A Stated Meeting of the Trustees of the University of Pennsylvania was convened at 11:35 a.m. in the Woodlands Ballroom, 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 Cohen welcomed all attendees and noted the productive meetings of the past two days, including Thursday’s luncheon discussion with Provost Vince Price and Executive Vice President Craig Carnaroli about the College House system, and dinner at the new Neural and Behavioral Sciences building with faculty guests and SAS Dean Steven Fluharty, which served to underscore the Trustees’ role in supporting faculty in both research and educational roles.

University Chaplain Reverend Charles Howard provided the invocation. The minutes of the November 6, 2015 meeting of the Trustees were approved as distributed.

Chair’s Report
The Chair read from a Memorial Resolution for Walter Arader. Penn was a priority throughout Walter’s life from the time he entered Wharton. His first job was in Penn’s development office and in 1979 he was elected a Trustee, also serving on the Executive Committee. In 1950, Mr. Arader joined the Philadelphia printing company of Edward Stern & Co. and within a decade was president and chief executive officer. He eventually established Walter G. Arader & Associates, specializing in mergers and acquisitions.

Georgie Arader Berkinshaw, with her brother, Chris Arader, expressed their thanks. She spoke about her father’s full life, noting how Penn had been a lifelong passion for him, and that he had taken his role as a Trustee to be an important and serious job.
The Chair read from a Memorial Resolution for Arlin Adams, a giant in the law who had left a legacy of fairness, compassion and dedication. Arlin and his wife Neysa were devoted to Penn. Arlin joined the Trustees in 1985, served on and chaired the Penn Law overseers, was an overseer of Wharton and the School of Social Policy and Practice, and chaired the Fels Institute of Government. Together, Arlin and Neysa created a Law internship program and co-chaired the Harrison Society. Penn Law and the Annenberg Foundation established the Arlin Adams Professorship of Constitutional Law in his honor.

The Chair asked everyone to join in a moment of silence.

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

Action 1 Memorial Resolution for Arlin Adams .......................................................... page 1

Action 2 Memorial Resolution for Walter G. Arader ................................................... page 3

Nominating Committee Report
The Chair presented a resolution to revise the beginning of Julie Platt’s term as a Charter Trustee from February 26, 2016 to January 1, 2016.

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

Action 1 Resolution to Elect Julie Beren Platt as Charter Trustee
(revised start date) .......................................................................................... page 5

President’s Report
President Gutmann announced that Frederick “Fritz” Steiner will be the new dean of the School of Design, effective July 1, 2016. Dr. Steiner, a Penn alumnus, has served for 15 years as dean of the School of Architecture at the University of Texas, Austin. President Gutmann added that Dr. Steiner will be an excellent advocate for PennDesign’s students and faculty. She thanked Dean Marilyn Jordan Taylor for her service and her many achievements on behalf of PennDesign.

For the incoming Class of 2020, President Gutmann noted a record-breaking 38,700 admissions received, representing a 113 percent increase since 2004. She commended Dean of Admissions Eric Furda and his staff for their hard work.

President Gutmann provided details from the University’s Economic Impact Report for Fiscal Year 2015, in which Penn contributed a total of $14.3 billion to the state economy, with $10.8 billion concentrated in Philadelphia. Penn is the largest private employer in Philadelphia, accounting for one of every nine jobs in the city, and that the University and Health System contribute in myriad ways to the vibrancy and growth of Philadelphia and the Commonwealth.

President Gutmann stated that the University’s 17th Penn Integrates Knowledge Professor, Aviv Nevo, would be the George A. Weiss and Lydia Bravo Weiss University Professor, holding appointments in Economics in SAS and Marketing in Wharton. A leading scholar of industrial organization and econometrics, Professor Nevo’s work exemplifies Penn’s commitment to bridging disciplines to address real-world challenges.
She congratulated Penn’s two Rhodes Scholars, Jenna Hebert and Debi Ogunrinde; 2016 Mitchell Scholars, Philip Cohen and Carla Winter; Gates Cambridge Scholars, Lucia Calthorpe and Morgan Seag; four Schwarzman Scholars, students Angela Chen and Aaron Goldstein, and alumni Daniel Goldstern and Ryan Marschang; and Penn’s eight Thouron Award winners.

Turning to the upcoming Commencement, she noted that Penn would welcome as speaker Lin-Manuel Miranda, the Grammy, Tony, and MacArthur award-winning creator of the Broadway show *Hamilton*, as well as honorary degree recipients representing an amazing range of the highest human achievements.

President Gutmann then offered a resolution to appoint Penn’s new Vice President for Finance and Treasurer, MaryFrances McCourt. She noted Ms. McCourt’s distinguished career, most recently at Indiana University as Senior Vice President and Chief Financial Officer. She added her gratitude for Stephen Golding’s service on behalf of the University and thanked Mr. Carnaroli for his service as Acting Vice President for Finance and Treasurer in the interim.

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

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Action 1 Resolution to Appoint MaryFrances McCourt as Vice President for Finance and Treasurer .......................................................................................................................... page 6
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### Academic Report

Provost Price stated that Mike Rose, Managing Director of the Annenberg Center for the last 18 years, will retire this summer, and that a consultative committee chaired by Vice Provost Anita Allen has been formed to advise him on appointment of a successor. The committee membership includes arts leaders, members of the Center’s Board of Overseers, and faculty representing music, theater, dance, and film, and is seeking input from all members of the Penn community.

The Provost also noted the seven faculty members who form the eighth cohort of Penn Fellows, a program of leadership development offering the opportunity to build alliances across schools. They engage with senior administrators and academic leaders, and think strategically about University governance. He added that this year’s Fellows come from five Penn schools and demonstrate the interdisciplinary research that distinguishes Penn faculty.

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

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Action 1 Resolution on Faculty Appointments, Leaves and Promotions ...............Appendix
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### Financial Report

Executive Vice President Craig Carnaroli indicated that for the six-month period ended December 31, 2015, the consolidated University saw substantial growth in net assets to $14.4 billion, an increase of $1.3 billion, driven largely by the integration of Lancaster General Health into the Health System. This increase was offset by a decline in our investment portfolio resultant of the downturn of the financial markets over the last several months. He noted that operating performance for the period was $244 million, $54 million higher than one year prior, and $121 million above budget. For the academic component, net operating revenue for the period totaled $66 million, $28 million above the prior year and $61 million favorable versus budget. He noted the strong performance by Penn’s Development team, with total contributions including pledges and new gifts of $172 million, an increase of $20
million over the prior fiscal year’s first six months. Turning to the Health System, year-to-date net operating income totaled $216 million, higher than budget and the prior year by $115 million and $34 million, respectively. Adjusted admissions were over 80,000 through the first six months and slightly higher than the budget and the prior year by 1% and 3%, respectively.

**Penn Medicine Report**

Jonathan A. Epstein, MD, Executive Vice Dean and Chief Scientific Officer of the Perelman School of Medicine, noted that in Fiscal Year 2015, Penn Medicine contributed over $500 million to the benefit of the communities served, including free and subsidized medical care, community programs, physician training, and research support. He added that global efforts continue to grow as well, including assistance to developing areas coping with public health challenges such as the Zika virus.

Through jobs and local spending, Penn Medicine’s economic impact reaches nearly $4 billion in Philadelphia alone and nearly $1 billion in New Jersey. He added that additional details are contained in Penn Medicine’s annual community report now available.

**Academic Policy**

Committee member and acting chair David Ertel reported that the Committee had discussed Ph.D. education at Penn, with Vice Provost Beth Winkelstein reviewing trends, challenges, and opportunities in doctoral education program. The numerous mechanisms in place for support include competitive funding and assisting in community building. Penn is also mindful of the contracting academic university job market, which requires doctoral programs to help prepare students for non-academic positions.

Mr. Ertel added that the Committee also learned more about initiatives to enhance diversity in Penn Ph.D. programs. The School of Arts and Sciences and the Biomedical Graduate Studies Program in the Perelman School of Medicine have both made significant efforts to recruit more students from historically underrepresented groups and to support them once they are at Penn. The two programs are collaborating on a new Penn Honors Diversity Symposium this fall.

**Audit & Compliance**

Chair Ann Reese indicated that Jamie Greene had provided a report on the February 17 meeting of the Penn Medicine Audit and Compliance Committee and Associate Vice President Gregory Pellicano had provided a report on the fall and early winter activities of the Office of Audit, Compliance, and Privacy. The Committee received briefings from University Privacy Officer Scott Schafer on the privacy program and plans for its continuing maturity, and from Vice President for Institutional Affairs Joann Mitchell, Executive Director of the Office of Affirmative Action and Equal Opportunity Programs Sam Starks, and Sexual Violence Investigative Officer Deborah Harley on Title IX requirements and Penn’s efforts to prevent and respond to sexual violence.

The Committee also reviewed and discussed several accounting and reporting matters. Vice President for Finance and Treasurer Stephen Golding presented on the results of the OMB A-133 audit performed by PwC, which is required for recipients of federal funds. University Comptroller John Horn and Senior Vice President and Chief Financial Officer of the University of Pennsylvania Health System Keith Kasper reviewed significant transactions and the unaudited financial statements for the second quarter ended December 31, 2015. PwC Partners Kelly Thornton and Jeff Williams had also presented Independent Accountants’ Reports.

The following resolution was then presented and approved (full resolution text is appended):
Budget & Finance
Chair Andrew Heyer reported that Vice President for Budget and Management Analysis Bonnie Gibson, Senior Vice President and Chief Financial Officer University of Pennsylvania Health System Keith Kasper, and Vice President for Finance and Treasurer Stephen Golding had provided University and Health System’s financial results as of December 31, 2015. Additionally, Mr. Kasper discussed the joinder of Lancaster General Health and UPHS into one credit structure. The Debt Subcommittee is working with the Health System on these transactions.

The Committee had received a comprehensive overview of the Wharton School from Dean Geoffrey Garrett. Wharton has approximately 5,000 students, including over 2,500 undergraduates, and over 9,000 executive education participants. For FY15, the school reported revenue totaling $429 million and expenses of $412 million. Fundraising is projected to reach nearly $100 million for FY16 and the school’s endowment totals approximately $1.2 billion.

Bonnie Gibson also presented the University’s recommendation for changes to undergraduate tuition and fees for the academic year 2016-2017. Though there is a planned increase for undergraduate tuition, fees, and total charges, the financial aid budget is set to grow 6.6 percent and has more than doubled since 2008.

Mr. Heyer indicated that the Committee had reviewed and approved four resolutions. The following resolutions were presented and approved (full resolution text is appended):

Action 1 Resolution to Authorize Tuition, Fees & Other Student Charges for Academic Year 2016-2017 ................................................................. page 8

Action 2 Resolution to Authorize Purchase of Research Administration Portal in the Amount of $6,414,000 .................................................................................. page 9

Action 3 Resolution to Authorize the Joinder of The Lancaster General Hospital and Lancaster General Health as Members of the Obligated Group of the University of Pennsylvania Health System ........................................ page 10

Action 4 Resolution to Authorize the Restructuring of Certain Indebtedness of The Lancaster General Hospital and Lancaster General Health, the Refinancing of Certain University of Pennsylvania Health System Indebtedness and the Financing of Certain Capital Projects of the University of Pennsylvania Health System, The Lancaster General Hospital and Lancaster General Health ...................... page 11

Development
Chair Lee Doty indicated that Vice President for Development and Alumni Relations John Zeller had provided updates on strong fiscal midyear numbers, Penn Impact 2020, and the on-the-road program Our Penn: Let the Conversations Begin, which will visit 10 cities this year. She added that President Gutmann had spoken about Penn’s excellent progress in meeting financial aid and faculty support goals, with two initiatives to build momentum. The first is a fundraising challenge to replenish the pool of matching funds for undergraduate financial aid, offering $1 million in matching funds to five
donors of $1 million for a matching fund pool. The pool created will in turn provide matching funds to additional donors.

The second initiative relates to the President’s Distinguished Professorship Challenge Fund to establish 50 new endowed professorships, now nearly halfway to goal, with plans to seek gifts to create five new Presidential Professorships. These would not be restricted to a single school but would be available for designation in response to unique opportunities and emerging needs.

The Committee also heard from Executive Vice President of the University of Pennsylvania for the Health System and Dean of the Perelman School of Medicine Larry Jameson on the transformative role of private philanthropy in advancing every facet of medicine at the Perelman School of Medicine and the Health System, and how Penn Medicine’s strengths are further enhanced by collaborations across all of the University.

Facilities & Campus Planning
Chair Egbert Perry indicated that Vice President for Facilities and Real Estate Anne Papageorge and Executive Director of Operations and Maintenance Ken Ogawa gave an overview of the Facilities and Real Estate Operations and Maintenance Lean Six Sigma process begun in 2009 to improve maintenance work order responsiveness. Since the Committee had last received an update in 2013, improvements have been completed in all 26 maintenance shops, with an average reduction in work order duration of 46 percent.

Associate Vice Provost for Student Affairs Karu Kozuma and Executive Director of Real Estate Ed Datz outlined goals for the comprehensive facility assessment and capital improvement program implemented in FY15 for all University-owned fraternity and sorority chapter houses. Pooled revenues will ensure investments in safety and maintenance, such as early strategies to improve egress stairs and electrical upgrades. The five-year capital plan is a $10 million investment funded by annual rent revenues, fees, a one-time University grant and a line of credit.

The Committee received an update of the Century Bond program which was funded by a $300 million bond issue in 2012 at a 4.674 percent interest rate with a 100-year term. $200 million is directed towards financing energy efficiency upgrades in lighting and HVAC systems and deferred maintenance and is helping Penn fulfill its Climate Action Plan goals. About $9 million has been invested in energy efficient lighting upgrades in 45 campus buildings. Of the $191 million slated for nine major HVAC projects, two have been completed, five are in construction and two are in planning. Remaining funds will go to strategic projects such as Pennovation Center. Utility cost savings through lighting and HVAC upgrades are being used to partially offset debt service. The principal repayment of the HVAC projects will be used to fund future projects.

Local, National and Global Engagement
Chair Marc McMorris noted that the committee had received an update from Vice Provost for Global Initiatives Ezekiel Emanuel, learning that the Global Engagement Fund has invested nearly $1 million to support 58 projects in 26 countries engaging faculty from all 12 schools. He also described activities supported by the China Research and Engagement Fund, a five-year $10 million matching program to stimulate engagement at the Penn Wharton China Center.

Mr. McMorris indicated that Executive Vice President Craig Carnaroli had detailed the findings of Penn’s most recent Economic Impact Report, illustrating Penn’s impact on the City of Philadelphia and the Commonwealth of Pennsylvania.
Student Life
Chair Claire Lomax indicated that the Committee met at the new headquarters of Counseling and Psychological Services (CAPS), 3624 Market Street, enjoying a tour and learning how this new facility has been positively received by undergraduate and graduate students alike. Dr. Bill Alexander, Director, had informed them that CAPS has received $1.7 million in new resources since 2004, greatly increasing clinical staff and reduce wait times for counseling appointments. Students can speak to a clinician at any time by phone or be seen the same day in a crisis situation. She added that 3,555 students had been seen at CAPS last year in 29,813 individual counseling sessions and 768 group visits, and that CAPS expects to break those records this year.

Ms. Lomax indicated that the Committee had discussed the I CARE training program and Penn Wellness Partners, which educate faculty, staff, and students to spot signs of distress and make appropriate referrals. Committee members also learned about a pilot program offering appointments at night at the School of Veterinary Medicine and discussed the potential to expand outreach to other professional schools. In addition, a panel of student leaders committed to wellness education shared insights about a peer counseling program and the inaugural all-Ivy mental health conference held recently at Penn.

Penn Alumni Report
Penn Alumni President Julie Platt welcomed Penn’s two new Alumni Trustees Jill Topkis Weiss and Dhananjay Pai. She indicated that at their meeting, the Alumni Trustees had received a review of annual giving across the University from Kris Davitt, Associate Vice President for Undergraduate Programs, and the various ways Penn reaches out, including direct mail, peer-to-peer solicitation, and with student callers.

Ms. Platt noted that this evening the Penn Alumni Board of Directors, its committees and other alumni volunteer leaders will come together at the Penn Alumni Volunteer Leadership Retreat. The retreat provides opportunity for updates on University priorities as well as to strategize on programming to engage the alumni community. She added that together with the Office of the Provost, Penn Alumni will present the third annual Faculty Award of Merit to Jonathan Moreno, the David & Lyn Silfen University Professor, PIK Professor and professor of Medical Ethics and Health Policy, History and Sociology of Science, and Philosophy.

Ms. Platt noted upcoming important dates: Alumni Weekend on May 13-16 and the Penn Spectrum celebrating diversity at Penn and in the alumni community on September 23-24, 2016.

Mr. Cohen presented the following resolutions with appointments to Penn Medicine, Overseers, and Other Boards, which were approved (full resolution text is appended):

Action 1 Resolution to Appoint Andrea Mitchell as Chair of the Board of Overseers of the School of Arts and Sciences and to Appoint Michael J. Price as Vice Chair of the Board of Overseers of the School of Arts and Sciences ............................................. page 14

Action 2 Resolution to Appoint Andrea J. Pollack to the Board of Overseers of the Graduate School of Education .................................................................page 15

Action 3 Resolution to Appoint Alexandra S. Cudby and Kimberly L. Hirschman to the Board of Overseers of the University Libraries ............................................. page 16
Action 4  Resolution to Appoint Susan Frier Danilow, Esq. and Joel M. Greenblatt to the Penn Medicine Board as Term Members .....................................................page 17

Action 5  Resolution to Reappoint Richard J. Green and Richard W. Vague as Term Members of the Penn Medicine Board ........................................................page 18

Action 6  Resolution to Appoint Pamela S. Kurland to the Board of Overseers of the School of Social Policy & Practice .................................................................page 19

Action 7  Resolution to Appoint the 2016 Slate of The Wistar Institute Board of Trustees .................................................................page 20

The meeting was adjourned at 12:15 p.m.

Respectfully submitted,

Leslie Laird Kruhly
Vice President and University Secretary