University of Pennsylvania Board of Trustees
Fall Stated Meeting
Meeting of October 28, 2016

MINUTES

The Fall 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
Chair David Cohen called the meeting to order. He noted that trustees had just completed very productive meetings and added that the tour of New College House and dinner with the Penn Presidential Professors were also notable. Mr. Cohen encouraged all to attend the upcoming Homecoming events, including the Alumni Award of Merit Gala, where Emeritus Trustees Paul Levy and Bill Mack and former trustee Nanou Zayan would be honorees.

University Chaplain Reverend Charles Howard provided the invocation. The minutes of the June 17, 2016 and September 22, 2016 meetings of the Trustees were approved as distributed.
Chair’s Report
The Chair then read from Memorial Resolutions for four former Trustees: Robert S. Blank, Jerome Fisher, Jay S. Fishman, and Raymond H. Welsh.

The Chair stated that Bob Blank had grounded his life in integrity and whether it was his passion for virtuous journalism or devotion to responsible philanthropy, he was persistently a man of principle. During his engagement with Penn, Mr. Blank became one of the University’s most trusted advisors and brought his insight and expertise to the Budget and Finance, Development, Student Life, and Audit and Compliance committees, as well as the Proxy Subcommittee, which he chaired from 2005 to 2009. He often gave to Penn in honor of his family, including the Samuel A. Blank Endowed Professorship in Legal Studies at the Wharton School, the Samuel A. Blank Endowed Professorship at the Law School, and the Samuel and Ruth Blank Classroom in Jon M. Huntsman Hall, a gift he and his wife, Nancy, made with their children.

Mrs. Nancy Blank thanked everyone and indicated that her husband’s 16 years of service as a trustee had been precious to him and that he enjoyed helping Penn’s vibrant legacy in every way he could. Mr. Blank had been thrilled to guide students as they made their way through Penn’s application process, and to establish scholarships. He had stayed in contact with many through their years at Penn and beyond.

The Chair then spoke about Jerome Fisher, noting his significant contributions to both the physical and academic landscape of Penn. Through buildings bearing his name to programs, professorships, and scholarships, Mr. Fisher, a titan of industry and philanthropy, was an extraordinary alumnus and advocate for the University.

Mr. Cohen noted that a copy of the resolution would be sent to the Fisher family as they were not able to attend this meeting.

Speaking of Jay Fishman, the Chair noted that Mr. Fishman had said, “Success is not guaranteed. What is important to me is that the opportunity is guaranteed.” He added that Mr. Fishman had never forgotten the role that his Penn education had played to bolster his rise to the pinnacle of the financial services industry. Grateful for his success and determined to give back, he made Penn a top beneficiary of his counsel and generosity. In his 11 years as a Penn Trustee, he was named to Charter status, was a past chair for the Audit and Compliance Committee, and a member of the Executive Committee. Mr. Fishman endowed the Fishman Family President’s Distinguished Professorship, and the Shirley and Edward Fishman Memorial Fund to provide financial support for outstanding Wharton undergraduates. He and his wife, Randy, also established a Penn Medicine respiratory care program for patients with chronic respiratory insufficiency due to diseases, including amyotrophic lateral sclerosis

Mrs. Randy Fishman indicated that her husband had felt it was his greatest honor to attend Penn and that it had opened doors to opportunities for him throughout his life, which he never forgot. She thanked everyone for their support and expressed her hope for Penn’s continued success through the years.
The Chair noted Raymond Welsh’s fondness of the Emerson aphorism: “What lies behind us and what lies before us pale in significance to what lies within us.” An astute financial analyst, he was also a consummate volunteer, sharing his time and resources with the causes he cared for — Penn prominent among them — and inspiring countless others to do the same. Mr. Welsh joined the Board of Trustees in 1994 and was named an Emeritus Trustee four years later. Penn Medicine, where he was an Emeritus Trustee and chaired its Clinical Care Associate Board, was a focal point of his support. With him as chair, the Health System’s Creating the Future of Medicine campaign exceeded its fundraising goal by $45 million, setting a national record. Mr. Welsh also played a leadership role in campaigns that supported the priorities of four successive Penn presidents: Martin Meyerson, Sheldon Hackney, Judith Rodin, and Amy Gutmann.

Mrs. Joanne Welsh noted that her husband had loved every minute of his time with Penn, and that she continued to do so. She offered her thanks in being invited to speak and for the Trustees’ recognition of Mr. Welsh.

The Chair asked all in attendance to join for a moment of silence in recognizing these losses.

Mr. Cohen then presented a resolution revising a previous resolution on the use of the Emeritus title by Faculty to comply with federal retirement rules and to be consistent with the trustee statutes and the Penn Faculty handbook, and a resolution to revise the Statutes regarding the titles of academic support staff.

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

- **Action 1** Memorial Resolution for Robert S. Blank ................................................ page 1
- **Action 2** Memorial Resolution for Jerome Fisher ................................................... page 3
- **Action 3** Memorial Resolution for Jay S. Fishman ................................................. page 5
- **Action 4** Memorial Resolution for Raymond H. Welsh ................................. page 7
- **Action 5** Resolution to Amend the May 12, 1977 Resolution regarding the use of the Emeritus title by Faculty ................................................................. page 9
- **Action 6** Resolution to Amend the Statutes of the Trustees of the University of Pennsylvania ........................................................................................... page 10

**Nominating Committee Report**

The Chair then read brief excerpts from Resolutions of Appreciation as follows:

For Jon Huntsman, Jr., in recognition of his years of effective and loyal service as a Trustee, his ironclad sense of commitment, and his ability to produce positive, transformative change — locally, nationally, and around the world.
Mr. Huntsman thanked the Chair, saying that it has been a singular honor of the Huntsman family to be involved with Penn, and adding that his experience at the University had transformed his life. He commended President Gutmann for her work on behalf of the University, and stressed the importance of the University’s contribution to strengthening democracy in America.

The Chair then read from a Resolution of Appreciation for Egbert Perry and designation as an Emeritus Trustee, noting his tireless dedication to building communities, his commitment to doing well by doing good, and his decades of meaningful service to the University.

Mr. Perry thanked all in attendance and indicated that it had been his pleasure to serve as a Trustee, noting that the years had gone by extremely quickly. He commended President Gutmann and her team for their leadership of the University.

The Chair then presented resolutions for six Trustee elections, including two for new Trustees, to elect Osagie Imasogie, Ann Reese, Theodore Schlein and Robert Stavis as Term Trustees, and elect Claire Lomax and Marc McMorris as Charter Trustees.

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

- Action 1 Resolution of Appreciation for Jon M. Huntsman, Jr. ....................... page 11
- Action 2 Resolution of Appreciation for Egbert L. J. Perry and Designation as Emeritus Trustee ........................................................................................................................ page 13
- Action 3 Resolution to Elect Osagie O. Imasogie as Term Trustee............... page 15
- Action 4 Resolution to Elect Ann Reese as Term Trustee............................... page 16
- Action 5 Resolution to Elect Theodore E. Schlein as Term Trustee.............. page 17
- Action 6 Resolution to Elect Robert M. Stavis as Term Trustee.................... page 18
- Action 7 Resolution to Elect M. Claire Lomax as Charter Trustee................. page 19
- Action 8 Resolution to Elect Marc F. McMorris as Charter Trustee.............. page 20

**President’s Report**

President Gutmann noted that with the new academic year, Penn officially welcomed the new Dean of Penn Design, Fritz Steiner, and the 18th Penn Integrates Knowledge University Professor, Beth Simmons as the Andrea Mitchell University Professor in Law and Political Science. Noting two long-awaited grand openings this fall, the New College House and Perry World House, she invited all to attend the ribbon-cutting celebration for the Pennovation Center, to be held that day.

She then spoke about the recent gift of $15 million from Emeritus Trustee Kathy Sachs and her husband, Keith, the largest for the arts ever received by Penn. She added that the Sachs Program
for Arts Innovation will transform how we understand, teach, and break new ground in the arts, and thanked them for their longstanding leadership and generosity.

President Gutmann congratulated Anita Allen, the Vice Provost for Faculty and Henry R. Silverman Professor of Law and Professor of Philosophy, and Martha Curley, the Ellen and Robert Kapito Professor of Nursing Science, for their election to the National Academy of Medicine.

**Academic Report**
Provost Vincent Price noted that it was most appropriate to share updates on Penn’s expanding arts and culture initiatives as Penn marks the 10th anniversary of the Platt Student Performing Arts House, a gift of Trustee Julie Platt and her husband, Marc.

Provost Price added that the Sachs Program for Arts Innovation would energize the arts across the University, integrating research, teaching, and practice. He also noted that in September, Christopher Gruits began his tenure as Executive and Artistic Director of the Annenberg Center for the Performing Arts.

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 noted strong preliminary results reported for the first three months of the fiscal year. For the Consolidated University, the total net assets were $14.9 billion, an increase of $847 million over the prior year, largely driven by strong investment and operating performance. For the academic component, net operating income for the university reflected a decrease of $27 million versus $12 million in the prior year. For the Health System, operating performance showed an increase of $108 million, which was $57 million above budget, and $32 million above prior year. Mr. Carnaroli noted that these results reflect the inclusion of Lancaster General Health. Adjusted admissions for the first quarter were consistent with the budget and 17% higher than the prior year.

**Penn Medicine Report**
Executive Vice President of Penn Medicine and Dean of the Perelman School of Medicine Larry Jameson noted the wide variety of experiences brought together in the school’s new class of 149 students, including one student who earned both a Bronze Star and a Purple Heart for service in Afghanistan.

He noted that positive Health System financial performance had allowed continued investment in all of the school’s missions, including capital projects, and noted that grant performance also continues to be strong, particularly in sponsored research agreements.

Dr. Jameson then spoke about a very special event held earlier in the week, the launching of the Parker Institute for Cancer Immunology at Penn. Penn joins five institutions in a partnership supported by Sean Parker, an active philanthropist and a founder of Facebook. President Gutmann
thanked Dr. Jameson and further commended Dr. Carl June and his team for their work in immunotherapy at Penn and bringing hope to countless numbers of patients and their families.

**Academic Policy**
Chair Scott Bok indicated that committee discussion had centered on use of the University’s collections in undergraduate classes and on expanding access to collections for students and others. Vice Provost for Education Beth Winkelstein led a panel discussion highlighting object-based learning and how Penn is introducing students to the collections, such as the Museum’s new Center for the Analysis of Archaeological Materials, where students work directly with hands-on materials, the Kislak Center for Special Collections in Van Pelt Library that gives students hands-on access to primary materials, and the creation of three-dimensional images through the Digital Visualization Center, helping students experience objects in a more direct and tactile way.

He indicated that the committee had reviewed and approved two resolutions. The following resolutions were approved (full resolution text is appended):

- **Action 1** Resolution to Establish a Master of Health Care Innovation in the Perelman School of Medicine ................................................................. page 21
- **Action 2** Resolution to Establish a Master of Behavioral and Decision Sciences in the School of Arts and Sciences ............................................................... page 22

**Audit & Compliance**
Chair Ann Reese stated that the committee had received several reports, including from Penn Medicine Audit and Compliance Committee chair and Trustee Jamie Greene. Vice President of Information Technology and Chief Information Officer Tom Murphy and Executive Director of Information Security Josh Beeman provided an update on the Institutional Risk Committee Information Security Initiative and related projects and Associate Vice President Greg Pellicano reported on the activities of the Office of Audit, Compliance and Privacy.

She added that Vice President for Public Safety Maureen Rush and Public Safety’s Director of Operations and External Affairs Kathleen Anderson discussed the Clery Act, which requires colleges and universities to maintain and disclose information about crime on and near campus. They also discussed the 2016 Annual Security Report and 2015 statistics. In closing, Ms. Reese noted that PricewaterhouseCoopers had presented information on control communications and other control improvements, with no reported material weaknesses or deficiencies.

**Budget & Finance**
Reporting for Chair Bob Levy, Trustee Jamie Dinan indicated that the committee had received a report on University and Health System financial results as of September 30, 2016, as reported by Mr. Carnaroli above. He added that School of Nursing Dean Antonia Villarruel had discussed strategic planning to advance science, transform policy and practice, develop experts and leaders, and engage communities to promote health.

He added that Vice President for Finance and Treasurer MaryFrances McCourt presented an overview of undergraduate student accessibility and affordability, noting that institutional aid has
grown $135 million, or over 171%, since 2004, outpacing inflation by $51 million, and nearly
double the increase in total charges over the period. There has been a 24% drop, to 844 student
borrowers, down from a peak in 2011. Average earnings for Penn graduates 10 years after
graduation is second highest among the Ivies and more than twice the national average.

He indicated that the committee had reviewed and approved one resolution. The following
resolution was approved (full resolution text is appended):

Action 1  Resolution to Authorize Purchase of 7T Magnetom Imaging System
Replacement in the Amount of $7,796,700............................................ page 23

Development
Penn Alumni President Lee Spelman Doty reported an informative meeting examining efforts
behind Penn’s significant investment in alumni engagement as an integral part of the University’s
strategic philanthropic program. She added that President Gutmann led a discussion emphasizing
the driving force that alumni and particularly volunteer alumni leaders play in creating programs
and resources for our students and faculty that move Penn forward. Vice President of
Development and Alumni Relations John Zeller provided an update on the Penn Impact 2020
Plan, the landscape of Penn’s alumni donor-base, and the surge of alumni engagement across so
many demographic groups over the last decade.

She added that Associate Vice President of Alumni Relations Hoopes Wampler had discussed
alumni engagement strategies and programming, and finding meaningful ways to build
relationships, inspire passion and motivate giving, particularly with today’s global University.

Facilities & Campus Planning
Chair Jamie Green indicated that Dr. Jameson and the Health System’s Executive Vice President
and Chief Administrative Officer Kevin Mahoney had presented on the Center for Healthcare
Technology, Penn’s last development parcel on the former Civic Center site. The first phase of the
project, with 2018 planned occupancy, will house Penn Medicine administrative offices and a
child care facility.

Vice President for Facilities and Real Estate Services Anne Papageorge and Executive Director of
Real Estate Ed Datz had outlined the operational success to date at the Pennovation Center and
Pennovation Works, and its current occupants, which include the Penn Engineering Research and
Collaboration Hub (PERCH) and the Hershey Company. Ms. Papageorge and Director of
Engineering and Energy Planning Benedict Suplick presented an overview of the campus utility
master plan and recommendations to ensure reliability and meet future needs and those priority
recommendations which have been added to the five-year capital plan.

In conclusion, President Gutmann and Ms. Papageorge offered a tribute to former committee
chairman, Egbert Perry, for his seven years of dedicated service, as chair, to the advancement of
Penn’s campus development and overall improvements to campus quality of life.
Local, National and Global Engagement
John P. Shoemaker noted that he had the privilege of chairing the Committee on Local, National and Global Engagement for Chair Marc McMorris. He reported that the committee had heard a comprehensive presentation by Mr. Carnaroli on the substantial early success of building out Pennovation Works. He added that the business partnerships developing there, along with the start-ups inspired by Penn faculty and students, are a huge plus for the local business environment and place Penn in an important national and international leadership role in the innovation space going forward.

Student Life
Chair Claire Lomax indicated that the committee had explored the robust world of student performing arts at Penn, including a performance to open its meeting. She added that Director of the Platt Student Performing Arts House Laurie McCall had discussed the vibrant activity in its five rehearsal rooms, band room, cabaret stage, and lounge. Hundreds of students participate in 46 student-run comedy, dance, spoken word, music, and theater organizations, and an additional 21 groups utilize Platt House space and staff expertise. In addition to more than 75 professional shows each year, students lend their time to after-school ventures for West Philadelphia schoolchildren and community performances, and donate hundreds of tickets to events.

Ms. Lomax noted that the committee also learned about academic collaborations between Platt and the Music Department and Theater Arts, and projects with the Annenberg Center, the Chaplain’s Office, Career Services, and alumni groups. In addition, a student panel discussed the benefits of their performing arts affiliations and challenges in making participation inclusive and affordable. Young alumni also offered thoughts on the personal impact of participation in the arts at Penn.

Penn Alumni Report
Penn Alumni President Julie Platt announced that the Alumni Board of Directors will vote the following day to fill two Alumni Trustee positions for five-year terms beginning January 1, 2017. The nominees are Cheryl Peisach, W’87 (Florida) and Patricia Martín, M’85 (Pennsylvania). She added that the deadline for nominations for three January 2018 Alumni Trustee openings is January 6, 2017.

Ms. Platt noted that Alumni Trustees had received a review of Alumni Relations’ marketing and communications initiatives to increase awareness and encourage alumni connection, including an overview of the newly redesigned Penn Alumni website, other online and print marketing materials, the social media platforms used to advertise events and activities, and the new marketing plan for the alumni online directory, QuakerNet.

Ms. Platt added that the third annual Penn Spectrum Weekend had been held in September and was highly successful, with over 700 in attendance. The event, focusing on issues of cultural identity, welcomed alumni and students to listen and learn from faculty, community leaders and Penn alumni. The conversations will continue in upcoming months with “on the road” programming.

She closed her remarks by inviting all to attend the evening’s Alumni Award of Merit Gala and Homecoming activities scheduled for the weekend.
Appointments to Penn Medicine, Overseer and Other Boards
Mr. Cohen presented the final order of business and the following resolutions with appointments to Penn Medicine, Overseers, and Other Boards were approved (full resolution text is appended):

Action 1  Resolution to Appoint David P. Montgomery as an emeritus member of the Board of Overseers of the Annenberg Center for the Performing Arts.. page 24

Action 2  Resolution to Appoint Rajeev Amara and Jeffrey S. McKibben to the Board of Overseers of the Graduate School of Education..................................... page 25

Action 3  Resolution to Appoint Ann R. Klee to the Board of Overseers of the Law School .................................................................................................... page 26

Action 4  Resolution to Reappoint Frances H. Abbott, Jr. as Term Member of the Penn Medicine Board ................................................................. page 27

Action 5  Resolution to Reappoint Members of the Penn Medicine Board as Charter Members ...................................................................................... page 28

Action 6  Resolution to Appoint Erik Moreno and Barry A. Porter to the Board of Overseers of the School of Social Policy & Practice and to Appoint David Ertel and Brian D. Schwartz as Vice Chairs of the Board of Overseers of the School of Social Policy & Practice........................................................................... page 29

Action 7  Resolution to Appoint Alex Gorsky to the Board of Overseers of the Wharton School .................................................................................................... page 30

The meeting was adjourned at 12:21 p.m.

Respectfully submitted,

Leslie Laird Kruhly
Vice President and University Secretary