A meeting of the Executive Committee of the Trustees of the University of Pennsylvania was convened on May 12, 2016 at 1:21 p.m. in the Conference Center, Perelman Center for Advanced Medicine.


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 called the meeting to order and welcomed all in attendance. He noted that the upcoming weekend would see thousands returning to campus for Alumni Weekend events, culminating with Baccalaureate on Sunday, May 15 and Penn’s 260th Commencement ceremony on Monday, May 16. Mr. Cohen added that with Hamilton’s Lin-Manuel Miranda as speaker, he was certain that Commencement was likely to be the hottest ticket “off” Broadway.

President’s Report
President Gutmann indicated that a highlight of the academic year had been the extraordinary competition for the President’s Engagement and Innovation Prizes. She reported that the recently named winners for the inaugural Innovation Prize winners are the teams of Sade Oba and Alfredo Muniz, and William Duckworth and Aaron Goldstein. President Gutmann also indicated that Penn had a host of other student honors this year, with 17 Fulbright Awards and three Goldwater Awards received. She added that the National Academy of Sciences recently announced that three Penn faculty members, all women, had been elected to membership: Marsha Lester, Chemistry, SAS; Andrea Liu, Physics, SAS, and Anita Sehgal, Neuroscience, Perelman School of Medicine.

Academic Report
Provost Vincent Price announced that Coursera, Penn’s partner in online learning, had presented its first Transformation Award for online teaching to Penn’s own Al Filreis, Kelly Professor and Faculty Director of the Kelly Writers House. In addition, in April, a number of Penn faculty had received prestigious national honors, including Guggenheim Fellowships awarded to Diana Mutz of the Annenberg School and to Timothy Rommen and Joseph Subotnik in the School of Arts and Sciences. In addition, Sloan Fellowships were awarded to the Perelman School’s Matthew
Kayser and Golnaz Vahedi, and Zongming Ma of Wharton. The Presidential Early Career award was presented to Rahul Mangharam and Aaron Roth, both in the School of Engineering and Applied Science.

The following resolution was presented and approved:

**Action 1  Resolutions on Faculty Appointments, Leaves and Promotions ...Appendix**

**Financial Report**
Mr. Cohen called on Executive Vice President Craig Carnaroli for the financial report. Mr. Carnaroli noted that the financial results were positively impacted by three things: the Lancaster General Health integration, the financial markets, and Penn’s own operations. There was a growth in net assets through the first nine months of the fiscal year, with $804 million represented by the Lancaster General Health integration. For the Academic Component, the University has seen strong operating performance, with an increase in net assets of $68 million, substantially better than budget. This increase is primarily due to strong revenue growth. With respect to the University Health System, Mr. Carnaroli noted strong growth in net operating income, which at present totals in excess of $334 million. Adjusted admissions are slightly higher than budget and the prior year and inpatient admissions were consistent with budget. Mr. Carnaroli also noted results for outpatient activity and high-intensity services were mixed.

**Penn Medicine Report**
Executive Vice President of Penn Medicine and Dean of the Perelman School of Medicine Larry Jameson noted that on Sunday, May 15, his school would graduate 140 outstanding new physicians, and that the Class of 2020 was already taking shape. He added that the school’s graduation speaker this year would be Nobel Laureate Dr. Michael Brown, who is also celebrating his 50th class reunion. Dr. Brown discovered the importance of cholesterol as a risk factor for heart disease and pioneered the path to the statin drugs that lower cardiovascular risk. Dr. Jameson also noted that this month patient Emily Whitehead celebrates four years of being leukemia free. She recently joined the Penn team at the opening of the Parker Institute for Cancer Immunotherapy, where Lady Gaga and other celebrities saluted Penn’s team for their work. Dr. Jameson also reported that 193 Penn Medicine physicians were recently recognized as top doctors by Philadelphia Magazine.

**Budget & Finance**
Trustee Mark Winkelman, representing Chair Andy Heyer, reported that the Committee heard reports from Vice President for Budget and Management Analysis Bonnie Gibson and Senior Vice President and Chief Financial Officer of the University of Pennsylvania Health System Keith Kasper. Vice President for Finance and Treasurer MaryFrances McCourt reported on financial results as of March 31, 2016. She reported that recent upgrades and affirmations in credit rating from Moody’s and S&P represented the highest combined rating level in Penn’s history and will reduce debt costs over time. In April, the University closed on a refunding transaction for approximately $170 million that resulted in $12.4 million net present value savings. Additionally, in March, the Health System and Lancaster General Health established a unified credit and closed on a $236 million transaction that included $154 million refunding and $82 million for new projects. This refinancing resulted in $11.8 million net present value savings.
Vice Provost for Research Dawn Bonnell presented on research at the University, indicating that Penn is in the top five among peer institutions for NIH and NSF total awards, that industry sponsored research has more than doubled over the past five years, and that commercialization revenue facilitated by the Penn Center for Innovation (PCI) should reach $50 million in FY16.

H. Carton Rogers III, Vice Provost and Director of Libraries, provided an overview of the Penn Libraries, which in FY15 held over 6.3 million print volumes and had over 1.5 million visitors. Total expenditures were $66.9 million, with compensation and acquisitions the largest components. The Libraries endowment market value has grown to $97.7 million in FY15, an increase of approximately $80 million since FY90.

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

Action 1 Resolution to Authorize Design and Construction of the Robbins House Renovations at 3537 Locust Walk in the Amount of $9,350,000...... page 1

Action 2 Resolution to Authorize Electronic Lock Installation in Residential Buildings in the Amount of $7,850,000.............................................. page 2

The resolutions were approved.

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):

Action 1 Resolution to Appoint Bruce C. Vladeck, Ph.D. to the Penn Medicine Board as Term Member ................................................................. page 3

Action 2 Resolution to Appoint Susan B. Dillon to the Board of Trustees of The Wistar Institute........................................................................... page 4

There being no further business to conduct, the meeting was adjourned at 1:30 p.m.

Respectfully submitted,

Leslie Laird Kruhly
Vice President and University Secretary