The Annual Stated Meeting of the Trustees of the University of Pennsylvania was convened at 11:30 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.

Call to Order
The meeting was called to order by Chair David Cohen. University Chaplain Reverend Charles Howard provided the invocation. The minutes of the February 26, 2016 and May 12, 2016 meetings of the Trustees were approved as distributed.

Mr. Cohen indicated that the Trustee meetings had been most productive, with outstanding attendance and engagement. He added that Thursday’s lunch with the President’s Engagement and Innovation Prize winners and dinner introducing the Perry World House had been inspiring and informative. He noted that a memorial celebration honoring David Silfen would be held following the Stated Meeting.
Chair’s Report
The Chair read from a Memorial Resolution for Trustee David M. Silfen, expressing sorrow at his passing and the deep affection and appreciation felt by those who knew him. Mr. Cohen spoke of Mr. Silfen’s enduring affiliation with the University and his example as an alumni leader and philanthropist, and his deep respect for Penn. He offered condolences to Mr. Silfen’s wife, Lyn, their children Adam and Jane, and their grandchildren.

Mr. Silfen’s son, Adam, spoke of his father’s affection for the University, saying that his father had always felt that he had received more from Penn than he had given.

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

Action 1 Memorial Resolution for David M. Silfen

Vice Chair’s Report
Vice Chair Andrea Mitchell presented a resolution to elect David L. Cohen as Chair of the Board of Penn’s Trustees, effective July 1, 2016 through June 30, 2017

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

Action 1 Resolution to Re-Elect David L. Cohen as Chair of the Board of Trustees

Nominating Committee Report
The Chair presented resolutions re-electing Andrea Mitchell as Vice Chair of the Board, and electing the Trustee Executive Committee and members of the Investment Board. He also presented resolutions to elect Marc Rowan as a Term Trustee, and a Resolution of Appreciation for Trustee Raymond Ch’ien, who was unable to attend the meeting.

The Chair then presented Resolutions of Appreciation and Election to Emeritus Trustee status for Gilbert F. Casellas and Mark O. Winkelman.

Reading from the Resolution of Appreciation for Mr. Casellas, Mr. Cohen spoke of his dedication and loyalty in furthering the University’s mission, and his impact on the Penn community. Mr. Casellas has served as past chair of the Board of Overseers of the School of Social Policy & Practice, and as a member of the Nursing’s Board of Overseers and the Penn Alumni Board of Directors. He has been active at Penn Law as a lecturer and as former president of the Law Alumni Society, and has supported initiatives such as Penn Law’s Latino Project Scholarship, the Brister Society, Penn Nursing Center for Global Women’s Health, and the Trustee’s Challenge Grant Fund.

Mr. Casellas offered his thanks and noted that in the time since arriving at Penn 42 years ago, he had transitioned from student to alumni and to Trustee, and that he would not be saying goodbye as he entered this new stage.

Mr. Cohen then read from the Resolution of Appreciation for Mr. Winkelman, noting that for decades he had generously offered his leadership and skills to advance his alma mater. Mr. Winkelman’s service and commitment to the University has been legendary, including his active engagement on the
Board of Overseers of the Wharton School for many years. In addition, his five years of service as Board Chair at Penn Medicine, which began in 2011, were marked by many significant milestones.

Mr. Winkelman stated he was grateful to the University, which had taught him to have confidence in his own thinking. He added that knowing the talented and dedicated professionals working on behalf of Penn, and the leadership of President Gutmann, had also given him great confidence in the University’s future.

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

- **Action 1** Resolution to Re-Elect Andrea Mitchell as Vice Chair of the Board of Trustees ............................................................... page 4
- **Action 2** Resolution to Elect the Executive Committee ....................... page 5
- **Action 3** Resolution to Elect the Investment Board............................ page 6
- **Action 4** Resolution to Elect Marc Rowan as Term Trustee ............... page 7
- **Action 5** Resolution of Appreciation for Raymond Ch’ien ............... page 8
- **Action 6** Resolution of Appreciation for Gilbert F. Casellas and Designation as Emeritus Trustee ........................................ page 10
- **Action 7** Resolution of Appreciation for Mark O. Winkelman and Designation as Emeritus Trustee ........................................ page 12

**President’s Report**

President Gutmann, on behalf of the Penn community, expressed shared heartbreak over the June 12 massacre in Orlando. She offered sympathies for all in the LGBT and Hispanic communities who have been personally devastated and stressed that the Penn community stands together with them against hatred and senseless violence. She then called for a moment of silence.

President Gutmann then spoke about the successful Alumni Weekend, which had a record attendance of nearly 12,000. In addition, Penn’s 260th Commencement, with speaker Lin-Manuel Miranda and a spectacular group of honorary degree recipients, had been most edifying and entertaining. She particularly noted Provost Price’s introduction of the speaker as the best such remarks made in this or perhaps any year. President Gutmann thanked the Trustee Honorary Degrees Committee and its chair, Andrea Mitchell, for its hard work.

President Gutmann noted the appointment of Penn’s 10th Presidential Professor, José Bauermeister, who will join Penn Nursing and continue his prolific work with HIV/STI prevention and care, and his community-based research and educational initiatives. She also named the young alumni who are this year’s Engagement Prize winners Vaishak Kumar, Melanie Mariano, and Kriya Patel, and Innovation Prize winners Sade Oba, Alfredo Muniz, William Duckworth, and Aaron Goldstein.
President Gutmann then read from a Resolution of Appreciation for Dean Marilyn Jordan Taylor. Under Dean Taylor’s leadership, the School of Design increased the number of students by 25 percent, had a 29 percent growth in standing faculty, and added new programs such as the Master of Science in Design, Master of Environmental Building Design, and new certificate programs in Energy and Integrated Product Design. In 2014, the School also established the Scott and Wendy Kleinman Center for Energy Policy to advance energy policy innovations and train tomorrow’s energy leaders.

Dean Taylor expressed her appreciation for the opportunity to serve as Dean, which had deepened her belief in the power of design and its ability to transform community. She added that she looked forward to continuing her research and teaching and to seeing the School of Design continue to flourish.

President Gutmann next introduced the Resolution to appoint Frederick Steiner as Dean of the School of Design. She then read from the Resolution on the Designation of Afaf Meleis as Dean Emerita of the School of Nursing. President Gutmann noted that during her 12 years of service, Dean Meleis had led the School to global eminence while changing for the better the lives of students, faculty, colleagues, and patients globally. She added that Dean Meleis is both beloved and respected, here at Penn and around the world, for her leadership, her passion, and her influence.

Dean Meleis thanked President Gutmann and Provost Price for their support and collaboration during her time as Dean, and also thanked the Trustees for their support. She added that she had felt completely welcomed and included from the earliest days of her arrival, in keeping with Penn’s own compact of inclusiveness and diversity.

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

Action 1 Resolution of Appreciation for Marilyn Jordan Taylor ............ page 14

Action 2 Resolution to Appoint Frederick Steiner as Dean of the School of Design ................................................................. page 15

Action 3 Resolution on the Designation of Afaf Meleis as Dean Emerita of the School of Nursing ............................................. page 16

Academic Report

Provost Price indicated that on the previous evening, the Trustees had enjoyed a preview of the Perry World House, the center of Penn’s international efforts on campus, which is set to open officially in the fall. Speaking of Penn’s global initiatives, he noted that his office had funded 16 projects this year from the China Research and Engagement Fund, on topics ranging from cardiovascular imaging to linguistic diversity. He added that the Global Engagement Fund also provided a compelling range of awards for research in India and Latin America. Provost Price noted that the Penn Global Seminars pilot program, offering experiences for students and faculty in learning environments abroad, had completed programs in Morocco, Tanzania, Rwanda, and France last semester. This summer more than 100 student interns will participate in Penn’s International Internship Program in 28 countries.
The following resolution was approved (full resolution text is appended):

Action 1  Resolution on Faculty Appointments, Leaves and Promotions

Financial Report
Executive Vice President Craig Carnaroli indicated that both the academic component and the Health System will complete the year with positive operating performance and overall net asset growth. For the Consolidated University, a $1 billion increase in net assets is forecast, driven by the incorporation of Lancaster General Health and strong philanthropy, bringing total net assets to $14.5 billion. He added that, despite market volatility, total cash and investments are forecast to grow by about $650 million, largely due to the addition of Lancaster General and offset by endowment distributions and investment performance. Mr. Carnaroli noted that the University continues to invest substantially in both the academic and clinical enterprise, with total capital expenditures forecast at $868 million. Both the University and Health System legacy defined benefit and retirement/benefit trust continue to experience the negative effects of low interest rates as discount rates on pension liabilities are expected to decline, raising the present value of future pension obligations.

For the academic component, an increase of $88 million in net assets from operating activities is forecast due to strong revenue growth, particularly in tuition and fees, offset by financial aid, sponsored programs, and investment income. Revenue growth is partially offset by higher than expected compensation expense. Total capital spending on construction projects is expected to be about $300 million as Penn adds over 330,000 square feet of space in new projects to be completed soon.

For the Health System, adjusted admissions, excluding Lancaster General, are forecast to increase 3.1 percent over FY15, driven by a combination of inpatient admissions growth of 2.3 percent and outpatient growth of 5.6 percent. The projected operating margin is $378 million or 6.7 percent, which includes approximately $91 million of non-recurring adjustments. The projected total margin is forecast at $298 million or 5.4 percent, as non-operating income reflects unfavorable financial market performance. Financial assets are projected at $4.1 billion, an increase of $1.1 billion over June 2015, driven by the addition of Lancaster General.

Penn Medicine Report
Executive Vice President of Penn Medicine and Dean of the Perelman School of Medicine J. Larry Jameson expressed his appreciation for the guidance and encouragement received from President Gutmann, her leadership team, and the Board over the last year. He noted that the School had graduated 140 new physicians, welcomed Vice President Biden to campus to launch his cancer cure “moonshot” effort, and had christened the world’s most advanced facility for the development of personalized cellular therapies to fight cancer.

Admissions Report
Dean Eric Furda noted that the Class of 2020, the strongest, most inclusive class in Penn’s history, came from its largest ever applicant pool of nearly 39,000, with an admission rate of 9 percent and a record high 68 percent accepting. Of the class members who are U.S. citizens or permanent residents, 50 percent self-identify as a member of a U.S. minority group, which is the highest level ever. One in eight are the first in their family to attend college. In addition, 35,000 students had the opportunity to
participate in the Penn Alumni Interview Program. Dean Furda noted that 13 students will form Penn’s fourth cohort of KIPP students, for a total of 53 enrolled KIPP students on campus.

President Gutmann expressed great appreciation to Dean Furda for his leadership in Undergraduate Admissions and to his team for their excellent work.

**Academic Policy**

Committee member David Ertel indicated that the Academic Policy Committee had received an update on research and innovation at Penn. Vice Provost for Research Dawn Bonnell discussed the evolution of Penn’s research portfolio, including trends for research from industry partnerships and government agencies and the growth of the Penn Center for Innovation and the Pennovation Center.

The Committee approved a resolution from the School of Design to amend the bylaws of PennPraxis, a non-profit affiliate of the school wherein students and faculty work together on real-world design projects, to expand the number of members, create stronger links to the school’s overseers, and make other best practices changes.

The Committee also approved a resolution from the School of Arts and Sciences to create the roles of Lecturer and Senior Lecturer in Critical Writing. These positions would help the School recognize and retain the best instructors in writing, and important and widely shared area of the curriculum for all four undergraduate schools.

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

Action 1 Resolution to Amend the Bylaws of PennPraxis ........................ page 17

Action 2 Resolution to Establish the Ranks of Lecturer in Critical Writing and Senior Lecturer in Critical Writing in the School of Arts and Sciences........................................................................................ page 18

**Audit & Compliance**

Chair Ann Reese noted that the committee had received a report on the June 7 meeting of the Penn Medicine Audit and Compliance Committee. Associate Vice President Greg Pellicano provided a report on the activities of the Office of Audit, Compliance and Privacy through May 2016 as well as the FY17 risk assessment process and proposed work plans, which were approved.

The Committee also received briefings on two topics. Vice Provost for Research Dawn Bonnell and Senior Associate Dean and Chief Clinical Research Officer Emma Meagher of the Perelman School of Medicine presented on the results of the Institutional Risk Management assessment of clinical trials at Penn. The University had engaged an external third-party consulting firm to perform a risk assessment of clinical trials at the Perelman School of Medicine and other schools engaged in clinical research. The presentation highlighted the key risks identified and the associated mitigation plans. Executive Director of the Office of Global Support Services Artemis Koch presented on his office’s work and highlighted results and improvements in the international travel health, safety, and security efforts. The presentation also introduced two new initiatives: understanding and applying the U.S. Foreign Corrupt Practices Act and adhering to labor and immigration regulations both inside and outside of the United States.
The Committee then reviewed and discussed accounting and reporting matters. University Comptroller John Horn and Senior Vice President and Chief Financial Officer of the University of Pennsylvania Health System Keith Kasper reviewed changes to the FY16 annual financial statements and third and fourth quarter significant transactions. PricewaterhouseCoopers Partner Kelly Thornton provided an update on the FY16 audit.

**Budget & Finance**
Chair Andrew Heyer noted that the committee reviewed and approved operating and capital budgets for the University and Health System for FY17. Penn Medicine Senior Vice President and Chief Financial Officer Keith Kasper reviewed the capital budget for the Health System of $746 million, including $400 million for a New Patient Pavilion at the Penn Tower site. The Pavilion will include 500 inpatient rooms, 50 operating and interventional spaces, and an emergency department. Spending will take place over the next four years with FY17 capital spending forecast for $527 million.

Mr. Heyer noted that Vice President for Facilities and Real Estate Services Anne Papageorge and Vice President for Finance and Treasurer MaryFrances McCourt had presented the capital plan for the Academic Component, including projects with costs of $228 million to be initiated next year with spending occurring over the next five years, and $430 million projected over the next three years for ongoing projects. FY17 projects include Hill House renovation and ongoing construction of the Perelman Center for Political Science and Economics, as well as infrastructure projects funded by the Century Bonds in Stemmler Hall, Evans Building, and the Ryan Veterinary Hospital.

In addition, Ms. McCourt presented on the ongoing replacement of the student administrative systems. The first release of the new system was completed on time and on budget in FY16. These systems will replace the existing system’s components that are 25 to 40 years old, and will be completed through FY21 at a cost of $52 million.

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

- **Action 1** Resolution to Authorize the AIF Spending Rule for Endowments ........................................................................................................ page 19
- **Action 2** Resolution to Authorize the Fiscal Year 2017 Operating Budget for the University of Pennsylvania ........................................................ page 20
- **Action 3** Resolution to Authorize the Fiscal Year 2017 Capital Plan for the University of Pennsylvania .............................................................. page 21
- **Action 4** Resolution to Authorize the Fiscal Year 2017 Operating Budget for the University of Pennsylvania Health System ................................ page 22
- **Action 5** Resolution to Authorize the Fiscal Year 2017 Capital Budget for the University of Pennsylvania Health System ................................. page 23
- **Action 6** Resolution to Declare the University’s Intent to Reimburse Capital Costs with Proceeds of Borrowings ........................................ page 24
Action 7  Resolution to Declare the University of Pennsylvania Health System’s Intent to Reimburse Capital Costs with Proceeds of Borrowings ................................................................. page 27

Action 8  Resolution to Approve the Transaction Related to the Establishment of a Joint Venture by Lancaster General Holdings, Inc. for the Creation of a New Freestanding Behavioral Health Hospital .................. page 30

Action 9  Resolution to Authorize the Development and Construction of a New Patient Pavilion at the Hospital of the University of Pennsylvania ................................................................. page 32

Action 10 Resolution to Authorize up to $90,000,000 for the Development and Construction of The Chester County Hospital Procedural Platform ................................................................. page 34

Action 11 Resolution to Authorize Next Generation Student System Pennant Aid and Pennant Records in the Amount of $51,850,000 ...................... page 36

Action 12 Resolution to Authorize Museum Garage 7 Repairs in the Amount of $9,300,000................................................................................... page 37

Mr. Cohen thanked Mr. Heyer for his four years of service as chair of the Budget and Finance Committee, and added that in the course of this meeting, a resolution would be put forward to elect Mr. Heyer as Chair of the Penn Medicine board.

Development
Chair Lee Spelman Doty noted that the committee had held its annual joint session with the University Development and Alumni Relations Leadership Council, which promotes greater integration and collaboration of development and engagement activity across Penn. In addition, Vice President of Development and Alumni Relations John Zeller provided an update on the University’s strong results at near year-end and progress on reaching Penn Compact 2020’s goals for student aid and faculty support. The committee also participated in a discussion of the University’s largest student population group, graduate and professional students, with President Gutmann and panelists Vice Provost of Education Beth Winkelstein, Dean of the School of Arts and Sciences Steve Fluharty, Dean of the Law School Ted Ruger, and Dean of Nursing Toni Villarruel.

Ms. Doty added that members of the Council convened at the annual Volunteer Forum, where Mr. Carnaroli presented on University finances and endowment and Mr. Zeller elaborated on the role of higher education endowment and Penn’s response to the House Ways and Means Committee’s inquiry regarding the endowment management and spending policies.

Facilities & Campus Planning
Trustee James H. Greene, Jr. indicated that Vice President for Facilities and Real Estate Services Anne Papageorge and University Architect David Hollenberg had updated the committee on the
campus landscape. With the construction of Penn Park, Shoemaker Green, Kane Park, and other areas, the campus has become a contiguous “urban park” from 40th Street on the west to the Schuylkill River on the east. The presentation highlighted progress on current landscape research initiatives, community partnerships, and projects constructed since the committee’s last campus landscape review in 2009.

Ms. Papageorge and Michael Dausch, Executive Director of Design and Construction, Facilities & Real Estate Services, provided a campus construction update for several ongoing capital projects including the New College House, Hill College House Renovations, Ronald O. Perelman Center for Political Science and Economics, Perry World House, and Century Bond projects. About 700 construction workers will be on campus daily this summer working on 300 active projects and completing $80 million of work in less than 69 days.

Mr. Greene added that Ms. Papageorge and President Gutmann had expressed their appreciation to outgoing Committee chair Egbert Perry for seven years of dedicated service. In addition, Ms. Papageorge and Emeritus Trustee Kathy Sachs acknowledged Dean Marilyn Jordan Taylor’s eight years as Co-Chair of the Design Review Committee.

Mr. Cohen noted that Mr. Greene will be serving as the next chair of the Facilities and Campus Planning Committee, and thanked him.

Local, National and Global Engagement
Trustee Allan Bell noted that the committee had received an update on Penn’s radio station, WXPN, from General Manager Roger LaMay, including discussion of student involvement in station operations, membership increases, and the recent acquisition of a New Jersey station, expanding WXPN’s regional coverage into New York markets.

Director of the Penn Alumni Interview Program Patrick Bredehoft detailed the program’s benefits, which connect alumni ambassadors with thousands of prospective students globally, using web-based technologies to engage students in remote locations.

OGCA Vice President Jeffrey Cooper provided a status update on federal, state, and city budget and appropriations activities, as well as recent leadership changes at Penn’s neighboring public schools.

Student Life
Chair Claire Lomax indicated that the committee had received an update from the Provost about student mental health developments, as well as presentations about Penn’s more than 12,500 graduate and professional students, who account for more than half of Penn’s student body. Penn has 42 Masters programs, including 11 created in the last decade. There has been a five percent increase in enrollment over the last 10 years in professional Masters programs such as the MBA and MSW. In addition, over 3,000 students are pursuing Ph.D. degrees in 60 graduate groups.

The committee also learned about programming and services provided by the Graduate Student Center, where over 80 percent of the graduate and professional student body participates in programming each year. In addition, Penn’s Family Resource Center supports graduate and professional students who are parents.
Communication and outreach about the programs to support graduate students remains a challenge. Graduate student leaders and Student Affairs staff also spoke about the unique social environment graduate and professional students face and the many co-curricular opportunities offered each year to help create community.

**Penn Alumni Report**

President of Penn Alumni Julie Beren Platt indicated that the Alumni Trustees had received an overview of the Penn Spectrum Weekend to be held September 23-25, with program topics that speak to diverse populations and will promote connection and collaboration within the Penn community. She added that all Trustees are encouraged to be involved in the planning and promotion of the event, and to attend in September.

Ms. Platt noted that the Penn Alumni Nominations Committee recommends the following slate of alumni to be considered for Alumni Trustee for five-year terms beginning January 1, 2017: Patricia Martin, M’85 of Pennsylvania and Cheryl Peisach, W’87 of Florida. The biographies of each nominee will be published in the July/August issue of the *Pennsylvania Gazette* with voting at the October Penn Alumni Board Meeting during Homecoming weekend.

Ms. Platt congratulated the schools for record-breaking attendance at Alumni Weekend. She added that Homecoming Weekend featuring Arts and Culture will be held October 28-30, and noted that on the Friday evening, two emeritus Trustees, Paul Levy and Bill Mack, and former Trustee Nanou Zayan, will be among those awarded the Alumni Award of Merit. In addition, the “Our Penn” tour continues with events in Philadelphia, New York, Los Angeles, San Francisco and Hong Kong. She encouraged everyone to visit the Penn Alumni website for details and registration information.

**Appointments to Penn Medicine, Overseer and Other Boards**

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 Re-Appoint David M. Brashear as Chair of the Board of Overseers of the Annenberg Center for the Performing Arts...... page 38
- **Action 2** Resolution to Appoint Hayley R. Boesky, Sharie A. Brown, and Victor J. Haghani to the Board of Overseers of the School of Arts & Sciences................................................................. page 39
- **Action 3** Resolution to Appoint Anne E. Klamar, Anne L. Koch, and Vincent Mosimann to the Board of Overseers of the School of Dental Medicine............................................................... page 40
- **Action 4** Resolution to Appoint John Carrafiell and Jeffrey M. Kaplan to the Board of Overseers of the School of Design ................................. page 41
- **Action 5** Resolution to Appoint Lee Spelman Doty to the Board of Overseers of the Graduate School of Education ........................................ page 42
Action 6  Resolution to Appoint Stephen R. Weber as Chair of the Board of Overseers of the Institute of Contemporary Art .................. page 43

Action 7  Resolution to Appoint John E. Page and Thomas J. Sabatinoto the Board of Overseers of the Law School and to Re-appoint Perry Golkin as Chair of the Board of Overseers of the Law School ....................... page 44

Action 8  Resolution to Re-Appoint Term Members of the Penn Medicine Board .................................................................................. page 45

Action 9  Resolution to Appoint and Re-Appoint Members of the Penn Medicine Executive Committee .......................................................... page 46

Action 10 Resolution to Appoint Andrew R. Heyer as Chair of the Penn Medicine Board ........................................................................ page 47

Action 11 Resolution to Appoint David A. Schwartz to the Board of Overseers of the Penn Museum of Archaeology and Anthropology........ page 48

Action 12 Resolution to Appoint Alberto J. Chamorro and Jan A. Sigmon to the Board of Overseers of the School of Nursing and to Appoint Andrea B. Laporte as Chair of the Board of Overseers of the School of Nursing .................................................................................. page 49

Action 13 Resolution to Appoint Haniel J. Lynn to the Board of Overseers of the University Libraries and to Re-appoint Judith L. Bollinger as Chair of the Board of Overseers of the University Libraries ...................... page 50

Action 14 Resolution to Appoint William R. Levy and Linda Richardson to the Board of Overseers of the School of Veterinary Medicine .......... page 51

Action 15 Resolution to Appoint David S. Blitzer, Alberto I. Duran, Nicolai Tangen, and K. Robert Turner to the Board of Overseers of the Wharton School and to Re-Appoint William L. Mack as Chair of the Board of Overseers of the Wharton School and to Appoint Marc J. Rowan as Vice Chair of the Board of Overseers of the Wharton School ....................... page 52

The meeting was adjourned at 12:30 p.m.

Respectfully submitted,

Leslie Laird Kruhly
Vice President and University Secretary