A meeting of the Executive Committee of the Trustees of the University of Pennsylvania was convened on Thursday, September 27, 2018 at 1:32 p.m. in Bodek Lounge, Houston Hall.


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 L. Cohen called the meeting to order. He noted that Penn’s 279th year is now in full swing, with Penn welcoming the extraordinary Class of 2022 at Opening Convocation on August 27.

President’s Report
President Gutmann thanked Dean of Admissions Eric Furda and his team for their efforts to bring together a wonderfully diverse Class of 2022. She noted the official arrival of two new deans: Andrew Hoffman, the Gilbert S. Kahn Dean of Penn Vet; and Mark Wolff, the Morton Amsterdam Dean of Penn Dental. President Gutmann added that appointment of Sara “Sally” Bachman, the new dean of the School of Social Policy & Practice, will take effect January 1, 2019.

She noted that Jeb Bush, the 43rd Governor of Florida, is joining Penn as a non-resident Presidential Professor of Practice. She added that Governor Bush has committed his life to public service and civic engagement, and that the University will be greatly enriched through his expertise and the kinds of campus conversations he will foster.

President Gutmann added that Penn’s David and Lyn Silfen University Professor Jonathan Moreno had received the coveted Lifetime Achievement Award from the American Society for Bioethics and Humanities.
In speaking of Penn’s new Second Year Experience Program, President Gutmann indicated how it will strengthen the sense of community that first-year and sophomore students experience from the time they arrive at Penn, as well as promote student achievement and wellbeing.

President Gutmann then offered congratulations to Penn alumnus and honorary degree recipient John Legend, the first African-American man and second youngest person ever to earn the rare and prestigious EGOT, having now won Emmy, Grammy, Oscar, and Tony awards.

**Academic Report**
Provost Wendell Pritchett indicated that Dr. Benoit Dubé, Associate Professor of Clinical Psychiatry, has been appointed Penn’s—and the Ivy League’s—first Chief Wellness Officer. Dr. Dubé has served as Director of Wellness Initiatives and Assistant Dean for Diversity and Inclusion, and Director of Medical Student Education in Psychiatry at the Perelman School of Medicine, where he has taught and practiced since 1997.

An expert in advancing the importance of wellness and inclusivity, Dr. Dubé will oversee an integrated new division of Student Wellness Services encompassing the Offices of Alcohol and Other Drug Program Initiatives, Campus Health, Counseling and Psychological Services, Penn Violence Prevention, and the Student Health Service.

Provost Pritchett add that this new division will create faster access to care for more students, across a wider range of options.

**Financial Report**
Executive Vice President Craig Carnaroli indicated a very strong year financially for the University as reported earlier at the Budget and Finance Committee meeting. For the Consolidated University, total net assets were $18.6 billion, up $2.3 billion over the prior year, for the 12-month period ended June 30, 2018. Mr. Carnaroli noted four contributing factors to the strong performance. First, operating performance for the academic component and health system both outperformed budget. The academic component saw an increase in net assets from operating activities of $180 million due in part to sponsored program growth, philanthropy, and commercialization activity while the Health System realized an operating margin of $383 million, or 5.6%, due to continued growth and demand for clinical services. Second, the University has received enthusiastic response to the *Power of Penn* Campaign, setting new records for both commitments and receipts from Penn donors, alumni and friends. Third, the University continues to benefit from the creation of the Penn Center for Innovation which has resulted in increased revenues from commercialization activities, specifically milestones under the Novartis alliance. Finally, the University experienced strong endowment performance with the AIF returning 12.9% for the fiscal year with the total endowment now exceeding $13.8 billion.

**Penn Medicine Report**
Executive Vice President of the University for the Health System and Dean of the Perelman School of Medicine Larry Jameson noted the recent “growth spurt” of the New Patient Pavilion’s
steel skeleton, now nearing its full 17-story height. Construction is ahead of schedule and a “topping out ceremony” is planned for early April 2019.

Penn Medicine’s capital campaign is also off to a fast start, raising $1.04 billion to date, 68% of its $1.545 billion Power of Penn Campaign goal, and $32 million (nearly two-thirds) of its $50 million financial aid goal.

Dr. Jameson noted that Dr. Carl June of Penn Medicine had just the day before received one of medicine’s highest honors for his pioneering work in developing CAR T therapy – the Albany Medical Center Prize in Medicine and Biomedical Research.

Audit & Compliance Committee Report
Chair Ann Reese indicated that the committee had received the report of the Penn Medicine Audit and Compliance Committee, which met earlier in September. The committee also reviewed financial statements for Fiscal Year 2018 for the University and the Health System. She added that PricewaterhouseCoopers had presented audited results, noting its intention to issue unmodified opinions for both the University and the Health System. The committee approved the audited financial statements for Fiscal Year 2018 and recommended Trustee approval.

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

Action 1 Resolution to Approve the Audited Financial Statements for Fiscal Year 2018 ....................................................................................... page 1

Budget & Finance Committee Report
Chair Osagie Imasogie indicated that the committee had received reports on the University and Health System’s financial results as of June 30, 2018. Vice President for Finance and Treasurer MaryFrances McCourt provided an overview of the University’s financial trends over the past ten years and indicating AA+/Aa1 credit ratings from Standard and Poor’s and Moody’s. In June, Standard and Poor’s upgraded the Health System’s rating from AA- to AA. This represents the highest combined ratings in the University’s history.

Mr. Imasogie noted the University’s significant growth in net assets over the past decade as a result of strong operating margins and endowment growth, as well as a measured increase in external debt. Penn’s endowment has grown 2.5 times over, from $5.4 billion to $13.8 billion, during the same period.

The committee discussed a proposed debt issuance of up to $200 million primarily for the reimbursement of prior spending on several University capital projects. The borrowing will be at a fixed rate with a 30-year final maturity and terms to be approved by the Debt Subcommittee.

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

Action 1 Resolution to Authorize the Financing of Certain Capital Projects for the University of Pennsylvania.............................................................................................. page 2
Action 2 Resolution to Authorize Selling a Certain Portion of Land and Development Rights at 145 King of Prussia Road, Radnor, Pennsylvania, and Selling a Building and Land at 250 King of Prussia Road, Radnor, Pennsylvania, for $38.5 Million............................................................................................. page 4

**Appointments to Overseer and Other Boards**

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

Action 1 Resolution to Re-appoint John R. Reinsberg to the Board of Overseers of the School of Arts and Sciences ................................................................. page 6

Action 2 Resolution to Appoint Teresa A. Dolan and Maria Ryan to the Board of Overseers of the School of Dental Medicine ........................................... page 7

Action 3 Resolution to Appoint Jonathan Z. Wilf to the Board of Overseers of the School of Engineering and Applied Science ................................................. page 8

Action 4 Resolution to Appoint David M. Silk to the Board of Overseers of the Law School .............................................................................................. page 9

Action 5 Resolution to Appoint D. Michael Wege to the Penn Medicine Board and the Penn Medicine Executive Committee ................................................ page 10

Action 6 Resolution to Reappoint Philip R. Wenger to the Penn Medicine Board as Term Member ........................................................................................ page 11

Action 7 Resolution to Appoint Kathryn L. Champ to the Board of Overseers of the School of Veterinary Medicine ................................................................. page 12

There being no further business to conduct, the meeting was adjourned at 1:44 p.m.

Respectfully submitted,

Leslie Laird Kruhly
Vice President and University Secretary