A Stated Meeting of the Trustees was held on Friday, 18 June 1982. Those attending included: Paul F. Miller, Jr. (chairman); Sheldon Hackney (president); Edward G. Jordan (executive vice president); Mary Ann Meyers (secretary); Thomas Ehrlich (provost); Walter G. Arader; Samuel H. Ballam, Jr.; Julian S. Berson; Gordon S. Bodek; Russell Brook; Richard P. Brown, Jr.; Howard Butcher III; McBee Butcher; Susan Catherwood; Henry M. Chance II; Gloria Twine Chisum; Charles D. Dickey, Jr.; G. Morris Dorrance, Jr.; John W. Eckman; Seymour Finkelstein; Michael E. Gilson; Joseph B. Glossberg; Donald C. Goldstrom; Bruce Graham; H. Samuel Greenawalt; F. Otto Haas; A. Leon Higginbotham, Jr.; John V. James; Reginald H. Jones; Robert P. Levy; J. Paul Lyet; David Mahoney; Margaret R. Mainwaring; William A. Marquand; Anthony S. Minissi; F. Stanton Moyer; John B. Neff; William D. Patterson; John H. Porter; Robert Montgomery Scott; Sara S. Senior; David L. Simms; Robert L. Trescher; Jacqueline Wexler; Charles S. Wolf; D. Robert Yarnall; Joseph Bordogna; Stuart Carroll; Richard Carter; Richard Clelland; Elizabeth Cooper; Eleanor Cox; Robin Davis; Helen Davies; Anne Duffield; Karen Gaines; Howard Genzler; Lucy Giragosian; William R. Gordon; Joseph Grum; Matthew Hall; William Hickey; Arthur Hirsch; Stanley Johnson; Phoebe Leboy; Scott Lederman; Marshall Ledger; Robert Lomdare; Steven Ludwig; Lynn Manko; Anthony Marx; Laurence Masuoka; Edward McFall; Denise McGregor; Paul Steven Miller; Mary Nichols; Marion Oliver; William Owen; Davida Ramey; W. Allyn Ricket; Frances Rozinski; Stewart Schoder; Edward Szczepkowski; Robert Shepard; Janis Somerville; Willis Stetson; Aubine Teamer; Ross Webber; Robert Wojtowicz; and Victor Wolski.

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 22 January 1982 meeting were approved as written by the secretary.

II. Report of the Chairman

A. Mr. Miller observed that the trustees’ walk from the Faculty Club to the Council Room had been more pleasant than in January. Then in reference to the demonstration for divestment in which some students had engaged during the last stated meeting, he made the following remarks:

The complex relationships among members of the University community, like all relationships, involve a web of mutual rights and obligations. One of the places where they are set forth is in the Guidelines On Open Expression, which were first promulgated in 1969 and revised four years ago. The Guidelines make clear that "the University of Pennsylvania, as a community of scholars, affirms, supports, and cherishes the concepts of freedom of thought, inquiry, speech, and lawful assembly. The freedom to experiment, to present and to examine alternative data and theories; the freedom to hear, express, and to debate various views; and the freedom to voice criticism of existing practices and values are fundamental rights which must be upheld and practiced by the University in a free society." The Guidelines go on to say that "recognizing that the educational
processes can include meetings, demonstrations, and other forms of collective expression, the University affirms the right of individuals and groups to assemble and to demonstrate on campus and, at the same time, it also affirms "the right of others to pursue their normal activities within the University and to be protected from physical injury or property damage."

Having spoken to rights which members of the community enjoy, the Guidelines address their obligations. The section on meetings and demonstrations notes that they "should be conducted in a manner that keeps within reasonable bounds any interference with or disturbance of the activities of other persons." The Guidelines state specifically that "noise level is not of itself a sufficient ground for making a demonstration improper, but may possibly, in particular circumstances, interfere and disrupt the activities of others in an impermissible way." It is my considered opinion that the noise level, resulting from students pounding on the walls of this room, interfered with the activities of the Trustees in an impermissible way last January. My view is apparently shared by the University Council Committee on Open Expression, whose chairman attended the last Trustees' meeting at the administration's request. After considering of the behavior of the demonstrators, the Committee reported to the president and provost its opinion that the guidelines had been violated, but, in lieu of issuing a statement, urged them to reiterate the guidelines at the start of the academic year.

I have chosen to reiterate them now. And I promise you that I have no intention of allowing a meeting of the Trustees to be similarly interfered with again. I have profound respect for the disinterested concern of those University students who called for divestment. Their attempt, or the attempt of any member of the community, to shape University policy on investments, or anything else, is entirely appropriate. But the rudeness of those who beat on the walls and the petulance of those who walked out of this room hurling epithets at the chair was deeply disappointing. I chose to ignore it in January, and I intend to forget it from this moment on. There is not the least question in my mind that, in general, the behavior of Penn students, no less than their academic accomplishment, merits our pride. My wish for my young friends is that their passion will always warm their intelligence and their intelligence will always illuminate their passion; and I hope that all will come to understand what most surely knows: commitment and courtesy are not mutually exclusive.

B. **Action:** The chairman introduced a Resolution of Appreciation to Robert L. Trescher, Esq. which was approved as follows:

A graduate of the Wharton School in 1936 and of the Law School in 1937, Robert Lincoln Trescher has been a trustee for twenty-three years, beginning as a term trustee in 1959 and becoming a life trustee ten years later. Enthusiastic involvement has been his hallmark. For the past twenty years he has been on the Executive Committee, serving at various times during this period as chairman of the Student Life Committee and as chairman of the University Responsibility Committee. He has been vice chairman of the Trustees since 1979. A member of the Law Board and then the Law School's board of Overseers since 1956, chairman of the Law Board, president of the Law Alumni Association, and chairman of the Law School's Development Campaign which inspired and funded the construction of most of the school's present buildings, he also served on the Board of Overseers of the School of Social Work for six years and has been a member of the Joint Committee of the Trustees of the Annenberg School of Communications and the University of Pennsylvania since 1972. As chairman of the Board of Managers of the University Museum and continuing as chairman on its Board of Overseers, he guided the Museum's transition to a more fitting mode of governance. In recognition of this latest exemplary service, his fellow overseers have asked the Trustees to designate their first chairman as chairman emeritus.

Beyond the borders of the campus, Mr. Trescher has had a distinguished career as chairman and senior partner of Montgomery, McCracken, Walker and Rhoads. He has similarly assumed important responsibilities in the broader work of the legal profession. He has been chancellor of the Philadelphia Bar Association, a fellow of the American Bar Foundation, a
fellow of the American College of Trial Lawyers, vice chairman of the
American Bar Association's Commission on Standards of Judicial
Administration, and chairman of the Bar Association's Committee on the
Federal Judiciary, which advises the President and Senate in the selection
of all federal judges.

A superb citizen throughout his life, he was president of his class during
his undergraduate years, rowed on the lightweight crew, aptly enough was
a cheerleader, and won the Spoon Award. At the Law School he was class
president and a member of the Law Review and the Order of the Coif.
During World War II he was a lieutenant commander in the United States
Navy. His tact and understanding made him a significant force in the
settlement of a major sit-in in College Hall during the sixties. He was
recognized by his fellow alumni with an Alumni Award of Merit in 1959,
by the Law School with a Distinguished Service Award in 1979, and by the
Trustees and the University with an honorary Doctor of Laws degree this
past May.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf
of themselves, the students, the faculty, the administration, and the
alumni of the University express to Robert Lincoln Trescher their deep
gratitude and admiration for his service and designate him trustee
emeritus and chairman emeritus of the Board of Overseers of the
University Museum, effective 18 June 1982.

C. As chairman of the Nominating Committee, Mr. Dorrance then presented
three resolutions. At Mr. Miller's request, Mr. Trescher took the chair and
called for a vote.

1. Action. A Resolution on the Election of Paul F. Miller, Jr. as
Chairman of the Trustees was approved as follows:

RESOLVED, that Paul F. Miller, Jr. be elected chairman of the Trustees
of the University of Pennsylvania for a one-year term, effective 1 July
1982.

Lyet as Vice Chairmen of the Trustees was approved as follows:

RESOLVED, that John W. Eckman and J. Paul Lyet be elected to serve as
vice chairmen of the Trustees of the University of Pennsylvania for one-
year terms, effective 1 July 1982.

3. Action. A Resolution on the Election of Leonore Annenberg and Susan
Williams Catherwood was approved as follows:

RESOLVED, that Leonore Annenberg and Susan Williams Catherwood be
elected term trustees for five years, effective 19 June 1982.

D. Action. Resuming the chair, Mr. Miller asked for and received approval
for a Resolution on the Election of the Executive Committee.

RESOLVED, that the following Trustees be elected to serve on the
Executive Committee during the academic year 1982-83: Walter G.
Arader, Samuel H. Ballam, Jr., Richard Brown, Jr., Gloria Twine Clusum,
Charles D. Dickey, Jr., G. Morris Dorrance, Jr., Reginald H. Jones, Carl
Kaysen, Margaret R. Mainwaring, John B. Neff, Sara S. Senior, and
Jacqueline B. Wexler.

He noted that the chairman and vice chairman of the Trustees serve as
members of and as chairman and vice chairman of the Executive Committee
by virtue of their office under Article 5.3 of the Statutes.

E. Action. A Resolution of Appreciation to William Richard Gordon was
approved as follows:
William Richard Gordon has been a member of the University family for half a century. He entered the Wharton School in 1932, and upon graduation in 1936 joined the staff of the Treasurer's Office as the investment statistician. Developing an unusual acumen in financial affairs and an ease in working with the world of finance, he served as assistant treasurer from 1942 to 1955 and was treasurer of the University from 1955 to 1975. He was also treasurer of University Hospital, Graduate Hospital, and the Class of 1936 and imparted his skills to students as an instructor in the Wharton School from 1937 to 1957. He is regarded as a principal architect of the Associated Investments Fund in which most of the University's endowment funds are pooled. In 1975 he became president of the Franklin Investment Company, the University subsidiary that manages the Associated Investments Fund, and concurrently secretary of the Trustees' Investment Board. He is also Trustee for the Moore School of Electrical Engineering and Secretary of that Board.

He was on leave from the University during World War II as drill master of the 2nd Regiment, U.S. Coast Artillery, and again during the Korean War as a captain on the General Staff Corps in the Pentagon. With his impressive knowledge of American history and its accoutrements, he is curator of arms and a director of the Valley Forge Historical Society Museum, is treasurer of the Historical Society of Pennsylvania, and has been a commissioner of Valley Forge State Park. With his keen sense of tradition, he presented to the University its first ceremonial mace in 1955, as a memorial to his father, William M. Gordon, a 1910 graduate of the School of Medicine. A loyal Scot, he has relished the haggis and skirl of the pipes at St. Andrew's Society dinners. The General Alumni Society recognized the achievements of their fellow alumnus by presenting him with an Alumni Award of Merit this year.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves, the students, the faculty, the alumni, and the administration of the University, express to William Richard Gordon their thanks for his great and gladly given service to the University.

F. Finally, Mr. Miller noted that Mr. Brooks was completing his one-year term as a recently graduated alumni trustee. He thanked him for his service.

III. Report of the President

A. Dr. Hackney observed that during the 1981-82 academic year the University had accomplished its mission. "We ought to remind ourselves," he said, "that that mission is education, research, and the creation of new knowledge. It has been achieved," he went on, "in a university that is progressively more at peace with itself, and although we experienced several internal conflicts during the course of the year, we emerged from them with a greater sense of confidence in ourselves and an ability, as a community, to reach fair and reasonable conclusions on very tough issues." The president said he would continue to try to shape an administration that "is, in fact and in perception, fair, responsive, sensitive to individual needs, open to advice and counsel from all members of our community, capable of making hard decisions but only after thorough consultation, and, above all, eager to achieve high standards of excellence whenever we have the opportunity to do so."

Dr. Hackney then noted that his administration boasted a number of newcomers who were beginning to function together. "It is an administration in the act of becoming; we are on our way," he said, though he noted with sadness the imminent departure of Vice Provost for University Life Janis Somerville. Describing her as a "remarkable administrator," he said...
University Life was much better able to carry out its assigned mission because she had been there.

Turning to the problems he believes the University will face over the next 10 years, the president mentioned:

—the adverse economic environment which is characterized by slow growth and high interest rates, making it difficult for students to pay ever higher tuition and for the University to attract gifts and other forms of support;
—the precipitous decline in high school seniors after 1985 which will make it difficult to attract applicants of the quality to which the University has grown accustomed, especially from areas from which it has traditionally drawn students;
—the threatened revolution in federal policy, particularly in relation to support for scientific and other research and to student aid programs, together with the financial position of the Commonwealth which will make the kind of government support to which the University has grown accustomed increasingly difficult to come by.

This "triple whammy," Dr. Hackney said, poses extraordinary challenges, but he cautioned against a response which relies on the techniques of the 1970s. Higher education survived the decade much better than many people anticipated, he observed, but it did so by consuming its own capital in various ways. "Most significantly," he said, faculty salaries declined in real dollars during the decade after a period of 15 years in which academic compensation had increased, making it possible for universities to attract people of the highest intellectual quality. Calling the situation one which Pennsylvania could not tolerate for long, the president noted that one consequence of it which had already made an appearance nationally was the so-called "salary gap problem." In every discipline in which there is a source of employment in the private sector, he pointed out, the difference between what a person can earn in the academy and in a corporation or, sometimes, even in government is growing, and universities are going to have to devise ways of preventing a talent flow.

As another example of capital consumption, Dr. Hackney mentioned:

—a library whose pace of acquisition is failing to keep up with the creation of new knowledge;
—deferred maintenance of buildings;
—vintage laboratory equipment, twice the age of that in the private sector, which is adversely affecting the ability of University scientists to compete for funds.

Arising from this basic situation, the president continued, is a problem which goes by the name of the "lost generation of scholars." Because of the dearth of academic jobs, there has been a marked decrease in the production of Ph.D.s since 1975, and enrollment in liberal arts programs has been slowly decreasing. As a result, it is going to be "very difficult in some fields to maintain the critical mass of students needed to keep the juices flowing," Dr. Hackney said. "It is essential to have an influx of new talent, new ideas, scholars of different background and different training asking different questions," he observed, but the problem is how does a university do that in departments where a preponderance of middle-aged scholars precludes the
The president noted the opportunity of making new appointments over the next 10 years. One answer, he said, has been provided by the Pew Memorial Trust. "Yesterday," he said, "Penn learned that the foundation had granted it $4 million to enhance faculty development in the arts and sciences." Describing the gift as the largest the University has ever received for the direct support of arts and sciences faculty and the first made by Pew for such a purpose, Dr. Hackney said it would allow Penn, over the next seven years, to make replacement appointments prior to the time at which retirements naturally occur, thereby smoothing out the flow of new scholars into the community.

In addition, he noted, the grant will give the University the flexibility to make occasional appointments of outside scholars to departments whose quality is important to its central core.

The president then went on to enumerate several other problems. "As high technology knowledge gets to be more commercially important," he said, "we are going to have to devise a way to protect the integrity of the University and still get along with outside funders." He mentioned, in particular, the likelihood that the federal government would want to control and limit the access of foreign economies to new knowledge being created in the United States. Such problems, arising from new relationships between universities, the government, and business, will be discussed in a conference hosted by Penn and seven other universities next December.

Dr. Hackney also noted that the morale of the professoriate was a problem the University would have to face during the next decade. "We tended," he said, "to think very well of ourselves in the 1960s when higher education was expanding and we could look forward to higher salaries in real terms and more money for new programs. Now we're in the reverse part of that cycle and it is having a very subtle effect on the academic psyche."

Finally, he referred to the problem of "creeping vocationalism" among students in the liberal arts, the University's need to improve its affirmative action performance, and a cluster of intellectual problems, such as:

-identifying areas of knowledge which will be most ripe for exploitation in the years ahead and how faculty members can get the support they need to exploit them;

-educating students to ensure global perspectives in a world that is increasingly transnational;

-educating students for technological literacy in an increasingly technological world.

"The University of Pennsylvania is particularly well suited to solve these problems," the president concluded. "It can end up even stronger 15 years from now than it is today." He said members of the community had already given considerable thought to the environment in which Penn will have to survive and prosper. "Discussion will continue," he concluded, "and my intention is to return to the Trustees in October with a more formal plan and strategy for the next 10 years."
B. The president then turned to Dr. Hickey for presentation of next year's operating budget. Dr. Hickey said the FY'83 operating budget is expected to be balanced for the University as a whole and for each of the schools and responsibility centers. He pointed out, furthermore, that while the Hospital appears to show a deficit of $10 million, that deficit is an artifact of reconciling generally accepted accounting principles for health care institutions and generally accepted fund accounting principles followed by colleges and universities. "In reality," he explained, "the Hospital expects an excess of revenues over expenses of some $3.5 million in the coming fiscal year." Dr. Hickey went on to note that a balanced budget had been obtained with considerable difficulty and that it contained some risks which he believes are "at an acceptable level given the University's financial performance in recent years and its resolve to maintain the fiscal integrity demonstrated by this performance."

Commenting on the growth of the unrestricted budget, he said that at $255 million for FY'83, it has increased 11.8 percent over the current year. With few exceptions, tuition rates in the various schools are up between 15 and 16 percent over last year. "That is far more than we would like," Dr. Hickey observed, "but it is partly explained by the fact that the University's expected appropriation from the Commonwealth, although likely to be some $1 million higher than in FY'82, still lags significantly behind increasing costs. Because of changing federal priorities," he continued, "both our direct and indirect income from grants and contracts is expected to decline in the coming year."

A significant contingency not provided for in the budget, Dr. Hickey pointed out, is a proposal on the part of the National Institutes of Health, the largest single source of support for sponsored programs, to reduce Pennsylvania's previously negotiated indirect cost rates by some 10 percent beginning with the new federal fiscal year on 1 October. "If this happens, it could mean an annual reduction of as much as $2 million in income," the acting director of the budget said.

He noted that on the expenditure side there was a significant increase in unrestricted student financial aid, averaging some 23 percent, which the University judged necessary to help students meet the higher costs of a Pennsylvania education. Additional factors contributing to this increase are the reduction in available federal aid and the administration's objectives with regard to minority representation and geographic diversity in the student body.

"On balance," Dr. Hickey concluded, "I believe the budget is sound and balance is achievable. At the same time, it should be noted that there will be considerably less play in the wheel than we've enjoyed in the past. If our income proves to be less than budgeted, whether because of not meeting enrollment projections, an abatement in Commonwealth appropriations, or imposition by NIH of the proposed reduction in our indirect cost recovery rates, we must be prepared to make prompt mid-course corrections."

C. Dr. Hackney next introduced several resolutions.

1. Action. A Resolution on the Reappointment of Dell H. Hymes as Dean of the Graduate School of Education was approved as follows:
Intention:

Professor Dell H. Hymes has served as dean of the Graduate School of Education since September 1975. Under his leadership, the School has developed steadily in academic excellence, in national visibility, and in integration with the intellectual and organizational life of the University.

This past winter the School's Executive Committee, which includes the chairs of the four divisions, recommended to Provost Ehrlich the reappointment of Professor Hymes as dean of the Faculty of Education for two years beyond the current 1985 expiration date of his term, which was set by the Trustees on 17 May 1979. Extension of Dean Hymes' term to 30 June 1987 would give him a total of twelve years service, the maximum length of service as dean recommended by University Council in a policy statement accepted by the provost on 15 September 1981.

In accord with the University's "Consultation Procedures on the Appointment and Reappointment of Deans and University-Wide Administrators," the provost invited the School's Committee on Academic Freedom and Responsibility to gauge faculty and student opinion within the Graduate School of Education concerning this recommendation. The result of this informal consultative process within the School was overwhelming support for extending Dean Hymes' term. The president and provost concur with enthusiasm and appreciation for Dell Hymes' leadership.

With this action, Dean Hymes joins the company of Deans Carroll, Fagin, and Shoemaker, whose terms were extended to 30 June 1983 by Martin Meyerson when he was president.

RESOLVED, that Dell H. Hymes be reappointed as dean of the Faculty of Education for two years, from 1 July 1985 to 30 June 1987.

2. Action. A Resolution on the Reappointment of D. Walter Cohen as Dean of the School of Dental Medicine was approved as follows:

Intention:

Dean Cohen was appointed to the post in which he has served so ably in 1972. A letter to him dated 19 December 1980 and signed by President Martin Meyerson confirmed their mutual understanding that he would serve through 30 June 1982. Earlier this year, when Dean Cohen expressed his desire to step down, President Sheldon Hackney appointed a consultative committee to help identify a successor. But the committee has not completed its work, and the dean has graciously agreed to a temporary extension of his term.

RESOLVED, that D. Walter Cohen be reappointed dean of the School of Dental Medicine to serve until his successor takes office.

3. Action. A Resolution on the Health Care Systems Unit of the Wharton School was approved as follows:

Intention:

A unit in the Wharton School is an experimental entity which is expected to become a department if it has succeeded in its major mission. The Health Care Systems Unit matriculated its first class in the Fall of 1970. Since that time the program has graduated 260 M.B.A. majors in Health Care Administration. The program has been successful in attracting, educating, and placing outstanding students. In addition it has attracted and retained well-qualified faculty members from the Wharton School and the Schools of Medicine and Dental Medicine. Furthermore, from 1976-1981 the HCSU received $2.275 million in external funding for student aid and program and faculty development.

Since the Health Care Systems Unit is one of the most successful and viable endeavors in this field in the country, it is proposed that the unit be granted departmental status. The proposal for this change is unanimously supported by the Wharton School's Faculty Advisory Committee on Policy
and Planning. It has been discussed and voted upon favorably by the Wharton School faculty and the Academic Review Committee.

RESOLVED, that departmental status shall be accorded to the Health Care Systems Unit which shall be known hereafter as the Health Care Systems Department.

D. Academic Report
The provost began by stressing the extraordinary interaction of programs, departments, and schools at Pennsylvania, in terms both of research and teaching. He mentioned two new initiatives as examples of this interaction. The first is centered in the English department. It is designed to promote literacy and reaches out to the entire undergraduate body. "About 80 percent of our entering students enroll in the department's superb freshman seminar program," he said, "but by the senior year it often seems that their writing skills lag behind their ever-increasing substantive knowledge. To help deal with this problem," Mr. Ehrlich continued, "the English department is extending the model of the freshman seminar program horizontally and vertically across the curriculum and through a variety of classes." The new program involves working with departments which have large undergraduate enrollments and with students directly through the college houses.

A second example of a new initiative reflecting the interaction characteristic of Pennsylvania, the provost mentioned the recently established Henry Salvatori Professorship of Computer and Cognitive Sciences located in the School of Engineering and Applied Science, which has been designed to provide leadership in coalescing computer programs with work in linguistics, philosophy, and psychology. The provost noted that since 1978, the Sloan Foundation has supported a cognitive science program and this year it gave the University an additional $1 million grant to intensify and expand research and teaching in the field. "The Salvatori Professorship adds an important dimension to this effort," he said.

Mr. Ehrlich referred briefly to such other initiatives as the academic budget and planning committee, the new code of academic integrity, and the initiation of a review of judicial procedures. But he stressed that it is "people who make programs happen, and I could not be more fortunate in terms of my partners: Dick Clelland, Marion Oliver, and Barry Cooperman." He further observed that he was saddened by Ms. Somerville's planned departure.

1. Mr. Stetson then sketched a profile of the Class of 1986. "The 1982 Admission Plan focused on two important goals," he said. "They were the broadening of geographic diversity and the increasing of minority presence." He noted that the plan called for an entering class of 2,110 students, and, at this point, 2,200 students have accepted the University's offer of admission. "There is usually some attrition over the summer," the dean added, "and we do not expect to dip very far, if at all, into our wait list."
Over the past four years, Mr. Stetson said, 10 percent more freshmen have been drawn from outside the Northeast. This year California, Texas, Ohio, Georgia, and Illinois all sent a greater number of students than last year, and some 30 more students also will be coming from abroad. The dean pointed out that the number of women in the entering class has increased to 42 percent from 38 percent in 1981. "Minority students," he continued, "will make up 17 percent of the Class of 1986 as compared with 13 percent of last year's entering class." A total of 145 black students, or 30 more than in 1981, have accepted Penn's offer of admission, according to Mr. Stetson. For Asian students the number is 170, an increase of 54; Latinos 50, an increase of 17; and the number of Chicano acceptances remains about the same. The dean said that nearly 24 percent of the freshmen would come from Pennsylvania, giving the Commonwealth the edge over New York as the home of the largest number of students for the first time in years.

Turning to the students behind the numbers, he noted that among the members of the Class of 1986 would be:

—a young man from Seattle, entering the joint Wharton and Engineering Management and Technology Program, who is president of his high school student government, recipient of his city's Benjamin Franklin Award for managing a recycling center, and one of Washington's two representatives to Boys' Nation;

—a daughter of an alumna, entering the College, from State College, Pennsylvania, who has won 75 debate awards, including a national championship;

—a 26-year-old man from China, who will enter Wharton after having managed the National Machinery Import/Export Corporation in Canton.

In conclusion Mr. Stetson said that he needed the help of all the trustees in building even greater national exposure than is already enjoyed by the University.

2. Action. A Resolution on Reclassification of the Rank of Research Associate from the Associated Faculty to the Academic Support Staff was approved as follows:

Intention:

In June 1981, as part of the revisions to the University's Statutes, the rank of Associate was moved from the Standing Faculty to the Associated Faculty. A corresponding reclassification has been proposed for the rank of Research Associate, moving it from the Associated Faculty to the Academic Support Staff. The recommendation has been reviewed by the deans, the comptroller, and the Senate Committee on the Faculty.

RESOLVED, that the rank of Research Associate be reclassified from the Associated Faculty to the Academic Support Staff, effective 1 July 1982. Accordingly, the description of Senior Investigators and Investigators on page 27 of the 1979 Handbook for Faculty and Administration shall be revised to read as follows:

Senior Investigator, Investigator, and Research Associate. Senior Investigators, Investigators, and Research Associates work in sponsored research programs and must hold the appropriate terminal...
professional degree in their disciplines. Full-time service in these positions may not exceed three consecutive years, except with the approval of the provost.

FURTHER RESOLVED, that all new appointments to the rank of Research Associate effective 1 July 1982 or later shall be in the Academic Support Staff and with the above limitations. The provost may, however, approve, as exceptions to the three-year service limit, the reappointment of current incumbents in the rank of Research Associate.

3. Action. A Resolution on Terms of Appointment of Lecturers in the Law School Clinical Program was approved as follows:

Intention:

Currently, full-time service in the rank of Lecturer is limited to three consecutive years, except where additional appointments are approved by the provost. The dean of the Law School has requested a change in this limitation for Lecturers in the School's clinical program, in order to attract and retain the most capable teachers and to enhance the program's continuity.

In supporting the proposal for a maximum of seven years' cumulative full-time service for these Lecturers, the Faculty Senate noted the following conditions:

a) The approval for seven years of cumulative appointment extends only to Lecturers in the Law School's clinical program.

b) These Lecturers are distinguished from other faculty members by their concentration on the supervision of student practice of law as opposed to the teaching of the theory of law.

c) The principal teaching activities of these Lecturers will be in the Law School clinical program.

d) The Senate Committee on the Faculty will review this policy after three years to determine whether this exception has met the purpose stated by the Law School, that is, whether it has succeeded in attracting and retaining the most capable Lecturers.

RESOLVED, that the description of the rank of Lecturer on page 27 of the 1979 Handbook for Faculty and Administration be amended by adding the following:

Only in the Law School's clinical program may an exception be made to this limitation on consecutive appointments, as follows: A Lecturer may be appointed in the Law School's clinical program for a term of two years or less, and through successive reappointments, may serve in this rank for a maximum of seven consecutive years.

4. Action. A Resolution on Modification of the Child Care Leave Policy for Faculty was approved as follows:

Intention:

The University's child care leave policy for faculty members provides for extension of the seven-year tenure probationary period as follows:

"For faculty members serving on a half-time basis in approved child care leave, the tenure probationary period is extended by one year for each two years spent in such half-time service, except that the total tenure probationary period cannot exceed 10 years." (1979 Handbook for Faculty and Administration, page 50).

The policy does not address extensions of the ten-year tenure probationary track, as established by the Trustees in resolutions adopted on 14 December 1973 and 16 September 1981, for faculty in the health professional schools who have substantial clinical duties. The following modification is proposed to include faculty in both

Secretary
seven-year and ten-year probationary periods.

RESOLVED, that the child care leave policy for faculty members on page 50 of the 1979 Handbook for Faculty and Administration be revised to read as follows:

For faculty members serving on a half-time basis in approved child care leave, the probationary period shall be extended by one year for each two years spent in such half-time service, except that the total extension cannot exceed three years. For faculty with a normal seven-year probationary period, the total tenure probationary period including child care leave cannot exceed ten years. For faculty with substantial clinical duties, who elect a probationary period of ten years, the total tenure probationary period including child care leave cannot exceed thirteen years.

5. Commenting on faculty appointments and promotions, the provost observed that they were the administration's most important responsibility because they so directly affected the University's academic future. In decisions on appointments and promotion to tenure, he said, the review process is undertaken first at the departmental level, then at the school level, and finally at the level of the provost staff conference. "At each of these stages," he noted, "convincing evidence of scholarship and teaching of the highest quality are required, based on outside as well as inside evaluations." Mr. Ehrlich went on to say that out of 1,600 members of the standing faculty, the 32 tenure appointments made this year represented a net change of two, as some 30 members of the senior faculty left University service. He called special attention to the appointment of Paul Fussell as the first Donald T. Regan Professor of English. Currently a chaired professor of English literature at Rutgers University, the provost noted that Dr. Fussell is the author of seven major books, widely read by lay-people as well as scholars, and the recipient of a National Book Award, a National Critics Circle Award in Criticism, and the Award in Literature of the National Academy of Arts and Sciences. "His appointment is particularly important to us," Mr. Ehrlich said, "because by it we give honor to a man whom we especially want to honor, and whom his colleagues at Merrill Lynch wished to honor when they established the chair in his name — Secretary of the Treasury, Donald T. Regan."

Action. The Resolution on Appointments and Promotions and Leaves was approved as found on pages 1 through 41 in the meeting book.

IV. Reports of the Trustee Committees

A. Academic Policy

Dr. Chisum, in the absence of Carl Kaysen, reported that the Academic Policy Committee had heard presentations on the administration's working papers on research and on educational outreach. In introducing the former to the committee, she said that Dean Edward Stemmler had told members that the working group, which had drafted the paper, focused on five specific questions:

—Whether there should be a more formal central mechanism to monitor what research fields are presently being pursued and to provide awareness of important areas that might be developed?
—What should be done to address obsolescence of the physical plant and equipment which supports research?

—What should be done to deal with the increasingly high cost of research?

—What should be done to assess the impact of external forces upon research and to ameliorate destructive effects?

—Has the administration been making prudent management decisions affecting research?

As summarized by the dean, Dr. Chisum said, the conclusions and recommendations reached by the working group were:

—The present system of research organization is adequate as it fosters the initiative of the individual investigator while providing him or her with appropriate support.

—The University should be extremely careful about diverting resources from research that might otherwise nourish it.

—The University should organize itself to play a more active role in influencing both national research policy and its implementation.

—On a management and policy-making level, the interests of research must be well represented in the administration.

Dr. Chisum noted that Vice Provost Cooperman had told the committee that one of his particular concerns was the extent to which the central administration might provide a broker to aid those areas of research within the University for which external support has not been forthcoming.

She went on to say that the paper on educational outreach had been reviewed by David Burnett, an associate dean of the School of Arts and Sciences who directs the College of General Studies. Among its primary conclusions, the acting chairman noted, was that educational outreach should be self-supporting. Natural targets for outreach activities presently served by the University, include professional colleagues, part-time degree-seeking students, and the general public, including alumni who are engaged in continuing education activities. In particular, Dr. Chisum said, Dr. Burnett had cited colloquia for faculty from smaller institutions, which have been supported by the Lily Foundation, a continuing education program for foreign language faculty members supported by a grant from the National Endowment for the Humanities, and the INA continuing education program.

B. Mr. Arader reported that the Facilities and Campus Planning Committee had reviewed resolutions on the Annenberg renovation and addition, artificial turf, the College Hall elevator, the Hillel addition, the Intercultural Center, the Leidy Laboratory renovation, and the Wistar chilled water project. He said the committee recommended favorable action on all of them.

C. Budget and Finance

Mr. Eckman briefly summarized the resolutions which the Budget and Finance Committee were recommending for Trustee approval. He noted that the FY'83 budget was precariously balanced and that the University should have a very modest surplus at the end of the current fiscal year. He then pointed out that the resolutions of artificial turf and the College Hall elevator had
been slightly amended in committee. The administration is urged to look for sources of funds, other than the physical plant reserve monies, to replace the turf on Franklin Field and it is requested to explore alternative ways to providing access to College Hall for handicapped persons before spending funds on an elevator.

1. Action. The Resolution on University Operating Budget for Fiscal Year 1983 was approved as follows:

Intention:

The Budget and Finance Committee has reviewed the operating budget proposed for the University for FY 1983 and based on the presumption that this budget is in balance recommends its approval by the Trustees.

RESOLVED, that the operating budget recommended by the Budget and Finance Committee for FY 1983 is approved.

2. Action. The Resolution on Annenberg School Addition was approved as follows:

Intention:

The Annenberg School proposes to renovate 13,000 square feet of space in its existing building and to construct a new wing of 26,000-square-feet gross area to accommodate the Annenberg School's existing needs. The total capital cost of the project amounts to $9.6 million and will be funded entirely by the Annenberg School of Communications-Radnor. Construction will commence in January of 1983. This project will proceed subject to the receipt from the Annenberg School of Communications-Radnor of formalized legal documentation detailing the required information on the funding.

RESOLVED, that the Executive Vice President or other responsible officers of the University be authorized to execute any agreements or other documents necessary for the renovation of the Annenberg building and construction of an addition to it.

3. Action. The Resolution on Arthur Ross Gallery was approved as follows:

Intention:

The University has long been interested in the establishment of an art gallery on the campus and has approached Mr. Arthur Ross with the proposal of converting the Council Room of the Furness Building into such a gallery to be known as the "Arthur Ross Gallery." This project will proceed provided that the gallery will be capable of holding the University Council meetings or that other suitable space for these meetings is found.

RESOLVED, that the Executive Vice President or other responsible officers of the University be authorized to execute any agreements or other documents necessary for the conversion of the Council Room of the Furness Building into the "Arthur Ross Gallery" at a cost not to exceed $400,000; and be it

FURTHER RESOLVED, that the full funding of the conversion will be from "The Arthur Ross Special Fund" and that the remaining balance in the fund will be used to support the operations and maintenance of the gallery.

4. Action. The Resolution on Artificial Turf was approved as follows:

Intention:

The present playing turf at Franklin Field was installed in 1977, the underpad was installed in 1974, and the material on the perimeter of the field was installed in 1969. It is the conclusion of an independent
consultant that the turf is dangerous to play on and should be replaced.

RESOLVED, that the Vice President for Operational Services or other responsible officers of the University be authorized to proceed with the award of a contract for the purchase and installation of artificial turf on Franklin Field and to commit to other necessary expenses pertaining to the removal of the old turf, etc., in a total amount not to exceed $619,000; and be it

FURTHER RESOLVED, that the administration seek sources of gift income or that if they are not available then this sum be paid from the Reserve for Physical Plant, as allocated from the 1983 budget, but these amounts be repaid from future operating revenues.

5. Action. The Resolution on College Hall Elevator was approved as follows:

Intention:

The Committee on Facilities and Campus Planning reviewed plans to install an elevator that would fulfill a commitment to provide handicapped access to College Hall. The Committee recommends them if the administration cannot find a satisfactory, less expensive alternative to this project.

RESOLVED, that the Executive Vice President or other responsible officers of the University be authorized to execute any agreements or other documents necessary for the installation of an elevator in College Hall at a cost not to exceed $266,000; and be it

FURTHER RESOLVED, that the funds be paid from the Handicapped Renovation Fund.

6. Action. The Resolution on Horatio C. Wood Professorship was approved as follows:

Intention:

The Department of Anesthesia desires to establish a professorship of research in anesthesia. The cost of supporting this professorship will be funded by a transfer of $400,000 to be invested and expended over a ten-year period. At the end of the ten-year period, the Department of Anesthesia will have the obligation of re-establishing this fund to at least $400,000.

RESOLVED, that monies from the Department of Anesthesia Educational and Development funds, totaling $400,000, be used for the establishment of a fund, functioning as endowment, to be known as "The Horatio C. Wood Professorship of Research in Anesthesia."

7. Action. The Resolution on Hillel Addition was approved as follows:

Intention:

The Hillel Foundation, owned by the Jewish Student Houses of Philadelphia, Inc. would like to build an addition to its existing building along 36th Street. It has requested a seventy-five year lease from the University for the use of the needed land. In return, the University will receive a right of first refusal and an option to purchase Hillel's existing building, as well as the right to reclaim the land and the addition at the expiration of the lease. The proposed design of the Hillel addition has been reviewed and approved by the Campus Design Review Committee. The implementation of this project will be totally funded by the Jewish Student Houses of Philadelphia, Inc.

RESOLVED, that the Executive Vice President or other responsible officers of the University be authorized to sign any agreements or other documents necessary for construction of the Hillel addition.
8. Action. The Resolution on The Intercultural Center was approved as follows:

Intention:

In 1978 the President and the Provost made a commitment to provide a facility to house the offices and activities of the groups that now constitute the United Minority Council. A planning committee was established to search for suitable facilities. The building owned by the Redevelopment Authority at 3708 Chestnut Street was eventually selected. A bid of $133,000 for the purchase of the property was successfully submitted to the Authority.

RESOLVED, that the Executive Vice President or other responsible officers of the University be authorized to proceed with the rehabilitation and renovation of 3708 Chestnut Street (both the main building and the carriage house) at a total cost, including property acquisition, rehabilitation and furnishings, not to exceed $537,000; and be it

FURTHER RESOLVED, that this sum be expended from the accumulated income available in the A.M. Greenfield Professorship Fund.

9. Action. The Resolution on Leidy Laboratory Renovation (Phase IIa) Amending the Resolution of 19 March 1981 was approved as follows:

Intention:

In March 1981 the Trustees approved the renovation of the Leidy Laboratory at a total cost of $3.1 million. During the course of construction, it was discovered that it would be most economical to replace the ductwork which had deteriorated in a large lecture hall, as well as to replace the interior rain-leader conductors which had deteriorated significantly.

RESOLVED, that the scope of the Leidy Laboratory Renovation be increased by $123,000 to cover the cost of these two additional items; and be it

FURTHER RESOLVED, that the funding be provided from the Reserve for Physical Plant, as provided in the 1983 budget.

10. Action. The Resolution on Transfering 3917 and 3923 Walnut Street Properties to University City Associates, Inc. was approved as follows:

Intention:

Philadelphia Authority for Industrial Development is the legal owner and University City Associates, Inc. (UCA) is the equitable owner of property located at 3923-1/2 - 3925 Walnut Street, Philadelphia, Pennsylvania, upon which a shopping center known as Walnut Mall was constructed in 1974. UCA is a wholly-owned subsidiary of the University of Pennsylvania. UCA desires to construct an addition to Walnut Mall on five adjacent properties located at 3913 - 3923 Walnut Street, Philadelphia, Pennsylvania. The University of Pennsylvania is the fee owner of two of these properties, namely 3917 and 3923 Walnut Street, Philadelphia, Pennsylvania.

RESOLVED, that the Executive Vice President or other responsible officers of the University be authorized to convey the properties at 3917 - 3923 Walnut Street to UCA by fee simple special warranty deed for the sum of One Dollar ($1.00); and be it

FURTHER RESOLVED, that the Executive Vice President or other responsible officers of the University are hereby authorized and empowered to execute and deliver such other documents in such form as is acceptable to the University's counsel and take such further actions as may be necessary to consummate the conveyance and deliver good and marketable title to UCA.
11. Action. The Resolution on Wistar Institute Chilled Water was approved as follows:

Intention:

Wistar Institute has requested incorporation into the University's central chilled water system. An engineering study concluded that such an inclusion is feasible and would benefit the University's future plans by serving as an interconnection for the major chilled water plants at Williams Hall and the Medical Education Building. It would also enable the University to shut down a major portion of its steam lines during the summer by the elimination of Wistar's steam absorption air conditioning units. It would, however, use excess capacity in the Williams Hall plant, making expansion of the plant impossible without further capital investment. The total cost of the project is estimated at $1,073,600 plus carrying costs. Wistar will pay a minimum of $232,600 initially and the balance via a connect charge on a monthly basis over five years.

RESOLVED, that the Executive Vice President or other responsible officers of the University be authorized to negotiate with Wistar Institute a monthly connect charge which will be sufficient to cover University costs.

D. External Affairs

Mrs. Wexler reported that the External Affairs Committee had heard a report of Commonwealth relations and had discussed the administration's working paper on ties with the city. "The state budget, which is expected to receive the Governor's approval within 36 hours, is a very positive budget for the University," she said. While the increase in general nonrestricted funds is minimal, there were important gains for Penn in medicine and veterinary medicine. "We sometimes forget," she added, "that the appropriation we receive from the Commonwealth is equivalent, in terms of annual income, to the University's endowment, so the importance of maintaining it is quite extraordinary."

Mrs. Wexler went on to say that the relationship between the University of Pennsylvania and the Commonwealth is unique. She noted that 10 years ago the Trustees had made a conscious decision that Penn should not seek a closer relationship in the mode of Temple or the University of Pittsburgh, but rather retain its status as a private university with a living governmental endowment. "The report we heard this morning leads us to the conclusion that that arrangement has been very satisfactory," the chairman said. She observed that a state-wide council of alumni who had developed personal relationships with an array of legislators was working very effectively as a lobbying group, and she acknowledged with thanks the efforts of Mr. Wolf in organizing it.

Turning to the committee's discussion of the working paper on the University's ties to Philadelphia, Mrs. Wexler quoted from the paper as follows:

The University should attempt to build upon our strengths in teaching and in research and in expanding our community service... The administration must insure that activities are chosen which are effective, do not waste already limited resources, and do not damage our ability to perform the vital social function of teaching and research.

It is very clear, she said, that the drafters believed the University should "do good for the community and learn from it, but always within the context of
its central mission of teaching and research, and the discussion of the committee certainly indicated support for that view."

E. Resources

Mr. Jones reported that the Resources Committee had had the pleasure of meeting with Ross Webber, the new vice president for development. He noted that Mr. Webber had reported on the survey of trustees conducted by the Development Office in the spring. "You had very accurate perceptions of the University—its strengths, its weaknesses, and what we have to do to increase contributions," Mr. Jones said. He added that the University "will move very promptly to enroll trustee support in achieving that objective, particularly in the area of more intensified alumni cultivation and network building in the major metropolitan areas of the country."

The chairman further observed that Mr. Webber presented a list of development requests from the University schools and resource centers. "They total more than $300 million," he said. "That is well above what we raised in the last five-year campaign, and it is very obvious that there is going to have to be a lot of work done on priorities. The administration intends to develop an integrated plan over the summer and present it to us next fall."

Mr. Jones then noted that Mr. Webber had reorganized the Development Office, creating two new senior-level positions. Dick Carter will serve as director of development and Jane Williams will be director of major gifts. "We hope," the chairman said, "to engage the entire University community more actively in fund raising."

He observed that the gift of the Pew Memorial Trust brought subscriptions for FY'83 to $8 million. Receipts total $35 million, and Mr. Jones said it looked as if the University would achieve its fund-raising goal. "Gifts by corporations, foundations, and associations continue strongly," he said. "The challenge is to increase giving by individuals. Although Annual Giving to date is 17 percent ahead of last year, both in number of donors and amounts received, the significant gifts from individuals are trailing off. Individuals have contributed only about a third of the total of all subscriptions received so far this year. That's down from the usual level of some 50 percent, and it's clear," Mr. Jones concluded, "that we all have quite a job ahead of us."

F. Student Life

Mrs. Mainwaring reported that the Student Life Committee had met twice since January. In a meeting on 22 March, she said, discussion focused on student stress and what came through loud and clear is that, from a student point of view, Penn can sometimes be a very impersonal institution. "At yesterday's meeting," she continued, "Vice Provost Somerville drew a picture of what has occurred in her office during the past three years." Mrs. Mainwaring said that Ms. Somerville "had integrated and organized a large group of activities and responsibilities magnificently." The University Life budget, she noted, is nearly $30 million and the division has just under 400 employees.
Its "commendable breadth and stability," she went on, is related to the will-
ingness of the University over the past few years to invest more funds in the
division. The chairman observed that Ms. Somerville had said her successor
would take over an understandable and manageable office, but one likely to
to encounter difficult problems because it is trying to build a sense of
community in the face of a tendency among college students to attach
greater value to individualism. "If the University Life Office is to be truly
successful," Mrs. Mainwaring quoted the vice provost as saying, "it must
always remember to view itself as a broker between students and faculty."
The chairman then added that she and all who had worked closely with Ms.
Somerville would miss her very much.

G. University Responsibility

Mr. Brown said that the University Responsibility Committee had heard a
report on affirmative action progress at the University presented by Davida
Ramey, director of the Office of Affirmative Action, and Deputy Provost
Richard Clelland. "The committee was pleased with what has been
accomplished in this area," the chairman noted, "but a lot more needs to be
done. Still it appears the administration is monitoring progress more
efficiently and working with departments where there is underutilization."
He went on to say that the committee had also heard a status report on
shareholder proposals in the 1982 proxy season by administrative liaison
Matthew H. Hall. "I am extremely distressed," Mr. Brown added, "that our
general counsel has decided to go on to higher and better things for he is a
person of tremendous sensitivity who has been of great help to our
committee."

H. Investment Board

Preceding Mr. Neff's report, Mr. Miller observed that on a total return per-
formance basis, the unit value of the common stocks in the Associated Invest-
ment Fund had increased some 30 percent since 31 December 1979 as com-
pared with a 16 percent increase for the Standard & Poor 500 Stock Average.
AIF bonds, he said, had risen nearly 15 percent in the same period, whereas
the Solomon Brothers Composite Bond Index was up only 4 percent. "On a
comparative basis, we've done superbly," he concluded, "although the market
has not been kind to anybody in the last few months."

Mr. Neff then commented that equity and bond markets were currently quite
depressed both "in actuality and in spirit. It's a kind of walking death out
there," he said, "and it's reflective of the whole state of the economy and of
concern over the size of the federal budgetary deficit. As for the former," he
continued, "I am convinced that the consumer will lead us out of the valley of
despair for at least three reasons: 1) he or she has substantially reliquified,
and as a result, consumer installment debt outstanding, after peaking several
years ago, is back to the level, relative to his or her disposable income, that
it was in the late 1960s; 2) real discretionary income has improved because
the inflationary impact has moderated in the food/necessity side of the
market basket; and 3) the mid-year tax cut, which will be of more than a
little significance." The month of May, Mr. Neff continued, was encouraging as such old stalwart merchandisers as Sears, Montgomery Ward, Penneys, and Woolworth turned in 5 to 6 percent sales increases, auto sales reached an annual rate of 6.4 million, and auto production during the second quarter ought to be about 30 percent higher than during the first quarter. "That leaves," he said, "the enormous budgetary deficit as an oppressive shadow over all security markets. It seems too important to the country to be left entirely to the politicians alone, so a semi-resolution of the problem should eventually unfold."

The chairman thanked William Richard Gordon for his investment service to the University and gratefully acknowledged the contributions of Aubine Teamer and Scott Lederman.

He concluded his report by asking for and receiving Trustee approval for suspension of Article 6.3 of the Statutes which requires that the Investment Board have a majority of trustee members. Mr. Miller noted that the action was necessary because the reorganization of the Investment Board was still under consideration, therefore he was reluctant to reconstitute it with new trustee members at this time.

Action. A Resolution on Membership of the Investment Board and the Franklin Investment Company was approved as follows:

RESOLVED, that the following persons be elected as members of the Investment Board of the Trustees of the University of Pennsylvania and simultaneously therewith be appointed as the board of directors of Franklin Investment Company, whose number is hereby fixed at 10, for a term of one year and until their successors are elected or appointed and qualified: Julian S. Bers, Henry M. Chance II, H. Samuel Greenawalt Jr., Samuel M.V. Hamilton, Adolph B. Kurz, Paul F. Miller Jr., F. Stanton Mayer, John B. Neff (as chairman), Wesley A. Stanger Jr., and Richard B. Worley.

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

Mr. Ballam reported that for the 10 months ending on 30 April, the Hospital had an excess of revenues over expenses of $4.3 million. "We expect," he said, "to reach the budget figure of $4.9 million by the end of the fiscal year." The University operating budget just approved by the Trustees," he continued," "included $175 million of hospital revenues. They can be affected," the chairman said, "by proposals in Congress to reduce planned expenditures for Medicare." He added that the state already had voted to limit the rate of increase of Medicare payments for next year to 10 percent of this year's rate. As a possible offset, however, the hospital is awaiting approval by the state insurance commissioner of an amendment to the present Blue Cross agreement, which will provide it with an estimated additional $800,000 in income. Mr. Ballam went on to say that HUP's FY'83 budget provides for 3,700 employees, an increase of 4 percent over last year of which most are nurses. He then commented upon the apparent $10 million deficit resulting from a conversion from Hospital to University fund accounting. "The capital expenditures of $20 million are classified as an expense or outgo
because they are cash," he said. "Actually we are budgeting a $3.5 million excess of income over expenses."

Turning to other matters, the chairman remarked that:
—The new house officers look like a very promising group of young physicians;
—Phase III of HUP’s capital construction project is on schedule with laboratory medicine areas opening in two weeks and obstetrics/gynecology clinics opening by the end of July.
—Phase IV is moving along. The certificate of need has been filed with the Health Services Agency and the hospital is in the process of supplying additional information to meet the agency’s request. Program review and design development is underway in preparation for the schematics that need to be drawn for the HSA. Demolition is expected to begin by mid or late 1983. HUP has agreed on a fee with the Turner Construction Company for pre-construction work, but a construction contract will not be signed until all financing is complete and the Trustees have approved it.
—The hospital has made a number of significant new appointments, including a new associate administrator for nursing, Dr. Nellie Abbott, who will join the staff in July.
—An Operational Quality Assurance Committee has been established to complement the already existing Professional Quality Assurance Committee.

Mr. Ballam concluded by thanking the trustees for their participation in the Hospital Antiques Show which raised a record $180,000.

J. General Alumni Society
Mrs. Senior observed that the General Alumni Society was delighted with the completion of the Sweeten Center. "We are looking forward to innovative and expanded programs" she said, "which we hope will make possible more alumni interaction with students and various departments within the University." Mrs. Senior then added that GAS members are anticipating increased participation in network-building which would benefit the University not only financially but also in terms of admissions. In conclusion she mentioned that the proceeds from the Garden Party Auction on 19 June would be divided between the Alumni Center and the Wharton Sinkler Conference Center, and she urged the trustees to "come and buy."

V. Overseers and other Boards

A. Mr. Trescher gave the report appended to these minutes for the Board of Overseers of the University Museum.

B. Mr. Miller introduced the following resolutions:

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

RESOLVED, that Evelyn H. Lauder be appointed to the Board of Overseers of the Graduate School of Fine Arts for a period of three years, beginning 1 July 1982.
2. Action. A Resolution on Appointment to the Board of Overseers of the School of Engineering and Applied Science was approved as follows:

RESOLVED, that George S. Ansell be appointed to the Board of Overseers of the School of Engineering and Applied Science for a period of three years, beginning 1 July 1982.

3. Action. A Resolution on Appointment to the Board of Overseers of the School of Nursing was approved as follows:

RESOLVED, that John K. Kittredge be appointed to the Board of Overseers of the School of Nursing for a period of three years, beginning 1 July 1982.

4. Action. A Resolution on Appointments to the Board of Overseers of the School of Veterinary Medicine was approved as follows:

RESOLVED, that William E. McGough and Oakleigh B. Thorne be appointed to the Board of Overseers of the School of Veterinary Medicine for a period of three years, beginning 1 July 1982.

5. Action. A Resolution on Appointments to the Board of Overseers of the Wharton School was approved as follows:

RESOLVED, that William F. Glavin, Alejandro Garza Laguera, Ronald O. Perelman, John Sculley, Saul P. Steinberg, and Henry Wendt be appointed to the Board of Overseers of the Wharton School for a period of three years, beginning 1 July 1982.

Adjourned.

Respectfully submitted,

Mary Ann Meyers
Secretary of the University