A 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.

Chair David Cohen called the meeting to order and welcomed all in attendance. University Chaplain Reverend Charles Howard provided the invocation. The minutes of the June 19, 2015 and the October 1, 2015 meetings of the Trustees were approved as distributed.

Chair’s Report

Mr. Cohen indicated that these excellent meetings had culminated last evening at dinner when Trustees met with new deans Ted Ruger, Law; Pam Grossman, GSE, and Vijay Kumar, SEAS. He predicted that a highlight of Homecoming Weekend would be Penn football’s victory over Princeton and added that this evening, Emeritus Trustee Leonard Lauder would present Emeritus Trustee Kathy Sachs with a much-deserved Alumni Award of Merit.

The Chair then read from Memorial Resolutions for three former Trustees, as follows:
For more than two decades, Carolyn Hoff Lynch advanced the work of the Trustees’ Council of Penn Women, and served as an Arts and Sciences Overseer and as founding co-chair of Penn’s Parent Leadership Committee. Ms. Lynch had spearheaded creation of the Carolyn Lynch Laboratories and as chair of the Biology Advisory Board, she helped plan for a facility to enhance interdisciplinary collaboration, and engaged others to make the laboratory a reality.

Yotaro “Tony” Kobayashi WG’58 was a global business community leader for over five decades, a visionary who sought to balance company interests with the needs of employees and society. His political, social, and economic acumen made him an international expert on a range of issues in the Penn community and beyond. He generously offered his time and support on the Wharton Dean’s Council and the Executive Board for Asia and as an Overseer of the Wharton School.

For F. Stanton Moyer W’51, his generous service to the University was a hallmark of his life. Mr. Moyer’s deep engagement included service as an Alumni Trustee and a member of the Investment Board, and he was presented with the Alumni Award of Merit in 1984. Over the years, Mr. Moyer had held leadership roles at firms such as Main Line Capital, Mercer Capital Management, and Kidder Peabody & Co., where he was recognized as one of the top-producing brokers nationwide.

He then asked all in attendance to join him for a moment of silence recognizing these losses.

The Chair brought forward a resolution amending the Penn Medicine bylaws to better align its capital approval process with that of the University, adding that the resolution has been reviewed by University leadership as well as the Penn Medicine Finance and Executive committees.

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

- Memorial Resolution for Carolyn Hoff Lynch ..................................................... page 1
- Memorial Resolution for Yotaro Kobayashi ..................................................... page 3
- Memorial Resolution for F. Stanton Moyer ..................................................... page 5
- Resolution to Amend the Bylaws of Penn Medicine to Modify the Financial Capital Approval Process ................................................................. page 6

Nominating Committee Report
The Chair then read from three Resolutions of Appreciation as follows:

The consummate Penn volunteer, Susan Danilow, CW’74, G’74 was a charter member and former chair of the Trustees’ Council of Penn Women, a former member of the Penn Fund Executive Board, and former co-chair of the Benjamin Franklin Society. Joining the Trustees in 2006, she is also a former member of the Board of Overseers of the Penn Museum and a former GSE Overseer. Her valued leadership was also reflected as the longtime president of the Class of 1974 and Gift Chair for its last six reunions - and in receiving the Alumni Award of Merit in 2003. Through the
Ms. Danilow thanked everyone and stated that being a member of the Board had been an honor and an extraordinarily exciting experience. She noted her happiness of having been a part of the extraordinary changes she had seen on campus over the past several years, and added that she was thrilled to have her children here as Penn students during her tenure. She added her belief that Penn had the best university president, board chair, and committed board members and that she looked forward to her continued engagement with the University.

Carol Elizabeth Ware, NU’73, through meaningful civic and professional engagement has carried forward a legacy of practicality, generosity, and civic-minded vision. Always on the lookout to make a difference, her first gift to the University was $200 for a floor-waxing machine at Penn Nursing, where she was a student. Ms. Ware later served on the Nursing Board of Overseers. She supported scholarship funds and created endowed faculty positions, including the Carol E. Ware Professorship in Mental Health Nursing and the Marian S. Ware Professorship in Gerontology in honor of her mother. Ms. Ware has the distinction of being the most generous alumna in Penn Nursing’s history, embracing every aspect of the school’s mission.

Ms. Ware’s son, Joe Gates, then spoke for his mother and expressed her regrets for not being able to attend. He recounted that his mother, father, and grandfather had all strived to instill in his siblings and himself a sense of giving of one’s self and dedicating time to fostering kindness, courtesy, and strengthening community relationships. He extended thanks on his mother’s behalf for the opportunity to serve and for the friendship and kindnesses that had been extended.

Ehsan El-Tahry Zayan, known to all as Nanou, had arrived at Penn from Egypt, and for a decade after receiving her B.A. in economics from the former College for Women, she remained in the United States, pursuing a career in finance at Chase Manhattan Bain New York. Ms. Zayan joined the Board of Trustees as an Alumni Trustee in 2011 and served on the Penn Museum’s Overseer Board and its Director’s Council. Thanks to her endowment of scholarship funds for undergraduates in the Huntsman Program, as well as scholarships for undergraduates with an interest in Ancient Egypt and Classical History, Penn students will benefit from her generosity and global perspective for many years to come.

The Chair then presented resolutions for three elections: Charles B. Leitner as Term Trustee, and Scott L. Bok and Julie Beren Platt as Charter Trustees.

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

- Resolution of Appreciation for Susan F. Danilow .............................................. page 7
- Resolution of Appreciation for Carol Elizabeth Ware ........................................ page 9
- Resolution of Appreciation for Ehsan El-Tahry Zayan ..................................... page 10
- Resolution to Elect Charles B. Leitner as Term Trustee .................................... page 12
President’s Report

President Gutmann underscored Ms. Danilow’s thoughts, noting that Penn is honored and privileged to have an amazing board of trustees, adding that it is emblematic of the breadth of Penn alumni and friends coming from so many walks of life to serve on the board.

She noted that with the start of the new academic year, Penn had officially welcomed new Penn Engineering Dean Vijay Kumar and Penn Law Dean Ted Ruger. President Gutmann added that the search for the new dean of the School of Design is underway, with the committee chaired by Annenberg School Dean Michael Delli Carpini.

President Gutmann stated that Penn had enjoyed several global engagement milestones this fall. On the heels of the Penn Wharton China Center celebration and Silfen University Forum in Beijing, Perry World House had recently hosted a special event, though the House’s official opening is not set until spring. German President Joachim Gauck delivered a speech on freedom to a packed house on the occasion of the 25th anniversary of the reunification of Germany. President Gutmann commended the Perry World House and its Director, Richard Perry Professor, Bill Burke-White, for work supporting this and other global engagement initiatives.

Noting that Penn students are among the most innovative, creative, and entrepreneurially minded, President Gutmann spoke about the new President’s Innovation Prize, which will award $100,000 and a generous living stipend for up to five collaborating students as they develop a project proposal for a commercial enterprise with explicit social impact. The award will be among the largest and most unique awards of its kind in higher education.

President Gutmann commended the football team and new Coach Ray Priore on their nationally televised win over the Yale Bulldogs on Family Weekend, a double-win for Penn on the heels of a recent victory over Villanova, the first in 104 years.

President Gutmann then read from a Resolution of Appreciation for Stephen D. Golding, noting his execution of the University’s successful $379 million debt refinancing, the largest debt transaction in Penn’s history, generating $25 million in net present value savings. Mr. Golding also oversaw issuance of $300 million in Century bonds; $1.2 billion in refunding bonds which resulted in more than $50 million in present value savings, and $970 million in tax-exempt bonds to support critical capital projects. He also helped to create the Office of Global Support Services and launched several initiatives that improved financial services for our students. She commended Mr. Golding for his accomplished leadership and careful oversight of the University’s finances.

Mr. Golding thanked President Gutmann, saying that he was proud and humbled by the opportunity given by Penn over the past eight years. He thanked his staff and colleagues across the University, as well as the Trustees for their support and for having shared their wisdom and insights. He added his particular thanks to the three Budget and Finance Committee chairs with whom he had worked: John Clark, Mark Winkelman, and Andy Heyer, and to Mr. Camaroli and
President Gutmann for their support. He closed by saying that Penn would always be a cherished part of his family.

President Gutmann presented a resolution to reappoint Denis F. Kinane for a second term as Dean of the School of Dental Medicine through June 30, 2021.

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

- Resolution of Appreciation for Stephen D. Golding ........................................ page 15
- Resolution to Reappoint Denis F. Kinane as Dean of the School of Dental Medicine .......................................................................................................................... page 17

**Academic Report**

Provost Vince Price provided an update on several new initiatives including the Campaign for Community, which aims to help faculty, students, and staff understand and address challenges that have divided communities across the country, and to be a model for constructive conversations around difficult issues. The Campaign kicked off this spring with a town hall featuring six Penn deans, and last month hosted Pulitzer Prize-winning playwright of *Disgraced*, Ayad Akhtar. The Provost added that event grants are available to community members to further the discussion.

He then noted that the Penn Institute for Urban Research, a vibrant institute in its second decade, and the new Perry World House had recently co-hosted a conference on strategies for sustainable urbanization and development worldwide. A panel of experts from Penn and around the globe discussed the challenges of providing affordable housing in an urbanized world and the new United Nations’ Sustainable Development Goals.

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

- Resolution on Faculty Appointments, Leaves and Promotions....................... Appendix

**Financial Report**

Executive Vice President Craig Carnaroli summarized results for the three month period ending September 30, 2015. For the consolidated university, there was a large increase in total net assets to over $14 billion, an increase of $1.2 million, largely a result of the integration of Lancaster General Health into the Health System, as well as strong operating performance. Total net assets were approximately $600 million below budget, primarily due to financial markets downturns, which affected investments. For the academic component, revenue was $19 million, or 2.7% above budget, and expenditures trended below budget approximately $7 million. Total contributions, which include pledges and new gifts, operating and non-operating were $63 million, an increase of 26% from the prior period last year. For the Health System year-to-date operating income, (“operating margin”) totaled $77 million, $21 million above budget and $4 million below prior year operating results. Adjusted admissions of 40,220 were consistent with budget and slightly higher from the prior year by 2%. Inpatient admissions were lower than budget by 2% while outpatient activity and high intensity services were mixed. Capital expenditures totaled $90 million, an $18 million increase from the prior year and $19 million below budget.
Penn Medicine Report
Executive Vice President of Penn Medicine and Dean of the Perelman School of Medicine Larry Jameson spoke about the talented Penn Medicine Class of 2019, whose grade point average and average MCAT scores were the highest in the country. He added that despite ongoing negotiation challenges in Washington, DC and with the Commonwealth, grant funding remains strong, having ended the year at $612 million. Dr. Jameson also called attention to new Penn Medicine faculty recently elected to the National Academy of Medicine, Shaun Hennessy and Frances Jensen.

Dr. Jameson noted that the Trustees of Lancaster General had met with members of the Penn Medicine Board this past week and that Trustee Andy Heyer had agreed to chair the new regional planning committee. He described the theme of the recent Penn Medicine Board meetings as “Miracles on 34th Street,” recounting inspiring examples of outstanding clinical care by Penn Medicine, grounded in many years of research.

Academic Policy
Chair Scott Bok indicated that committee discussion had focused on the best ways to engage more students in arts and culture and the best ways for Penn to recruit and support more students from around the world. Vice Provost Anita Allen provided background on the successes of the three-year Arts and Culture Initiative. Now succeeded by the Provost’s Arts Advisory Council, the Council will develop recommendations for the future of the arts at Penn with a focus on arts centers and academic programs working together, how the arts can further new forms of education, and how arts and culture can help advance the goals of the Penn Compact 2020.

Dean of Admissions Eric Furda presented the committee with an overview of Penn Admissions trends and initiatives and an analysis of Penn’s market position and the needs of students and families. Results are being used to implement initiatives to create the most modern Admissions office for the changing needs of students. Dean Furda also reviewed trends over the past five years and goals for Admissions in the year ahead.

Audit & Compliance
Chair Ann Reese noted that Trustee Jamie Greene had provided a report on the meeting of the October 28, 2015 Penn Medicine Audit and Compliance Committee. Executive Director of Internal Audit Frank Tresnan reported on the summer and early fall activities of the Office of Audit, Compliance and Privacy. John Horn reviewed the comments in PwC’s Management Letter and provided an update on the progress in resolving prior year comments.

The Committee received briefings on three topics. Mr. Carnaroli provided an update on the progress of the most recent institutional risk management effort, which focused on information security. He announced that clinical trials would be the current year initiative and will examine the regulatory infrastructure to support a “best in class” organization for patient safety, policies, oversight, and compliance. Mr. Golding presented a briefing on the University and Health System’s efforts in achieving compliance with the updated Payment Card Industry Data Security Standard requirements. Finally, Director of Purchasing Mark Mills and Associate Comptroller Tom Slavinski had briefed the Committee on the University’s Procure-to-Pay initiative.

Budget & Finance
Reporting for Chair Andrew Heyer, Trustee Jamie Greene reported that Vice President for Budget and Management Analysis Bonnie Gibson, Senior Vice President and Chief Financial Officer University of Pennsylvania Health System Keith Kasper, and Mr. Golding reported on the University and Health System’s financial results as of September 30, 2015.

Dr. Jameson presented an update on the Perelman School of Medicine. For FY15, revenues totaled $933 million and the “all funds” fiscal year performance reflected an increase of $44 million. In addition to the MD program, the School offers Masters and PhD programs in partnership with seven Penn schools. A significant portion of the School’s funding comes from research, which totaled $612 million in FY15. At $156 million for FY15, philanthropic support is strong and the School’s endowment was approximately $1.6 billion.

Vice President for Information Technology Tom Murphy gave an overview of administrative systems initiatives. Recently, Penn launched several computing projects including the Pennant system for tuition management, Concur for travel reimbursements, and Canvas for learning management. Future plans include shifting from a capital intensive model and local data centers to an operational model with increased co-location and as-a-service delivery.

Mr. Greene indicated that the committee had reviewed and approved six resolutions. The following resolutions were presented and approved (full resolution text is appended):

- Resolution to Authorize Hill College House Renovation for an Additional $74,500,000 (Total Revised Budget of $80,500,000) ............................................................. page 18
- Resolution to Authorize 20 Year New Lease for FMC Tower at 30th and Walnut Streets; Total Lease Obligation (Present Value) $59,719,000 inclusive of $18,653,000 in Capital ................................................................................... page 19
- Resolution to Authorize and Approve the Expansion of Existing Lease Space at Centre Square Building Including an Extension of Existing Lease Term, Total Lease Obligation for the Expansion and Extension (Net Present Value) $23,438,800 page 20
- Resolution to Authorize Towne Building 1st Floor HVAC Replacement and Renovations in the Amount of $6,200,000................................................................. page 22
- Resolution to Authorize Franklin Field Concrete Restoration Phase 1 in the Amount of $6,150,000................................................................. page 23
- Resolution to Authorize Master Lease Renewal for Left Bank at 3118-3198 Chestnut Street; Total Lease Obligation (Present Value) $5,728,000 ....................... page 24

Development
Reporting for Chair Lee Doty, Trustee Susanna Lachs noted that Vice President for Development and Alumni Relations John Zeller had spoken on the Penn Impact 2020 Plan and Penn’s donor engagement strategies for the next fiscal year. President Gutmann led a discussion on the
importance of having financial resources to attract and retain the very best faculty. Dean Geoffrey Garrett discussed the economics of the Wharton School: degree and non-degree programs; growth and sustainability of revenues from tuition, philanthropy, executive education and online programs, and the role of transformational giving in support of strategic priorities.

Facilities & Campus Planning
Chair Egbert Perry reported that Vice President for Business Services Marie Witt outlined the goals for the $80.5 million comprehensive renovation to the iconic residence hall Hill College House designed by Eero Saarinen in 1960. Michael Mills of M+Sa Architects presented the scope of enhancements to be completed inside and out, with new furniture, finishes and lighting, and a new elevator for accessibility compliance. Overall building systems and sustainability improvements include air conditioning, window restoration, and a new roof.

Vice President for Facilities and Real Estate Services Anne Papageorge and Executive Director of Real Estate Ed Datz presented to the committee an update of real estate operational highlights, development projects, and an overview of Penn’s non-academic retail leasing and off-campus residential portfolio. The presentation summarized the University’s real estate holdings emphasizing performance and their contribution to quality of life at Penn and West Philadelphia.

Faculty Jane Dmochowski and William Braham and recent graduate student Bailey Rowland outlined academic and educational initiatives coordinated by the Environmental Sustainability Advisory Committee. Six years after the launch of Penn’s Climate Action Plan, Penn has achieved significant improvements in environmental performance in a variety of disciplines.

Local, National and Global Engagement
On behalf of Chair Marc McMorris, Trustee William Cheung noted that Dean Garrett had provided an update on the Penn-Wharton China Center opening and the positive reception for events that brought together Penn leaders with influential officials. He emphasized the Center’s commitment as a platform for educational and research collaborations with partners in China.

The committee discussed Penn’s outreach efforts to enhance the high school experience of local students and enrich the pipeline of prospective students and staff with diverse and talented applicants. Dean Vijay Kumar spoke about a variety of STEM programs serving Philadelphia high schools, Penn Medicine’s Cindy Morgan described the pipeline program that recruits students from West Philadelphia high schools for internships as a path to college and careers in medicine, and Ms. Papageorge discussed Penn involvement in a national program providing local minority students with an interactive look at careers in design and architecture.

Student Life
Chair Claire Lomax indicated that the committee had devoted its meeting to the timely topic of sexual violence on college campuses. President Gutmann gave an overview of the AAU Campus Climate Survey administered last spring at 27 member universities, including Penn. She further noted that 26.9% of Penn’s student body participated in the survey. Vice President for Institutional Affairs Joann Mitchell, Senior Vice President and General Counsel Wendy White, and Vice Provost for Education Beth Winkelstein provided details about the survey, findings, and analysis.
Director of Special Services in the Division of Public Safety Patricia Brennan reported on counseling for students. Sexual Violence Investigative Officer Chris Mallios discussed how his office seeks to be a model for other universities working to implement a process balancing the needs of respondent and complainant. Director of Penn Violence Prevention Jessica Mertz spoke about training programs and changing campus culture through increased outreach.

Members learned about plans to enhance online informational campaigns and to assess whether students are retaining critical information, as well as the need to expand faculty education. Provost Price addressed Trustee questions about the current reporting process if a student makes an allegation against a faculty member. The committee had also heard perspectives from student leaders on collaborations with administrators on action steps following the AAU survey.

**Penn Alumni Report**

Penn Alumni President Julie Platt noted that on Saturday the Penn Alumni Board of Directors would vote to fill two Alumni Trustee positions for five-year terms beginning January 1, 2016 from the following slate: Dhan Pai W’83 (NY) and Jill Topkis Weiss C’89, WG’93 (CT). Nominations are being accepted for two January 2017 Alumni Trustee openings; the deadline is January 8, 2016.

Alumni Trustees then reviewed the Penn Alumni Interview Program. During the 2015 admissions cycle, Penn alumni interviews of applicants had more than doubled over three years. The program’s goals for the Penn Compact 2020 initiative are to increase the quality of the experience for admissions officers, prospective students, and alumni the world over.

Ms. Platt encouraged everyone to attend Homecoming activities, including The Alumni Award of Merit Gala, and thanked everyone for their support of Penn Alumni.

Mr. Cohen presented the final order of business and the following resolutions with appointments to Penn Medicine, Overseers, and Other Boards, which were approved (full resolution text is appended):

- Resolution to Appoint Tracey P. Specter to the Athletics Board of Overseers.. page 25
- Resolution to Appoint Jeffrey M. Fine and Mark L. Gardner to the Board of Overseers of the School of Design .......................................................... page 26
- Resolution to Appoint Susan J. Weiler and Lise Spiegel Wilks to the Board of Overseers of the Institute of Contemporary Art ...................................... page 27
- Resolution to Reappoint Andrew R. Heyer as Term Member of the Penn Medicine Board .......................................................... page 28
- Resolution to Appoint Randi C. Roy to the Board of Overseers of the School of Nursing.......................................................... page 29
The meeting was adjourned at 12:26 p.m.

Respectfully submitted,

[Signature]

Leslie Laird Kruhly
Vice President and University Secretary