MEMORANDUM

To: Members of University Council

From: Amy Gutmann, President

Date: March 25, 2009

Subject: Report to the University Council

The first hints of spring are a welcome reprieve from a harsh winter. The financial and economic crisis has affected all members of the Penn community. We have reacted with prudence and the confidence that comes from a community united in pursuit of increasing access, integrating knowledge, and engaging locally and globally. By cutting costs and focusing on strategic priorities, we continue to move forward the highest priorities of our Penn Compact.

We are doing our part to mitigate the impact that the crisis is having on our students and their families. Tuition for the coming year will increase by 3.75 percent - the lowest percentage increase in 41 years. Total charges will increase by 3.8 percent. Concurrently, we will be expanding our financial aid budget by $17.6 million, or 15 percent, to $137 million. These increases come on top of the 43 percent increase in our financial aid budget since 2004.

We also remain steadfast in our commitment to increased access for the most talented students, regardless of means. Penn’s bold no-loan initiative will be implemented this fall as planned. Loans will be replaced with grants for all financially eligible students. In addition, students from typical families with incomes less than $90,000 will no longer pay tuition and students from typical families with incomes less than $40,000 will not pay tuition, room or board. Stipends for graduate students will increase by 3 percent, bringing the total increase in base stipends since 2004 to 26 percent for all graduate students and 61 percent for graduate students in the School of Arts and Sciences.

Late last month, Penn was selected to host the inaugural Middle Class Task Force Meeting. Vice President Joseph R. Biden Jr., six cabinet secretaries, Senator Arlen Specter, Senator Robert P. Casey, Governor Edward G. Rendell, Mayor Michael A. Nutter, and state and local elected government officials toured Penn’s facilities at the Left Bank and learned about our efforts to improve sustainability. The visit culminated in two well-attended panel discussions on green jobs: “Green Jobs: What Are They and How Can They Help The Middle Class?” and “Creating Green Opportunity: The Roles of Stakeholders.”

Penn’s selection as the site for the inaugural meeting on green jobs was, of course, an inspired choice. In February 2007, Penn was the first Ivy League institution to sign the American College and University Presidents Climate Commitment. This commitment fortified Penn’s dedication to significantly reducing emissions that contribute to global warming. Since then, we have been addressing these issues through scholarly and educational programs as well as through sustainable design, construction, and operations. As a result, we were one of only fifteen schools to receive an “A-” – the highest mark given – on the Sustainability Endowments Institute’s 2009 Green Report Card.
In terms of efficiency and conservation, we have made significant institutional progress. Penn Design’s T.C. Chan Center recently completed Penn’s carbon footprint analysis and found that Penn meets the Kyoto Protocol, which called for a reduction of greenhouse gas emissions to 1990 levels. To further reduce our emissions, the Division of Facilities and Real Estate Services is partnering with T.C. Chan Center to establish campus-wide carbon reduction targets and implement efficiency and conservation measures on our campus.

In tandem with these institution-wide efforts, we are also working to increase individual environmental stewardship and conservation. Currently, utility usage is both the single largest source of Penn’s carbon footprint and a major cost to the University: $85 million annually. By promoting the importance of everyday conservation actions, we will reduce carbon output and overhead costs – a win/win for the environment and the budget.

Efficiency and conservation are just two aspects of our plan to improve sustainability. Earlier this month, we announced that Penn Park, a beautiful swath of open space and athletic fields, will replace 14 acres of asphalt parking lots once owned by the United States Postal Service. Designed by landscape architects Michael Van Valkenburgh Associates, Penn Park will feature athletic fields, tennis courts, and a multi-level elevated pedestrian walk. The park will be open to the public and the athletic fields will be used for regulation, club and intramural competitions and practices. It is the centerpiece of our acclaimed 30-year master plan, Penn Connects – A Vision for the Future, and it is a bridge between our growing campus and Center City.

I am also pleased to report that Denis F. Kinane will join Penn on July 1 as the next Dean of the School of Dental Medicine. A skilled recruiter of faculty, prodigious researcher, and active clinician, Dr. Kinane brings to the deanship a timely vision of the future of dental education and professional practice. We are confident his leadership will renew and enhance Penn Dental Medicine’s prominence in the profession and throughout the University. Dr. Kinane currently works at the University of Louisville, where he is the Delta Endowed Professor in the Department of Periodontics, Endodontics and Dental Hygiene and Associate Dean for Research and Enterprise in School of Dentistry, and a Professor of Microbiology and Immunology in the School of Medicine.

Our trustees, alumni, parents, and close friends continue to show great confidence in Penn through their support of Making History: The Campaign for Penn. We have raised $2.33 billion, 67% of our goal of $3.5 billion.