchmark. It is anticipated that one and three-year performance will be in the top quartile against endowments of $1 billion or greater. Mr. Carnaroli added that Penn’s endowment had reached an important milestone as of June 30, 2015, crossing the $10.1 billion mark.

For the academic component, Mr. Carnaroli noted it had been a very strong year with net operating income for the University at $120 million. Capital expenditures for the year were $266 million, an increase over the prior year. This is principally due to the Century Bond program.

The Health System also had a very strong year financially, with total net operating income of $345 million, $181 million above budget and also above the prior year amount. Adjusted admissions of approximately 157,000 for twelve months were higher than budget and the prior year. Capital expenditures at the Health System increased from $335 million in FY14 to $523 million, though remaining very consistent with budget.

**Penn Medicine Report**
Executive Vice President of the University of Pennsylvania for the Health System and Dean of the Perelman School of Medicine Larry Jameson reported that during the Papal visit to Philadelphia over the previous weekend, Penn Medicine had provided 2,000 cots to staff and physicians. He commended the management team for planning for the additional linens, food, and medications required to ensure appropriate patient care. Dean Jameson added that despite logistical challenges, the Health System recorded 80 births over the weekend and four “solid organ” transplants were completed.
Dean Jameson then noted the strong financial performance of the Health System as outlined by Mr. Carnaroli and added that the Abramson Cancer Center had undergone a successful renewal, receiving the highest score possible from the National Cancer Institute.

**Audit & Compliance**
Speaking for Chair Ann Reese, committee member Perry Golkin noted that the Audit & Compliance Committee meeting had focused on FY15 financial statements with reports received from Vice President for Finance Treasurer Steve Golding and Comptroller John Horn on financials and from Jeff Williams and Kelly Thornton of PricewaterhouseCoopers related to the audit. The Committee resolved to approve the financial statements.

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

- Resolution to Approve the Audited Financial Statements for Fiscal Year 2015........ page 7

**Budget & Finance**
Chair of the Budget and Finance Committee Andrew Heyer reported that at the committee’s meeting 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 had reported on the University and Health System’s financial results as of June 30, 2015, which Mr. Carnaroli had discussed. He added that Mr. Golding had also presented an update on the international student loan program. With Quorum Credit Union as the lender and utilized primarily by Wharton School students, there are currently $66 million in loans outstanding and a very low default rate of 0.44%.

Mr. Heyer presented the following resolutions, discussed and approved by the Budget and Finance Committee, for approval. All resolutions were approved:

- Resolution to Authorize School of Veterinary Medicine Matthew J. Ryan Veterinary Hospital Century Bond HVAC Upgrades in the Amount of $23,900,000 ....................... page 8
- Resolution to Authorize School of Arts and Sciences Leidy Laboratory Century Bond HVAC and Lighting Upgrades in the Amount of $21,000,000................................. page 9
- Resolution to Authorize School of Veterinary Medicine Rosenthal Building Century Bond HVAC Upgrades in the Amount of $20,800,000................................. page 10
- Resolution to Authorize the Acquisition of a Noncommercial Broadcast Radio License and Related Assets, including a Broadcast Tower and Real Estate......................... page 11

**Appointments to Overseer and Other Boards**
Mr. Cohen presented the final order of business and the following resolutions were presented and approved (full resolution text is appended):
All resolutions were approved. There being no further business to conduct, the meeting was adjourned at 1:23 p.m.

Respectfully submitted,

Leslie Laird Kruhly
Vice President and University Secretary