A Stated Meeting of the Trustees was held on Friday, 23 October 1981. Those attending included: Paul F. Miller, Jr. (chairman); Sheldon Hackney (president); Mary Ann Meyers (secretary); Thomas Ehrlich (provost); Walter G. Arader; Samuel H. Ballam, Jr.; Julian S. Bers; Gordon S. Bodek; Russell K. Brooks; Earl F. Brown; Richard P. Brown; Howard Butcher III; McBeef Butcher; Henry M. Chance II; Gloria Twine Chisum; G. Morris Dorrance, Jr.; John W. Eckman; Seymour Finkelstein; Michael Gilson; Joseph B. Glossberg; Bruce Graham; H. Samuel Greenawalt; Donald G. Goldstrom; John V. James; Carl Kaysen; Ralph Landau; Leonard A. Lauder; J. Paul Lyet; David Mahoney; Margaret R. Mainwaring; William A. Marquard; Anthony S. Minisi; F. Stanton Moyer; John B. Neff; William D. Patterson; John H. Porter; Ralph S. Saul; Robert Montgomery Scott; Bernard G. Segal; Sara S. Senior; David L. Simms; Robert L. Trescher; Jacqueline Wexler; Morton H. Wilner; Charles S. Wolf; D. Robert Yarnall, Jr.; Alfred Beers; Vicki Bernstein; R. Jean Brownlee; Michael Carroll; Stuart Carroll; Melvin Chisum; Helena Clark; Elizabeth Cooper; Mark Feigan; Karen Gaines; David Goldberg; Sue Goldstrom; William Richard Gordon; Matthew E. Hall; Alan G. Heeger; William Hickey; Arthur Hirsch; Stanley Johnson; Edward Jordan; Annette Kaysen; Andrew Kirtzman; Phoebe Leboy; Marshall Ledger; Robert Lorndale; Steven Ludwig; Lynn Manko; Anthony Marx; Edward McFall; Denise McGregor; William Owen; Mark Patzman; Joyce Randolph; Andrew Robins; Gerald Robinson; Frances Rozinski; Richard Salco; James Spady; Barbara Thomas; and Donald Watnick.

I. Call to Order

Chairman Miller called the meeting to order and an invocation was offered by the Rev. Mr. Johnson, the University chaplain. The minutes of the 19 June 1981 meeting were approved as written by the secretary.

II. Report of the Chairman

A. Mr. Miller introduced the new Recently Graduated Alumni Trustees, Russell K. Brooks and David L. Simms, who were attending their first meeting.

B. He then shared some reflections, inspired by the morning inaugural ceremony, on how far the University has come in the past twenty years. "I realize now," the chairman said, "that when I graduated in 1950, Pennsylvania was not a first-class university in the way that it is today." It lacked residences and resources in terms of a substantial endowment, he observed, adding that he knew of no other private institution which had made so much progress given those disadvantages. "We can be very proud," he continued. "The self we celebrated was created by faculty, students, administrators, trustees, and alumni working together. We didn't pull at cross purposes, and I think now is the time to rededicate ourselves to going on with even more energy than in the past."
RESOLVED, that Bruce Graham be elected a term trustee for five years, effective 23 October 1981.

RESOLVED, that David J. Mahoney be elected a term trustee for five years, effective 23 October 1981.

RESOLVED, that D. Robert Yarnall, Jr. be elected a term trustee for five years, effective 23 October 1981.

III. Report of the President
A. Dr. Hackney made the following address:

Allow me to welcome you as a body on this memorable day. It is altogether fitting, in the midst of this celebration of Penn's past and hope for the future, we should sit down together for a serious consideration of the state and direction of the University. Marking a new beginning with such a celebration requires that we think about where we go from here; how we can live up to our responsibility as historically conscious people to develop a promise and hope for the future out of the achievements and the failures of the past.

First of all, I would like to say that my admiration for our new provost has grown steadily since his arrival this September. It is delightful and rewarding to work with Tom Ehrlich. Out of his years at Harvard and Stanford and his experiences in Washington he has built a vantage point from which he seems to have a particularly clear view of Penn; a vision of the specialness of the place. Tom sets an example for the rest of us on how to integrate one's beliefs with one's professional work. Penn will be a better place for having Tom here as provost.

I would like to offer an especially warm welcome to Ed Jordan, whom I will present today for your approval as the executive vice president of the University. You are all undoubtedly familiar with Ed's distinguished background, for he has been a leader in the world of affairs for some time. Ed brings to Penn knowledge of both the public and private sectors gained from his various positions culminating in that of chairman and chief executive officer at Conrail. He will need the insights he has gained from these experiences to face his tasks here. Penn must become more efficiently and effectively managed in order to increase its commitment to our educational goals. In order to meet these commitments we will need to protect our existing resources while using them more fully and developing new ones. That is quite an agenda—for both the institution and for Ed. If anyone can help us achieve these goals, Ed Jordan can, and I believe he will.

I look forward to introducing a candidate for nomination as the vice president for development in the near future. I am presently very much in the midst of the selection process for this vital position and can report that I am down to a short list of possibilities. I have met with almost all of the top candidates, as have several of my colleagues, and I hope to be able to make a final decision during the next month.

I am proud of the administrative team we are developing here at Penn. More important than pride is my confidence in my colleagues' ability to come to grips with the major tasks ahead. I will need all of the best help I can get.

We are starting to address some of these major tasks in a planning process begun last summer by the provost and me, together with the deans and officers. This process is progressing well—the six working groups have been meeting regularly and we expect that working papers will be published by December. Consultation and discussion within the University community, including several formal and informal committees, will then ensue. I hope to present the concrete positions developed in this process for discussion by the board during the spring semester.

The working group concerned with minority presence, chaired by Professor Girifalco, is looking into our present procedures, considering plans for the future and means of effective implementation of an affirmative action program. This is an area of vital concern to all of us—I couldn't agree more with the sentiment which has been voiced that we have had enough promises, that it is time for action. We are taking action, even while reorganizing our future.

We intend to attract more minority faculty, students, and staff who are of Penn quality. After they arrive, we must encourage them to develop a
commitment to Penn by providing an open and supportive environment. There can be no room for prejudice or intolerance in the University, for we are a community of people who learn from each other and are enriched by diversity. Penn's commitment to affirmative action and to equality of participation for every member of the University regardless of background will make this a better university.

I am proud to say that Penn has already made progress on affirmative action—though I am sure that I will continue to feel that much more is needed. Davida Ramey has taken on her duties as affirmative action director and she will be aided in her efforts by the affirmative action officers in each school and by the committee we are now in the process of forming. Ms. Ramey has been instructed to work with the Personnel Office to initiate an educational program on personnel policies for employees and supervisors. Beyond that we hope to replicate in other parts of the University the sort of sensitivity training now being done by the division of Student Life. We have launched a nationwide search for a DuBois House master who should qualify for a tenured faculty appointment but may fit in any department or school. I believe that the scope of this search is indicative of Penn's commitment to increasing the number of minority faculty here. I am pleased that Professor Houston Baker has agreed to chair the search committee. The provost and the director of affirmative action have met with all the deans to set targets for minority faculty appointments this year. We expect to make significant progress. All of this is just a beginning—we have much still to do.

I am chairing the working group on city relations and have found our meetings to be very productive thus far. Penn has a responsibility to Philadelphia as the largest private employer in the city. The interests and fate of the city and the institution are closely tied. Just as Penn's problems of past years were to some degree linked to those of the city, so a growth of confidence cannot take hold in a vacuum. Both we and the city have our share of problems. The city will need to strengthen its economic base over the next decade and to improve its fiscal situation. The system of public education here is in severe difficulty and now in its 46th day of a strike. The city will have to develop imaginative means of long-range financing or achieve some significant personnel savings, not just a quick fix to get us over to the next crisis. At the same time it must improve the quality of education offered in order to meet the needs of the people.

Penn can help Philadelphia—not by making grandiose promises that can't be fulfilled but rather by developing a working relationship with civic leaders. We must seek to include the best students from our environs in our academic programs. Through the education of future leaders we can provide a long-range benefit for this city. Our faith in the power of education is, after all, the creed of the University. In terms of short-range assistance, we must offer our services as advisers and experts to the city—careful to always consult with our neighbors as to how we can help rather than inflicting our plans on those around us.

We can be proud of the recent development of Penn's outreach to the community. Under the new leadership of Dean Burnett, the College of General Studies is improving its campus program and developing imaginative alternatives. Last month we opened a B.A. program at the Insurance Company of North America, which was designed by Assistant Dean Kathy Pollack, and we are planning to open several more employee-education centers at companies around the city. At Wharton plans are underway to develop a program of management training for civic leaders which will improve city management. Again, this is just a beginning. Both the city relations and the outreach working group, chaired by Dean Carroll, will be formulating guidelines and suggestions for greater cooperation between the city and the University.

Tom Ehrlich is chairing the working group on undergraduate education. Under Tom's leadership I believe that we may finally rise to a point of appreciation for our uniqueness. For Penn already fosters more interdisciplinary work and creative thinking than any of our peers. The talents of our faculty and the structure of our organization make us well suited to imaginative and broad-reaching research. We can use these advantages to do something which none of our peers can pretend to do—to provide professional education which is informed by the ideals of the liberal arts and teach the liberal arts in a manner which is informed by the experiences of the professions. To fulfill this promise of the uniqueness of Penn we will need to foster greater cooperation within the University to offset and build upon our tradition of healthy competition.
Dean Bordogna is chairing our working group on graduate education and Dean Stemmler is leading that on research. These discussions are extremely significant at a time when declining graduate enrollments seem to threaten the vitality of academic programs and research around the country. In order to combat this threat we must stress Penn's special mixture of fields; our ability to meet future needs by a creative blending of disciplines. Universities will have to band together to do battle with the "external threat" to publicly accessible research to which C. Vann Woodward and I referred this morning. Particularly disturbing are some recent applications of restrictions upon "the free flow of information." We must join our fellow universities in a discussion of how to balance the requirements of national security with the broader aim of "national scholarship." Building walls has never been a permanently effective means of protection nor of fostering development.

Having touched briefly upon these major areas of concern—our new officers and the planning process—allow me to add a few words on other particular developments. We are in the process of formulating an athletic policy for the University, which we anticipate circulating in draft form during the next few weeks. We are also beginning to fulfill the longstanding promise of an Inter-Cultural Center on campus. Finally, we are currently involved in a serious effort to solicit the release of Leonid Brailovsky from the Soviet Union so that this son of a leading dissident can take his place in our freshman class. I have written to President Reagan, Secretary Haig, and the Soviet Embassy in this regard, as well as to our Pennsylvania senators. We are also in contact with several international organizations, our delegation to the Madrid Conference on the Helsinke Accords, and those who are negotiating grain purchases. Any assistance which any of you can offer in this regard would be greatly appreciated. Our commitment must demonstrate that higher education embodies and expresses human values which go beyond national politics.

B. Action: A Resolution on the Appointment of Edward G. Jordan as Executive Vice President was approved as follows:

RESOLVED, that Edward G. Jordan be appointed Executive Vice President of the University of Pennsylvania, effective 15 November 1981.

C. Dr. Hickey reported that the uncertainty characteristic of the early stages of the annual process of budget formulation was particularly pronounced this year. Student financial aid and research are both affected by a shifting federal fiscal policy, he observed, and the Congressional response to the President's request for further cuts in these areas of expenditures is going to be an important factor in Pennsylvania's financial picture for FY'83. Dr. Hickey went on to note that Governor Thornburgh has proposed a one percent reduction in all state appropriation for this year. If passed, it would mean a $220,000 loss in the revenue the University is expecting in FY'82.

D. Action: A Resolution on the Appointment of R. Jean Brownlee as Dean Emeritus was approved as follows:

RESOLVED, that R. Jean Brownlee, in recognition of her many contributions to the University as an administrator, faculty member, and good citizen and because of the esteem in which she is held by the University community, be appointed Dean Emeritus, effective 23 October 1981.

E. Action: A Resolution on the Appointment of Richard K. Murray as Administrator of HUP Benefit Plans was approved as follows:

Intention:

Gerald Robinson, the University's Executive Director of Personnel Relations, has asked to be relieved as Plan Administrator of the Hospital of the University of Pennsylvania's employee benefit plans; therefore, the Trustees of the Hospital of the University of Pennsylvania have recommended the appointment of Richard K. Murray, Associate Administrator of Human
RESOLVED, that Richard K. Murray be appointed Plan Administrator of the Hospital of the University of Pennsylvania's employee benefit plans.

P. Action: A Resolution on the HUP Retirement Plan was approved as follows:

Intention:

Certain changes, already in place in the University of Pennsylvania's Retirement Allowance Plan, need to be reflected in the Hospital of the University of Pennsylvania's Plan. The most significant of these changes is to change the basis upon which the normal retirement benefit is calculated from an average of the last ten years of annual earnings to an average of the most highly paid five years of annual earnings. The other significant change is to allow a small group of lower paid employees who may have been disadvantaged by continuing their employment with the Hospital of the University of Pennsylvania after they reached normal retirement age on or before 30 June 1978, but who actually retired after 30 June 1980. They would be entitled, under the amended Plan, to the higher of the pre-30 June 1978 formula or that formula contained in the Plan at the actual time of their retirement. The Plan's actuaries have determined that these changes would result in a cost to the Hospital of under $150,000 annually.

These changes make it desirable to restate the Plan in its entirety for convenience of reference. The Trustee Board of the Hospital of the University of Pennsylvania has approved these changes and the restatement of the Plan, and recommends them to the Trustees of the University of Pennsylvania.

RESOLVED, that, with an effective date of 1 July 1980, the Plan is hereby amended and restated to read as follows: The Trustees of the University of Pennsylvania adopt in its entirety the Retirement Allowance Plan of the Hospital of the University of Pennsylvania as amended and restated, effective 1 July 1980.

G. Academic Update

1. Provost Ehrlich introduced his academic report by thanking the Trustees for asking him to take on an "extraordinary job" which he has found an "exhilarating experience." He said that a part of his task was to listen carefully to their comments, concerns, and questions on matters of academic policy. He urged them to give him the benefit of their counsel early and often.

Academic planning, the provost continued, is a matter foremost in his mind and close to his heart, and he said that, with the president, he was involved in organizing a planning process designed to enable the central administration to present various options to the faculty, the students, and, ultimately, the trustees. At the same time, he continued, the Academic Planning and Budget Committee, a group composed of faculty and students, will be turning their attention to the six clusters of issues outlined earlier by Dr. Hackney. Of immediate concern, Mr. Ehrlich noted, are three in the area of finance which are related to academic policy, namely financial aid, compensation, and tuition.

"Teaching and research are, of course, our prime responsibility," the provost said, "and important efforts are underway in both areas." He cited steps taken to implement recommendations of the Task Force on the Quality of Teaching and a new focus on expanding the interaction between the University and industry in terms of research.

Turning to the searches currently underway at Pennsylvania, he noted that the "most important commodity in any institution is leadership."
Committees of faculty, students, and alumni are seeking an associate provost, a vice provost for research, a dean of the Law School, and a director of the Museum. Dean Carroll of the Wharton School has agreed to remain in his position an additional year, but Mr. Ehrlich said that a search for his successor will begin in the spring.

2. In bringing a Resolution on Appointment, Promotions, and Leaves to the Trustees, the provost commented that Gabor T. Herman, who was being proposed for tenure as a professor of radiologic science in the School of Medicine, has made a fundamental contribution to mathematics through his work in image reconstruction.

Action: The resolution, which covered the period from 7 August to 11 September 1981, was approved as found on pages 1 through 11 of the Meeting Book.

IV. Reports of Trustee Committees
A. Committee of Academic Policy
Dr. Kaysen reported that the Academic Policy Committee had held a very stimulating discussion with the provost on the process of academic planning. He called particular attention to a dialogue related to the respective dangers of overmanagement by the central administration, on the one hand, and undermanagement on the other. It was recognized, the chairman said, that both second guessing faculty judgments and failing to ask questions about balance pose perils.

B. Committee on Audit
Mr. Chance reported that the audit for FY'81 had been received and that Coopers & Lybrand had rendered an unqualified certificate. He said the Audit Committee had discussed the auditor's letter to the comptroller and that an administrative response would be available in January. For the first time in his memory, the chairman concluded, the University's Internal audit committee was fully staffed.

C. Committee on Budget and Finance
Mr. Eckman reported that the Budget and Finance Committee had reviewed the University's Financial Report for FY'81. Noting that the operating budget had exceeded $500 million for the first time in history, he said that the modest surplus with which Pennsylvania had ended the year suggested a "precarious balance." The chairman went on to observe that a year ago considerable progress had been made toward adoption of sounder financial principles. He called particular attention to the spending rule which calls for reinvestment of some of the earnings from endowment.

"This fiscal year," Mr. Eckman said, "our budget is $578 million." He pointed out that it had been increasing at a compound annual growth rate of 15.1 percent, almost doubling in the past five years. "Right now we're tracking quite well," he continued. "We know of no major events that will throw the budget seriously out of balance." The chairman noted, however, that for the
first time the University was applying roll-forward funds from the Federal government to current operations. He then pointed out that later this year and on into next year, the University could expect to experience some cash-flow problems related to the need to pay for the reconstruction of Dietrich Hall. "We're exploring a number of initiatives we might take in an effort to solve those problems," the chairman said, "but they're going to require some borrowing."

D. External Affairs
Mrs. Wexler noted that members of the External Affairs Committee had been concerned for some time about the University's ability to project a clear and consistent image while attending to and respecting academic freedom. Their initial report of progress in this area, came, she said, from Ann Duffield, director of the Publications Office. The chairman observed that Ms. Duffield had given an account of a concerted attempt to coordinate publications of the various schools. As a kind of jobber, with printing services for sale, the power of the Publications Office is only the power of persuasion, Mrs. Wexler said. She went on to note, however, that committee members had been most encouraged by what Ms. Duffield had to say about her success to date.

E. Committee on Facilities and Campus Planning
Mr. Arader reported that Facilities and Campus Planning had heard a report about the composition and function of the new Real Estate Council. It is headed by Thomas W. Langfitt, the vice president for health affairs who serves as acting vice president for finance, and the chairman noted that with the creation of the council, "a great deal of objectivity and direction" are being brought to real estate matters. He said the committee had been introduced to Ken Sweet whose firm has been retained as a real estate consultant to the University. It then heard an update on the Lit Brothers situation, the ice hockey rink, various undeveloped sites within the campus area which are owned by the Philadelphia Development Authority, and the plans being formulated for use of the site of the Philadelphia General Hospital, which is also owned by the city.

F. Nominating Committee
Mr. Dorrance reported that the Nominating Committee, which was appointed last June, was dedicated to the long-run task of finding new trustees who meet a criteria of excellence and provide a necessary balance to the board. He asked the present trustees to think about the committee's responsibility and to counsel with and advise it.

G. Committee on Resources
Reporting for Reginald Jones, Mr. Lyet told the trustees that gifts and subscriptions for the current fiscal year totaled almost $10.9 million as of 15 October. "Our goal for this year is $51 million," he said, "and that goal must be reached if the level of private giving to the University is to keep pace with inflation." He noted that the Resources Committee feels the goal is reachable, especially if we are successful in our program to increase
amounts received in major gifts from individuals. In connection with this
effort, he continued, members of the Development Office staff will be calling
on each trustee in the coming months to ask for advice and assistance in
identifying candidates for an elite corps of volunteer solicitors. "The
Committee urges your fullest cooperation," he said, "It also endorses
continued emphasis on Trustee leadership in promoting productive
relationships with corporate donors, and an expansion of the existing Major
Gifts Committee."

Mr. Lyet went on to report that cash flow from commitment to the Program
for the Eighties has reached a total of $199 million, and continues to run
about 8 percent ahead of projections made at the outset of the campaign. "I
think the Trustees can feel confident that the development activities are
moving forward with considerable vigor and competence under Bill Owen's
direction," he said in closing.

H. Committee on Student Life
Mrs. Mainwaring said that members of the Student Life Committee had been
presented with a written report on campus residences. She noted that
because the management of residences, the maintenance of them, programs
in them, and budgets for them were centrally located in the Office of the
Vice Provost for University Life, the entire system was being addressed as a
whole. During a presentation to the committee by staff and students, the
chairman noted that stress was placed upon the importance of creating and
maintaining a living/learning environment wherein a rich residential life was
as important to student development as classroom experience.

Implementation of this philosophy has been difficult, Mrs. Mainwaring
continued, because of the twin handicaps of lack of space and lack of funds.
She described an attractive and diversified residential program as a necessity
for giving Pennsylvania a competitive edge in recruiting independent of the
popularity of particular academic programs. "But costs have so escalated
during the past five years," the chairman went on, "that maintenance is way
behind." She said that revenue from increased rents (now the highest in the
Ivy League) has been put into utilities. Securing more funds through
increased rentals is impossible because residences are usually fully occupied.
Furthermore, Mrs. Mainwaring said, because 65 percent of the facilities were
built at the same time, they are depreciating at the same rate.

She concluded her report by noting that both the Student Life staff and
faculty liaisons to the committee had expressed concern over an apparent
increase in student stress at both the undergraduate and graduate level.
Security remains a problem, she said, then ended "on a cheerful note" by
observing that the 21 fraternity houses owned by the University now meet fire
and safety codes.
I. University Responsibility

Reporting for Mr. Brown, Mr. Miller said the University Responsibility Committee was in the process of examining University policy regarding investments in firms doing business in South Africa.

J. Investment Board

Mr. Neff reported that the portion of the portfolio invested in equities had dropped from 60 percent at the end of June to 55 percent early in the fall as the result both of the receipt of new money and of the tender for Conoco holdings. It is now up to 69 percent following the investment since July of about $24 million in common stocks.

The chairman went on to say that because the Investment Board had been "somewhat apprehensive about the outlook for corporate profits, the bulk of the AIF's common stocks have been somewhat conservative, right of center, high-yield, low multiple with an interest-sensitive, non-durable, less cyclical bias." He said that in June 55 percent of the equities had been in banks, utilities, insurance, food, apparel, retail, and even energy including Exxon and Royal Dutch. "With better market opportunities recently," he continued, "most of the $24 million went into other areas, 33 percent into electronic data processing office equipment (IBM, Xerox, NCR, Sperry, and Pitney Bowes), another 33 percent in aluminums, chemicals, and paper, and the remainder in other areas."

The fund's income continues to grow "rather well," Mr. Neff reported. Actual investment income on a per-share basis increased from $13.07 on 31 December 1979 to $15.38 on 31 December 1980 to $16.67 on 30 June 1981 to $18.51 on 19 October 1981. But the chairman went on to say that while income growth was not going to come to a "screeching halt," it "was not going to grow as aggressively in the future because it has consumed its liquidity." As of mid-October, he pointed out, the AIF was fully invested with essentially no cash or cash equivalents. "But we do have more common stocks," he said, "and to the degree that they have built-in growth from increasing dividends that will buttress our case."

The chairman then observed that in total-return performance the AIF had measured up rather well relatively without "bedazzling anyone absolutely. It's been a bit of a tough track," he said, "particularly in the bond market, and even the equity market hasn't been pleasant." Since year-end '79 the AIF unit value compares favorably with the Solomon Brothers Corporate Bond Index and the Standard & Poor 500 Stock Average. Mr. Neff pointed out that as of 31 December 1980, AIF common stocks were up 7.9 percent compared with an S & P down 8.7 percent for a 16+ point differential. Turning to what he described as a "virtually insane" bond market, he observed that at year end, the AIF bonds were down 0.4 percent while the bond index had dropped 8 percent. Overall, he concluded, the relative results are both "gratifying and encouraging, but the absolute accomplishment is not really attention getting. Still, in the Investment Board's humble opinion, we'll have a better wind to our backs in the future."
Mr. Miller commented that the AIF had "performed incredibly in a down stock market." He said Mr. Neff was devoting "tremendous attention" to the fund, adding the University was very indebted to him.

K. Trustee Board of the Hospital of the University of Pennsylvania

Mr. Ballam reported that the HUP Board had met three times since the June meeting of the Trustees. He went on to note that total operating revenues received by the hospital in FY'81 amounted to $128 million. When operating expenses were subtracted from this figure, income from operations for FY'81 totaled some $670,000. In addition the chairman said, HUP had $3.6 million in gifts and endowment income last year for a total excess of revenue over expenses of $4.2 million. For the two-month period ending 31 August 1981, he went on, the excess of revenue over expenses amounted to $1.1 million. The total HUP budget for FY'82 is $150 million or 25 percent of the total University budget. Returning to FY'81, Mr. Ballam said there had been 24,000 admissions and 224,000 patient days. Total HUP assets are $102 million plus an endowment of $8 million.

The chairman then observed that an analysis had been made of the hospital budget in conjunction with cuts or proposed cuts in Federal spending. "They will have some impact," he said, "and we're trying to take steps to reduce that impact on our patients."

Mr. Ballam noted that HUP was well into Phase III, a $20 million component of its construction program. Nine areas of the hospital are under renovation. Among these is a Short Procedures Unit which he said the board had toured on 22 October. The new facility will open on 9 November. The chairman told the Trustees that HUP was prepared to file a certificate of need for Phase IV and would bring it before them sometime in 1982.

He then reported that:
- a member of the Board of Women Visitors had bequeathed $500,000 to the hospital;
- a search for a director of nursing was underway;
- a search for a new associate administrator for personnel and human resources had been completed;
and
- a Conflict of Interest Policy for the HUP Board had been drawn up to conform to the laws of the State of Pennsylvania and the University's policy.

L. General Alumni Society

Mrs. Senior reported that the first major meeting of the newly-organized Black Alumni Society would take place during Homecoming Weekend. The group has "an extensive program," she said, and observed that the BAS had been established after great thought and with great care and attention to detail. "I think its formation marks the beginning of a very happy association for a lot of people who are not now active participants in our alumni activities," the GAS president said.
Turning to the next day's meeting of the General Alumni Society Board, she noted that members would welcome representatives of three new constituencies. She predicted that a number of other additions would soon follow in accord with the recommendations of the Alumni Task Force Report for improving coordination of and communication about various broad-ranging alumni activities. "In this regard," she continued, "the Alumni Relations Office has produced a master calendar of University and alumni for which many alumni representatives have expressed appreciation."

Mrs. Senior then announced that the General Alumni Society was looking forward to entertaining in the E. Craig Sweeten Alumni Center on Alumni Weekend. She said money which has been raised for the center would not only pay for renovations of the Delta House but provide a small endowment for maintenance of the building and its furnishings.

She went on to note that the Society was having considerable success in attracting contributions for the Pennsylvania Gazette. Pointing out that Stuart H. Carroll had been named executive vice president of the GAS, she concluded that "it's very helpful to have someone devoted to fund raising full time."

V. Reports of Board of Overseers
A. Mr. Landau requested and received time to comment on the Report of the Board of Overseers of the School of Engineering which had been previously mailed to the trustees. He said that in the course of preparing the report, the overseers had reached the conclusion that the budget and planning process used by the University in the past was not particularly well adapted to addressing the specific problems faced by individual schools in defining a five-year program. The report, the chairman of the Engineering Overseers pointed out, recommended an incremental series of studies designed to help the Engineering School select from among four scenarios for stages of development. He mentioned that his firm, the Halcon S.D. Group, Inc., had donated the services of its assistant treasurer to assist the School in conducting this incremental analysis, and he promised a further report in January.

B. As chairman of the Board of Overseers of the School of Nursing, Mrs. Mainwaring gave the first part of a two-part report which will be concluded at the June meeting. It dealt with quantitative and qualitative aspects of the School while the later one will contain the board's evaluation of the School and a long-range plan for its further development.

The chairman said:
- At the Undergraduate level the School of Nursing has 260 students working towards the BS degree, of whom 15 percent are part-time;
- At the Graduate level there are 350 students working towards the master's degree of whom one-half are part-time. More than 40 percent of these students are in two of the 12 possible areas of concentration, namely adult health and illness and mental health;
At the doctor of nursing science level there are 44 students, including 17 at dissertation level, so that the first degrees will be granted shortly:

All students meet the same requirements for admission as other University applicants, Mrs. Mainwaring said, noting that the quality has been improving, especially since a new recruitment program has increased the number of applicants, allowing for more selectivity than in the past. She went on to observe that since nursing is historically and currently a woman's profession, the vast majority of the School's students are women. At the undergraduate level, she pointed out, there are 24 minority students. More than 10 percent of the undergraduate body are transfer students, and just under 10 percent of them are working toward second degrees.

The chairman reported that nursing students are fully integrated in campus housing, activities, and academic work except for professional courses. She said they represent 26 states and three foreign countries. The vast majority are from Pennsylvania. A thriving Center for Continuing Education, she went on, conducted 47 programs for 2,782 participants last year. The School's faculty consists of 49 full-time professors, including 14 who have tenure. There are 28 part-time faculty members.

Mrs. Mainwaring then observed that when Dean Claire Fagin came four years ago, she was charged with taking "a sound, fine school to a national leadership position, and she has done that." The dean has been recognized by appointments to the Institute of Medicine of the National Academy of Science, the National Board of Medical Examiners, and the Department of Health and Human Services' Task Force on Competition in Health Care. The entire faculty, the chairman further noted, has "professional honors, memberships, publications, and presentations that are truly impressive. It is a faculty of stars and starlets well on their way to national prominence," she said, and it has "a remarkably high esprit de corps." The chairman pointed out that the School's academic program received the highest stamp of approval last year when the National League for Nursing granted the School an eight-year accreditation. It is, she said, the maximum possible, and is granted to few. "Among our four health schools on this campus," Mrs. Mainwaring continued, "nursing differs dramatically in that it is the only one offering a professional undergraduate degree."

Turning to the School's finances, she said that this year its budget totals $6 million. Some $3.5 million of that is unrestricted, and 81 percent is supported by tuition. The $2.5 million in restricted funds includes about half Federal contracts and grants and half foundation support. Several of the foundations, she said, are giving the School money for the first time. "There is no deficit," Mrs. Mainwaring continued, "but there is also no endowment."

She said that a recent poll of graduates who took degrees between 1975 and 1978 showed 81 percent of those with a B.S.N. working in their profession, some 14 percent engaged in graduate study, and 5 percent inactive. Of the Master's degree holders, 92 percent are working in their professions and 12 percent are working toward a doctoral degree. It is a "significant finding," the chairman observed, that "in this day of apparent nursing shortage, our School is contributing on all levels of the nursing profession."
C. Mr. Miller then introduced three resolutions on additions to boards of overseers.

1. **Action:** A Resolution on Appointment to the Board of Overseers of the Faculty of Arts and Sciences was approved as follows:

   RESOLVED, that John W. Eckman be appointed to the Board of Overseers of the Faculty of Arts and Sciences for a three-year term, beginning 1 November 1981.

2. **Action:** A Resolution on Appointment to the Board of Overseers of the Graduate School of Fine Arts was approved as follows:

   RESOLVED, that Jean Sutherland Boggs be appointed to the Board of Overseers of the Graduate School of Fine Arts for a period of three years, beginning 1 November 1981.

3. **Action:** A Resolution on Appointments to the School of Veterinary Medicine was approved as follows:

   RESOLVED, that Keith Eckel and Gwynne McDevitt be appointed to the Board of Overseers of the School of Veterinary Medicine for a term of three years beginning 23 October 1981.

4. **Action:** A Resolution on the Appointment to the Board of Overseers of the Wharton School was approved as follows:

   RESOLVED, that Barbara S. Thomas be appointed to the Board of Overseers of the Wharton School for a period of three years, beginning 23 October 1981.

V. Finally, Mr. Wolf suggested resolutions of thanks and appreciation to participants in the inaugural ceremony:

5. **Action:** A Resolution of appreciation was approved as follows:

   The Trustees of the University of Pennsylvania express their deepest appreciation to the Inaugural Committee, most especially to Eugene Narmour, to Ted Nash, and to C. Vann Woodward for their invaluable contribution to Sheldon Hackney's inauguration.

Adjourned.

Respectfully submitted,

Mary Ann Meyers
Secretary of the University