Minutes of the Stated Meeting
of the
Executive Committee of the Trustees of the University of Pennsylvania
6 May 1983

A stated meeting of the Executive Committee was held on Friday, 6 May 1983. Trustees attending included: Walter G. Arader; Richard P. Brown, Jr.; Gloria Twine Chisum; Charles D. Dickey, Jr.; John W. Eckman (vice chairman); Sheldon Hackney; Carl Kaysen; Paul F. Miller, Jr. (chairman); John B. Neff; and Sara S. Senior. Among others present were: June Axinn; Stuart Carroll; Richard Clelland; Ann Duffield; Thomas Ehrlich; Paul Gazzaro, Jr.; Shelley Z. Green; Arthur Hirsch; Phoebe Leboy; Robert Lorndale; Mary Ann Meyers; and Ross Webber.

I. Call to Order

The chairman called the meeting to order and the minutes of the 8 April 1983 meeting were approved as written by the secretary.

II. Report of the Chairman

Mr. Miller reported that "April was another bellringer for development. Through the first ten months of fiscal 1983, the subscription total of $47.2 million is 22 percent ahead of one year ago," he said. "Receipts of cash and securities continue to flow in at a pace 20 percent ahead of last year and now stand just short of $38 million."

The chairman went on to note that the University received $3.2 million in new subscriptions in April, compared to $1.5 million during the same month last year. Alumni contributed $800,000, or one-fourth, of the month's total. Non-alumni friends added $1.2 million, foundations $900,000, corporations $200,000, and associations $100,000. "While these year-to-year comparisons are very encouraging," he said, "what is particularly gratifying is that this year's performance continues to exceed the fund-raising results in any previous year in the University's history."

Mr. Miller further observed that the Annual Giving picture continues to be very bright. "The undergraduate alumni program thus far is up 11 percent in the number of donors and up 24 percent in the dollar volume of gifts compared to FY '82," he said. Among the many other Annual Giving programs, Dental Medicine, Graduate Engineering, Fine Arts, Wharton Graduate, the Morris Arboretum, the University Museum, the Weightman Society, and the friends of the large and small animal hospitals are faring particularly well. On the other hand, Graduate Arts and Sciences, Law, Medicine, Veterinary Medicine, the Annenberg Center, HUP, and The Pennsylvania Gazette are all behind significantly in their annual fund-raising efforts. Unrestricted corporate annual gifts are also behind this year."
The chairman reported that the news from the Benjamin Franklin Society was heartening. Membership is up 27 percent and the dollar volume of gifts is up 11 percent. The 1,178 members include 35 Founders ($10,000 and over); 97 Fellows ($5,000 to $9,999); and 1,046 Associates ($1,000 to $4,999).

In conclusion, Mr. Miller noted the death of Trustee Emeritus Thomas S. Gates, Jr. and of Henry McNeil, who had served on the Trustee Board of the Hospital of the University of Pennsylvania.

III. Report of the President
A. Comments

Dr. Hackney observed that the 1982-83 academic year had been exceedingly successful. "It was not problem free," he said, "and we still face some unresolved issues, but none of them threatening the survival or integrity of the institution. We are in general good health."

B. Academic Report

Noting that at the Budget and Finance Committee meeting that morning he had been asked some question about the University's Research Foundation, Mr. Ehrlich said that "the Foundation has provided enormously important help for our faculty in through relatively small grants that have often made the difference between a successful research project and the inability to carry out one at all. The Foundation received 35 proposals totaling $88,000 this spring," he added, "and it awarded 21 grants totaling $40,000. So you can see the pressure is intense and the Foundation was able to do far less than it wanted. I will ask Eliot Stellar to give you a full report in the fall."

Turning to the first action item, the provost observed that about a year ago it became clear that the University should rethink a variety of arrangements with the Wistar Institute. "Deputy Provost Richard Clelland met with representatives of the Institute and worked out a basic agreement that formalizes existing arrangements, clarifies the conditions under which Wistar staff teach, and leaves open other matters that are still the subject of negotiation," Mr. Ehrlich noted.

Before a vote was taken, John Eckman commented that he had not previously seen the agreement and wished it to be recorded that he was abstaining.

1. Action: A Resolution on Revising and Updating the Agreement Governing Relationships between the University of Pennsylvania and the Wistar Institute was approved as follows:

Intention:

The relationships between the University of Pennsylvania and The Wistar Institute have changed somewhat since the last agreement
was made in 1970. Also it is not clear that the 1970 agreement entirely superseded a previous document dated 1960. Hence the administrations of the University and the Institute have produced a new agreement (see Appendix to this resolution) that truly represents the situation that holds in 1983.

RESOLVED, that the document entitled "Basic Agreement between the Board of Managers of The Wistar Institute of Anatomy and Biology and The Trustees of The University of Pennsylvania" and dated 1 May 1983 is approved as governing the relationships between these institutions as of its date of signature.

The appendix for this resolution is on file in the Office of the Secretary.

2. **Action:** A Resolution on Establishing a Clinician-Educator Track in the School of Veterinary Medicine was approved as follows:

**Intention:**

The School of Veterinary Medicine recognizes the need for a Clinician-Educator Track for full-time faculty members with primary responsibilities for service and teaching in the clinical departments of the School. The clinical service is an integral part of the teaching mission of the faculty in the clinical departments. Proficiency evaluation in the dual functions of service and teaching has been difficult in relation to conventional research productivity in the process of academic promotion. The clinical service and teaching obligations of our School require a category of faculty who do not by the very nature of these obligations satisfy criteria for progress in the traditional tenure track. Therefore, a new category of full-time, fully-affiliated faculty will be established in the clinical departments of the School. The intentions of the following resolutions are two-fold; to define the clinician-educator's role as required by us; to define the track(s) in which the clinician-educator may be appointed and progress.

RESOLVED, that:

1. There shall be established in the School of Veterinary Medicine a category of full-time clinician-educators who are members of the Standing Faculty of the University on a non-tenured clinician-educator track, to take effect on July 1, 1983, or as soon thereafter as is administratively practical.

2. Clinician-Educator appointments will be made on the recommendations of their department chairs to the Committee on Appointments and Promotions and Dean of the School.
Review for appointment shall utilize the traditional criteria commonly applied in the School except for those criteria specifically involving the research requirements for tenure. Appointment and promotion will be reviewed and approved in the normal course by the Provost Staff Conference.

3. Termination of employment for persons who have chosen and entered the clinician-educator track will be made only because of (1) failure to secure promotion to associate professor by the end of the probationary period which shall not exceed ten years; (2) attainment of any required retirement age; (3) failure to provide appropriate clinical income commensurate with responsibilities assigned by the chair; (4) for "just cause" as customarily determined within the University.

4. To assure conformity with nomenclature approved by the University, appointees in the clinician-educator track with a professorial rank will hold the title of assistant professor, associate professor, or professor of clinical specialty in the appropriate department, hospital or teaching unit in the School. This title is to be written in full whenever used in documents, in listing of University personnel, and in correspondence.

5. There will be an initial three-year appointment for all full-time veterinary faculty who are first appointed to non-tenured positions. Faculty members initially appointed to the clinician-educator track may change to a seven-year traditional tenure track at the completion of the third year of their appointment as a clinician-educator. Clinical faculty may be offered at the time of their first reappointment either a direct appointment to the clinician-educator track (10 year) or a seven year or a ten (10) year tenure track probationary period. In the case of clinical faculty in the seven year probationary track, a decision must be made by the end of the initial three year appointment to either remain in the seven-year track, or transfer to the ten (10) year track, or to the non-tenure clinician-educator track. Those in the ten (10) year track must, after six years of service at the latest, choose between the two tracks with no subsequent change from tenure to non-tenure track permitted. Persons from outside the School faculty with appropriate experience and credentials for initial appointment at senior ranks will ordinarily join immediately with the Standing Faculty (with tenure) or with
the Standing Faculty clinician-educators (without tenure). The total probationary period for clinician-educators will be ten (10) years.

6. All clinician-educators will be given a letter of appointment from the School which shall contain a clear statement of the conditions of employment, the circumstances under which the agreement may be terminated, the responsibilities of the school or other budgetary unit for payment of salary and other benefits, and the right of persons to due process by mechanisms available to all the individual rights accorded to a faculty member.

7. All clinician-educators will be entitled to full University faculty benefits. Scholarly leaves will be granted when determined on an individual basis to be in the interest both of the individual and of the School of Veterinary Medicine (Almanac, December 15, 1981).

8. The clinician-educators will be required to devote his/her full professional time to activities on behalf of the educational and service activities of the School of Veterinary Medicine in keeping with responsibilities of other Standing Faculty. Salaries will conform to the School of Veterinary Medicine practices. The faculty member will be subject to University policy on conflict of interest. The policy on extramural consultative and business activities will apply to these faculty members (Almanac, March 8, 1983.)

9. Clinician-educators will share all rights and privileges of other Standing Faculty in the School. Should grievances arise which are not resolved administratively, appointees may seek adjudication through the established mechanisms of the University.

10. At no time shall the voting strength of faculty members in the clinician-educator track exceed 25 percent of the voting strength of the Standing Faculty of the School of Veterinary Medicine as a whole.

11. At no time shall more than 30 percent of the Standing Faculty of any clinical department be on the clinician-educator track. Until July 1, 1988, no more than 15 clinician-educators will be appointed in the School.

12. These recommendations will apply to all persons appointed beginning with the 1982-83 academic year and to
full-time non-tenured clinical faculty already in the Standing Faculty of the School of Veterinary Medicine who voluntarily choose to be placed in the new track within six months of their notification of its availability. Written notification of this option shall be given at an early date following its approval to all eligible faculty members and is to include a statement limiting the period of any individual's probationary service to a maximum of 10 years from the date of appointment to the rank of assistant professor.

13. One of the viable reasons for termination of employment of clinician-educators is failure to generate appropriate income. Income in this regard refers to collected professional fees or other funds generated by clinician-educators. Clinician-educators must generate a level of income appropriate to the patient care responsibilities assigned to them in their department. These activities are assigned by the department chair after consideration of the clinician-educator's other academic activities, administrative activities and obligations. The funds generated must be sufficient to cover an appropriate portion of the academic base salary, benefits, and overhead. In cases where patient care activity is the predominant activity of clinician-educators, an appropriate portion of salary, benefits, and overhead may be the entire amount. In other cases, the appropriate portion may be less than the entire amount due to type of patient, time necessary to develop clientele, or other academic duties assigned within the department. The clinician-educators must be informed by their chair of the amount of clinical income and clinical responsibilities to be expected each year.

In order to establish that a clinician-educator has not generated appropriate funds, a period of observation of one year is required. Written notice of the initiation of a period of observation must be provided by the chair to the clinician-educator and Dean of the School. This notice must include a statement of the amount of funds that a clinician-educator will be obliged to generate. If after a one-year observation the chair finds that the funds have not been generated, the chair must give written notice to the clinician-educator if termination is desired. This written notice shall include the reasons for it and a description of the appeal mechanism open to the clinician-educator. The written notice shall indicate termination at the end of the next full academic year. The appeal process available to
the clinician-educator is the same as that approved by the Faculty Senate on November 5, 1980, except that the appeal shall be written to the Dean and Chairman of the Committee on Academic Freedom and Responsibility.

14. The experience with this track will be reviewed by the School, University administration, and the Faculty Senate in 1987.

3. Action: A Resolution on Establishing a Clinician-Educator Track in the School of Nursing was approved as follows:

Intention:

The Clinician-Educator track is now well established both in the School of Medicine and in the School of Dental Medicine. In the School of Nursing there is a need for faculty members who can play similar roles in the context of the nursing profession. The School of Nursing and the Faculty Senate propose, therefore, an extension of Clinician-Educator appointments to the School of Nursing.

RESOLVED, that:

1. There shall be established a category of full-time Clinician-Educators in the School of Nursing as of 1 July 1983.

2. These Clinician-Educators shall be untenured members of the Standing Faculty of the University.

3. Their appointment will be made on recommendations of their clinical area faculty through the chairpeople (Section Chairpersons) to the Dean of the School of Nursing. To effect an appointment or promotion must be reviewed and approved by the School of Nursing's committee on faculty appointments and promotions (Personnel Committee) utilizing general criteria defined and agreed to by the voting faculty of the School. It must be reviewed and approved in normal course by the Dean and Provost's Staff Conference.

4. Termination of employment for persons who have chosen and entered into work on the nontenure track will be made only because of (a) failure to secure promotion to Associate Professor by the end of the probationary period which shall not exceed ten years; (b) attainment of any required retirement age; (c) insufficient funds from clinical income generated by the individual to pay the agreed upon portion of his/her salary; or (d) for "just cause" as customarily determined within the University. (See "10" below.) See Appendix A to this resolution for Termination Procedure and Internal Appeal Mechanism.

5. To assure conformity with nomenclature approved for University appointees in the Clinician Educator track with a professional rank, the appointee will hold the modified title of Assistant Professor, Associate Professor, or Professor of Clinical Nursing (or other specialty, as appropriate) at the School of Nursing. That is, a clear and correct modifier must be attached to the professorial title. Whatever title is chosen is to be written in full whenever used in documents, in listings of University personnel and in correspondence.
6. There will be an initial three-year appointment for all full-time nursing faculty who are first appointed to nontenured positions. Faculty may choose at the time of appointment either a direct appointment to the Clinician Educator track or a seven-year or a ten-year tenure track probationary period. In the case of faculty on the seven-year probationary track, a decision must be made by the end of the initial three-year appointment to either remain in the seven-year track or transfer to the ten-year tenure track or the nontenure Clinician Educator track. Those in the ten-year track must, after six years of service at the latest, choose between the two tracks with no subsequent change from tenure to nontenure track permitted. A faculty member initially appointed to the Clinician Educator track may change to the seven-year traditional tenure track at the completion of the third year of his/her appointment as a Clinician Educator if such a position is available. Persons from outside the School faculty with appropriate experience and credentials for initial appointment to senior ranks will ordinarily join immediately with the Standing Faculty Clinician Educator group (without tenure).

7. All Clinician Educators will have a written contract with the School of Nursing that contains a clear statement of:

- the conditions of employment; including use of facilities and access to patients.
- the circumstances under which the contract can be terminated;
- the responsibility of the School of Nursing or other budgetary unit for payment of income and all specified benefits; and the rights of persons to due process by mechanisms available to all University faculty in the event of grievances of alleged failure to protect the individual rights accorded a faculty member.

The restrictions that all patient care activities will be in facilities under the auspices of or approved by the School of Nursing.

8. Inasmuch as benefits are not restricted to tenured employees of the University, appointees will be entitled to full University faculty benefits. Leaves are not an unconditional benefit, whether for scholarly or other purposes and will be granted only when determined on an individual basis to be in the interest both of the individual and of the School of Nursing.

9. A faculty member on this track will be required to devote his/her full professional time to activities on behalf of the educational and patient care activities of the School of Nursing. All practice earnings will be returned to and managed by the School of Nursing. Salaries will conform to School of Nursing policies. The faculty member will be subject to University policy on conflict of interest except that he/she will not be permitted to devote any time to employment in extramural professional practice.

10. Except for restriction on outside employment (Section "9"), persons in this category will share all rights and privileges of other School of Nursing faculty except voting on matters of tenure and on compensation of tenured faculty. Should grievances arise which are not resolved administratively, appointees may seek adjudication through the established mechanisms of the Grievance Commission and
the School Committee on Academic Freedom and Responsibility as appropriate to the circumstances.

11. At no time shall the voting strength of faculty members on the new Clinician-Educator track exceed 30% of the voting strength of the Standing Faculty of the School of Nursing as a whole, and no Section shall have more than half (50%) its Standing Faculty membership composed of Clinician Educators.

12. If approved, these recommendations will apply to all persons appointed beginning with the 1983-84 academic year and to full-time, nontenured members of the Standing Faculty of the School of Nursing who voluntarily choose to be placed on the new track within six months of their notification of its availability. Written notification of this option shall be given at an early date following its approval to all eligible faculty members and is to include a statement limiting the period of any individual's probationary service to a maximum of ten years from the date of appointment at the assistant professor level.

13. The School of Nursing is committed to a full review of this Clinician Educator track within five years after implementation but in any case not later than 1 May 1988.

Nothing in these recommendations is intended to change the status of or to increase or decrease the rights and obligations of other persons presently on the full-time faculty of the School of Nursing.

The appendix for this resolution is on file in the Office of the Secretary.

4. Action: A Resolution on Establishing Seven-Year Appointments as Lecturer/Clinical Specialist in the School of Nursing was approved as follows:

Intention:

The mission of the School of Nursing at the University of Pennsylvania is to be at the forefront of the discipline of nursing by, among other goals, providing excellence in the quality of its graduate programs. The graduate programs prepare clinical specialists for a variety of subspecialties. This means that graduate students need to be precepted by people who are clinical nurse specialists. In order for these nurses to maintain their clinical expertise, they must devote a major portion of their time to direct care of clients. In some cases, certification, and in other cases, re-certification procedures stipulate a minimum number of hours per week or year in practice. Possession of certification is rapidly becoming a job requirement in primary care and is already mandatory for entry into the practice of nurse-midwifery.

The clinical instructional staff in primary care and nurse-midwifery programs throughout the country are persons who have been in practice and are deeply committed to this practice. The vast preponderance of these clinical specialists are actively involved in application and dissemination of nursing knowledge rather than the generation of new knowledge. They are more inclined to devote their energies to direct efforts at improving the quality of nursing care through client servicing and role-modeling for students. They are also particularly concerned with developing effective clinical teaching methods and materials, and they choose to concentrate their efforts in providing direct patient care and individualized supervision of graduate nursing students.
Apart from the certification issue and currency of practice needed for optimal preceptoring in a clinical nursing specialty area, the current maximum allowable three year appointment of non-doctorally prepared clinical faculty in the School of Nursing does not give stability to the primary care and nurse-midwifery educational programs. A constant three-year turnover of clinical specialists not only impedes continuity of client caseloads for student learning and stability in student learning experiences, but also interferes with recruitment of clinical experts to this University since minimal job security is offered and new practices require 2-4 years to develop. It is also important to note that there is a very limited supply of expert clinician specialists in primary care and nurse-midwifery. In nurse-midwifery, for example, there are only 7 doctorally prepared clinical-teachers in the country and approximately 50 clinical specialists with a terminal master's degree. The situation is similar for primary health care.

The School of Nursing wants to be able to retain its clinical experts in nurse-midwifery and primary care for longer periods of time so they can build a caseload of patients and thus provide stability for student learning and clinical teaching. Having clinical specialists at practice sites affords the students access to these nurses' caseloads while under their direct supervision. Short term appointments will simply not generate a sense of commitment to these graduate specialty nursing enterprises. Moreover, the very short-term appointments will not attract the very best clinical specialists which we have already pointed out are relatively few in the specialties of primary care and nurse-midwifery in this country.

It is important to note that the clinician-educator track is not appropriate for two reasons: (1) the clinical specialists cannot generate their salaries from their nursing practices and (2) there are so few doctorally prepared persons in these specialties in the country that recruitment efforts would fail at this time.

These lecturer-clinical specialists are distinguished from the Faculty by their concentration on the supervision of the graduate student practice of primary care or nurse-midwifery as opposed to the teaching of the theory of nursing. It is anticipated that these lecturer-clinical specialists will not be involved in the School of Nursing teaching activities outside the clinical major and their dominant roles will be to maintain a caseload of patients for on-going student practice and supervise that student practice.

RESOLVED, that:

As of 1 July 1983, the School of Nursing is authorized to make a limited number of appointments as full-time Lecturer/Clinical Specialist. These are support staff appointments without tenure or tenure accrual. The appointments are governed by the following conditions:

1. Title: Lecturer/Clinical Specialist

2. Definition: A Master's prepared clinical specialist in nurse-midwifery or primary care appointed to the academic support staff full-time, with evaluation and renewal of appointment annually for up to seven years.

3. Criteria for Appointment:
   a. Master's degree in nursing with specialty preparation in primary care and/or nurse-midwifery.
b. National and/or State certification in the specialty area.

c. Maintenance of client caseload for student learning.

4. Salary/Reimbursement:

a. 100% salary and benefits received from the School of Nursing with any direct reimbursement funds from client services returned to the School of Nursing.

b. Salary will be determined by years of clinical practice and general level of performance in lecturer-clinical specialist role.

5. Numbers needed:

a. Nurse-midwifery--4 (in practice at Pennsylvania Hospital--full scope nurse-midwifery)

b. Primary Care--3

In summary, no more than seven positions will be created in the 7-year track. No new appointments shall be made to the 7-year track after 1 June 1988 unless the track shall have obtained a favorable review by the Senate Committee on the Faculty.

5. Action: After General Counsel Shelley Green assured the chairman that it was necessary for the Trustees to act, a Resolution on Raising the Percentage Limit on the Size of the Clinician-Educator Faculty in the School of Medicine was approved as follows:

Intention:

The Clinician-Educator track in the School of Medicine was established some six years ago. It has proved to be a striking success in terms of strengthening the clinical activities of the faculty of the School of Medicine. In doing this, it has attracted many individuals who are highly competent in areas of research scholarship as well as excellent clinicians. The success of the Clinician-Educator track now warrants raising the percentage of Medical School faculty who may hold positions as Clinician-Educators.

RESOLVED, that:

As of the date of this action, the percentage of Clinician-Educators in the faculty of the School of Medicine may not exceed 40 percent of the number of Standing Faculty in that School.

6. Action: A Resolution on Establishing Four-Year Renewable Senior Lectureships in the Faculty of Arts and Sciences was approved as follows with the clarification in point 7 that senior lecturers in the School of Arts and Sciences are not members of the standing faculty:
Intention:

In certain departments of the School of Arts and Sciences, there are needs for specialized instructional services that cannot be best provided by members of the standing faculty. It is proposed that a limited number of four-year renewable lectureships be established to fill such needs.

RESOLVED, that:

As of 1 July 1983 a limited number of Senior Lecturers may be appointed in the School of Arts and Sciences (SAS) in accordance with the following provisions:

1. Like other lecturers, SAS Senior Lecturers are members of the Support Staff. Thus Senior Lecturers never hold tenure and never accrue time toward tenure.

2. A lecturer in the School of Arts and Sciences who has completed four years of full-time service in that rank may be considered for appointment as a Senior Lecturer. Persons appointed to this rank will normally not possess the scholarly credentials expected of members of the standing faculty.

3. No Senior Lecturers may be appointed from the ranks of the standing faculty.

4. A recommendation for an initial appointment as a Senior Lecturer must clearly demonstrate that:
   
   a) The proposed candidate is performing an instructional service which is exceptionally difficult (or impossible) to obtain from members of the standing faculty.

   b) The proposed candidate performs this service at a very high level of competence, as judged by faculty, peers, and students.

   c) The service provided by the proposed candidate is an essential part of an academic program in the School of Arts and Sciences.

   d) The proposed candidate cannot be readily replaced by other persons of similar competence.

5. Appointments to the rank of Senior Lecturer shall be for periods of no more than four years, but successive appointments are allowed. Appointment and reappointment shall be proposed by the department (and require a vote by all members of the standing faculty of the department), be reviewed by the SAS Personnel Committee, and be approved by the Dean and the Provost.

6. Continued reappointments are expected provided that the individual maintains his or her professional competence and that the academic need continues to exist. Any reappointment must be approved prior to the end of the penultimate year of an appointment.

7. Although not members of the standing faculty, the total number of Senior Lecturers in the School of Arts and Sciences shall never exceed three percent of the total number of standing faculty.
Mr. Ehrlich then called attention to promotions to tenure of Beth E. Allen, whom he said was making important contributions to economic theory, Kenneth R. Foster, an "outstanding investigator" in the field of bioengineering, and Juan Gil, who has "contributed significantly" to lung physiology and lung anatomy. He also mentioned the appointments of Virginia A. LiVolsi as a professor of pathology and laboratory medicine and Edward H. Bowman, "a leader in the field of management analysis," as the Reginald H. Jones Professor of Corporate Management.

**Action:** A Resolution on Appointments, Promotions, and Leaves from March 24, 1983 to April 14, 1983 was approved as found on pages 1-11 in the meeting book.

C. Financial Report

Mr. Gazzerro reported that as of the end of nine months of the fiscal year, the University is projecting a surplus of $838,000 exclusive of the $347,000 mandated and planned to cover the Hi-Rise and Graduate Hospital deficit amortizations. "The factors which continue to contribute to this surplus," he said, "are utility cost savings due to the extraordinarily mild winter, gains in Temporary Investment Fund Income, and the gains created by the Fiscal 1982 accelerated writeoffs which were budgeted in Fiscal 1983." He pointed out that expenditures are expected to come in at $3.6 million under budget and revenues, due to a shortfall in tuition, at some $2.5 million under budget.

The vice president for finance went on to say that for the eight months which ended on February 28, 1983, the Hospital had an excess of revenue over expenses of $5,308,000, which was $2,803,000 greater than budget and included $2,187,000 from operations and $3,121,000 of non-operating revenue comprised of unrestricted gifts and endowment income. For the six months which ended December 31, 1982, the Clinical Practices had an excess of revenue over expense of $3.3 million and their Education and Development Fund balances increased, net, from $6.3 million to $7.3 million.

IV. Report of Trustee Committees and Special Boards

A. Budget and Finance

Mr. Eckman reported that at a morning meeting of the Budget and Finance Committee, members had considered and recommended to the Executive Committee the following resolutions.

1. **Action:** A Resolution on New Bolton Center Lease Agreements was approved as follows:
Intention:

Acting on a proposal submitted in 1967 by the University administration in which the best interests of the University would be directly promoted by encouraging certain members of the faculty of the School of Veterinary Medicine to acquire homes for themselves in close proximity to New Bolton Center, the Trustees, on February 17, 1967, authorized the University administration to enter into lease agreements, subject to approval of counsel, with fully-salaried and fully-affiliated members of the faculty of the School of Veterinary Medicine of the rank of assistant professor and above for parcels of one acre each of unimproved land at New Bolton Center.

In reviewing this program, the University administration has determined that the best interests of the University would be further advanced if this privilege were extended to all fully-salaried and fully-affiliated members of the faculties of all the schools of the rank of assistant professor and above and comparable administrators as determined by the administration, with the understanding that preference will continue to be given to members of the School of Veterinary Medicine. The lease agreement would provide among other things the following:

1. A term of 99 years;
2. Rent of one dollar plus any taxes assessed;
3. Construction of improvements by lessee at his/her expense, subject to approval of the University
4. Termination of lease and purchase by the University when lessee ceases to be employed by the University and does not assign such lease with University approval.

RESOLVED, that the vice president for finance or other appropriate University officers be and they hereby are authorized to enter into such leases, subject to approval by counsel.

2. Action: A Resolution on the Renovation of Room 17 in Logan Hall was approved as follows:

Intention:

The administration proposes the renovation of Room 17 in Logan Hall. The number of good quality, large lecture halls on campus is inadequate to meet the current need for large lecture classes. Room 17 in Logan Hall is a 300-seat capacity lecture room which has been scheduled infrequently because of its poor acoustics, lighting, sight lines, and seating. It is proposed that these deficiencies be corrected together with connection to the central chilled water system at an estimated cost of $339,500. The cost will be funded from the reserve for Physical Plant.

RESOLVED, that the renovation of Room 17 in Logan Hall, in accordance with the proposal presented to the meeting, be and the same hereby is approved and the vice president for finance or other appropriate officers of the University be and they hereby are authorized to proceed with such renovation and execute such contracts and incur such expenses and obligations—not, however, substantially in excess of the estimated cost of such renovation as presented to the Budget and Finance Committee—as may in their judgment be necessary or desirable to effect such renovation.

FURTHER RESOLVED, that all costs and expenses incurred in carrying out the project authorized by the foregoing resolution,
which are not funded from the sources specifically cited to the Budget and Finance Committee, be reimbursed out of the proceeds of the sale of a contemplated issuance of tax-exempt notes which it is proposed will be effected through a government agency to finance capital projects.

3. **Action:** A Resolution on Rehabilitation of the Law School Kitchen and Construction of a Connecting Passageway to English House was approved as follows:

**Intention:**

The administration proposes the complete rehabilitation of the Law School kitchen facilities due to the poor condition and age of the equipment. At the same time, a connecting passageway from the Law School kitchen to the English House residence will be constructed to facilitate the movement of food, together with the construction of a good processing line and dining area within English House. This project is planned to be completed over the summer of 1983 at an estimated cost of $1,240,000, funding provided by the Dining Services reserve.

RESOLVED, that the rehabilitation and construction of the Law School kitchen and connecting structure to English House, in accordance with the proposal presented to the meeting, be and the same hereby is approved and the vice president for finance or other appropriate officers of the University be and they hereby are authorized to proceed with such renovation and execute such contracts and incur such expenses and obligations—not, however, substantially in excess of the estimated cost of such renovation as presented to the Budget and Finance Committee—as may in their judgment be necessary or desirable to effect such renovation.

FURTHER RESOLVED, that all costs and expenses incurred in carrying out the project authorized by the foregoing resolution, which are not funded from the sources specifically cited to the Budget and Finance Committee, be reimbursed out of the proceeds of the sale of a contemplated issuance of tax-exempt notes which it is proposed will be effected through a government agency to finance capital projects.

4. **Action:** A Resolution on Landscaping Locust Walk between 37th and 38th Streets was approved as follows:

**Intention:**

The administration proposes to convert the remaining portion of the former Locust Street within the boundary of the campus into a pedestrian walkway. The estimated cost of the project is $550,000, with funding to be provided by gifts from the Classes of 1933, 1957, 1958, and 1959.

RESOLVED, that the conversion of Locust Street between 37th and 38th Streets to a pedestrian walkway, in accordance with the proposal presented to the meeting, be and the same hereby is approved and the vice president for finance or other appropriate officers of the University be and they hereby are authorized to proceed with such renovation and execute such contracts and incur such expenses and obligations—not, however, substantially in excess of the estimated cost of such renovation as presented to the Budget and Finance Committee—as may in their judgment be necessary or desirable to effect such renovation.
FURTHER RESOLVED, that all costs and expenses incurred in carrying out the project authorized by the foregoing resolution, which are not funded from the sources specifically cited to the Budget and Finance Committee, be reimbursed out of the proceeds of the sale of a contemplated issuance of tax-exempt notes which it is proposed will be effected through a government agency to finance capital projects.

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

In Mr. Ballam's absence, Mr. Miller announced that Charles R. Buck, Jr. had been selected as the new executive director of HUP. He noted that Dr. Buck is presently the Secretary of Health and Mental Hygiene for the State of Maryland and had previously been director of planning for The Johns Hopkins Medical Institutions.

C. Investment Board

Mr. Neff reported that the market continues "speculatively topping. It's come as far from the depressed levels of last summer," he said, "as any market in my experience." The chairman went on to note that "financial assets have had some good runs from those bottoms," but not without some problems, notably the federal deficit which he described as "the loose cannon on the deck. A $200 billion deficit makes a tall imposition on the savings rate," he said, "and we run some risk of squeezing out other credit demands."

The managers of the Associated Investment Fund continue to be a little wary, Mr. Neff observed, and they are retaining a 10 percent cash position. "Our position in equities is still rather conservative, defensive, unimaginative, what have you," he said. "But despite that we've been reasonably participative as the AIF has done a little better than the averages on the equity side and only a little worse on the bond side." He noted, furthermore, that the Solomon Brothers average maturity was about 28 years while Penn's bond investments are in the 12-to-15 year range.

Mr. Neff said the total market value of the endowment was approaching $250 million. "We continue to hang in rather well," he commented, "given that it has been a frothy market and that we've lugged around some cash. What has saved us," he went on, "is that the market has been rational in its rotational nature, that is, to the degree that there have been segments that have been undervalued, the market seems to get around to them sooner or later, and we're usually there with some representation."

Mr. Miller observed that by the end of the year, the amount of money the AIF will have reinvested under the spending rule will be about $14.5 million. "That's no small piece of change," he said, "considering our poorly endowed status." Mr. Neff agreed, noting that "in a market that has come 55 percent off the bottom, we've
done a good job of keeping our yield up. It's not up as high as it was before," he concluded, "but it hasn't declined as much as the market's advance."

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

RESOLVED, that Stephen M. Peck be appointed to the Board of Overseers of the Wharton School for a three-year term, effective 7 May 1983.

B. Pursuant to Section 7512 of the Pennsylvania Nonprofit Corporation Law, the members of the Executive Committee of the Trustees of the University of Pennsylvania, a Pennsylvania nonprofit corporation, unanimously consented to the adoption of the following resolution:

RESOLVED, that Irvin G. Zimmerman be appointed to the Board of Overseers of the School of Veterinary Medicine for a three-year term, effective 19 May 1983.

Respectfully submitted,

Mary Ann Meyers
Secretary of the University