University of Pennsylvania Board of Trustees
Executive Committee

Meeting of December 8, 2016

MINUTES

A meeting of the Executive Committee of the Trustees of the University of Pennsylvania was convened at 12:44 p.m. in the Conference Center, Fourth Floor, 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
The Chair welcomed all in attendance. He offered his congratulations to the University and to President Gutmann on the extension of her employment agreement through June 30, 2022. He also congratulated Provost Vincent Price on his appointment as the next president of Duke University, noting that while that is a loss for Penn, it is Duke’s great gain. The Chair thanked Provost Price for his tremendous service to the University and expressed the best wishes of all as he takes on this new role.

The Chair then noted that this meeting would be the last for Trustee Andrea Mitchell as a member of the Executive Committee. He thanked Andrea for her service and good friendship, adding that she would continue in her service to the University, and would be more formally recognized at the full board meetings in February. Ms. Mitchell indicated that it has been her privilege to serve on the Executive Committee and expressed her thanks.

President’s Report
President Gutmann stated that in the past few weeks, the University community had faced many challenges, most notably reprehensible, racist emails targeted at Black students. She commended Penn students, faculty, and staff for standing together in the face of challenges. President Gutmann offered her special appreciation to those at the “front lines,” including the office of the Vice Provost of University Life and its resource centers and Counseling and Psychological Services, the Faculty Senate, the offices of the deans, the Chaplain’s Office, Public Safety, the Graduate Student Center, the staff of the College Houses, and many others who responded with care, commitment, and grace under pressure.

President Gutmann announced with pleasure that 10 Penn faculty members were recently named Fellows of the prestigious American Association for the Advancement of Sciences, adding that
their distinguished work makes a tremendous difference in the world. President Gutmann also congratulated College senior Theodore Caputi, who was selected to receive the highly competitive George J. Mitchell Scholarship for graduate studies in Ireland.

**Academic Report**

Provost Price provided a brief update on the Campaign for Community, launched by his office last year to encourage candid conversations around difficult and controversial issues. He stressed that the Campaign sponsors discussions large and small, adding that the application process had been shortened to respond more rapidly to national events. Two dozen events were supported across campus this fall, including discussions of Asians in the media, sponsored by the Asian Pacific Student Coalition; Biomedicine and Race, sponsored by the Public Classroom @ Penn Museum, and #BlackintheMSA: The Penn Edition, sponsored by UMOJA and the Muslim Student Association. He noted that the Campaign provides not only funding but offers increased visibility and coordination across campus to foster these important reflections.

The following resolution was presented and approved:

**Action 1 Resolution on Faculty Appointments, Leaves and Promotions**

**Penn Medicine Report**

Dr. J. Larry Jameson, Executive Vice President of the University of Pennsylvania Health System (UPHS) and Dean of the Perelman School of Medicine, indicated that the Health System is carefully monitoring potential legislation relating to the Affordable Care Act, and that he expected to report again as additional information is known. He added that the $6.3 billion 21st Century Cures Act had been passed by the U.S. House and Senate and was expected to be signed, with $4.8 billion to go to the National Institutes of Health (NIH) for programmatic efforts, including the Brain Initiative and Alzheimer’s research, and the “Cancer Moonshot” effort. He noted this was a very positive sign of support for biomedical research. In closing his remarks, Dr. Jameson indicated that Dr. Carl June of Penn was a runner-up for the *Time* Person of the Year for his work on CRISPR (or clustered regularly interspaced short palindromic repeats - a new tool that allows scientists to easily and inexpensively find and alter virtually any piece of DNA in any species).

**Budget & Finance**

Robert Levy, Chair of the Budget and Finance Committee, indicated that at its meeting, the Budget and Finance Committee discussed the potential integration of the Princeton HealthCare System (PHCS) into the University of Pennsylvania Health System (UPHS). UPHS has entered into a Letter of Intent with PHCS to secure its Southern New Jersey market position and expand referral opportunities in an evolving provider landscape. PHCS’s revenue totals approximately $430 million. Strategic investments will focus on developing several programs in inpatient and outpatient settings, including cancer, advanced heart services, neurosciences, and obstetrics/gynecology.

He added that Vice President for Finance and Treasurer MaryFrances McCourt discussed the University’s proposed new borrowing of up to $250 million at historically attractive long-term interest rates, with proceeds to reimburse prior capital expenditures. The plan is to issue fixed-
rate debt with level debt service and a 30-40 year final maturity, with pricing in mid-December and settlement in January.

The Chair noted the regional growth of Penn Medicine in both inpatient and outpatient areas over the last few years, with market presence solidifying to the west of Philadelphia with the addition of Lancaster General and The Chester County Hospitals, and added that PHCS would bring the same result in southern New Jersey, with the outcome of a total regional healthcare system and operation. He congratulated the Penn Medicine team led by Dr. Jameson and UPHS CEO Ralph Muller for their thorough negotiation and diligence processes in bringing this forward for Trustee action.

The following resolutions were presented and approved:

Action 1 Resolution to Approve the Membership Substitution Transaction Related to Princeton HealthCare System and Its Affiliates ........................................page 1

Action 2 Resolution to Authorize the Financing of Certain Capital Projects for the University of Pennsylvania.................................................................page 4

There being no further business to conduct, the meeting was adjourned at 12:54 p.m.

Respectfully submitted,

Leslie Laird Kruhly
Vice President and University Secretary