Minutes of the Stated Meeting
of the
Executive Committee of the Trustees of the University of Pennsylvania

9 September 1983

A stated meeting of the Executive Committee was held on Friday, 9 September 1983. Trustees attending included: Walter G. Arader; Richard P. Brown, Jr.; Charles D. Dickey, Jr.; G. Morris Dorrance; John W. Eckman (vice chairman); Sheldon Hackney; John P. Hellwege; Carl Kaysen; Margaret R. Mainwaring; Paul F. Miller, Jr. (chairman); John R. Neff. Among others present were: June Axinn, James J. Bishop, Stuart Carroll, Richard Clelland, Peter Conn, Ann Duffield, Thomas Ehrlich, Paul Gazzerro, Jr., Shelley Z. Green, Sheldon Hackney, Arthur Hirsch, Stanley Johnson, George Koval, Thomas Langfitt, Robert Lorndale, Edward McFall, Denise McGregor, Mary Ann Meyers, Helen O'Bannon, William Owen, Gary Posner, William Schilling, Willis Stetson, Glen Stine, Dilyss Winegrad, Robert Zemsky, and Paul Zingg.

I. Call to Order

The chairman called the meeting to order and the minutes of the 6 May 1983 meeting were approved as written by the secretary.

II. Report of the Chairman

Mr. Miller reported that two months into the new fiscal year gift and subscriptions amounted to $9.6 million. Cash receipts total $5.7 million, he said, and are 62 percent ahead of this time last year. At the end of 1983 FY $49.3 million in cash and securities had been received by the University, the highest total for any year in Penn's history. Total subscriptions amounted to $33.9 for the year. The chairman went on to mention that among significant new gifts were $1.2 million in nuclear magnetic resonance equipment from General Electric, two grants, totaling $785,000, from the Robert Wood Johnson Foundation for programs in the School of Nursing, and an additional $800,000 from the bequest of the late Thomas B. McCabe for medical research at the Hospital.

III. Resolutions

A. Forgoing the usual order of the meeting, Mr. Miller asked for a presentation of resolutions. Dr. Hackney introduced three.

1. Action. A Resolution on the Election of Helen B. O'Bannon as Senior Vice President was approved as follows:

SECRETARY
RESOLVED, that Helen B. O'Bannon be elected senior vice president, effective 9 September 1983.

2. Action. A Resolution on a Change in Title for the Vice President for Development and Alumni Relations was approved as follows:

Intention:

In January of 1982 the Trustees elected Ross A. Webber vice president for development and alumni relations. The president subsequently gave him responsibility for the Office of Communications. To reflect Dr. Webber's widened area of concern, a change of title seems appropriate.

RESOLVED, that the title of the vice president for development and alumni relations be changed to vice president for development and University relations.

3. Action. A Resolution on the Designation of F. Stanton Moyer as University of Pennsylvania Representative on the Board of Trustees of the Atwater Kent Museum was approved as follows:

Intention:

On 23 June 1938 the Council of the City of Philadelphia passed an ordinance establishing the Atwater Kent Museum. It mandated that the board of trustees include one member appointed by the governing body of the University of Pennsylvania, and the trustees have so appointed a representative since that time.

RESOLVED, that F. Stanton Moyer be designated as the University of Pennsylvania representative on the Board of Trustees of the Atwater Kent Museum for a three-year term, effective 9 September 1983.

B. Mr. Ehrlich then introduced eight resolutions.

1. Noting the effort put into the project by Senate Chair June Axinn and Deputy Provost Richard Clelland, he sought approval for a revised version of the standing resolutions relating to the academic staff.
a. Action. A Standing Resolution on the Structure of the Academic Staff was approved as follows:

The academic staff of the University of Pennsylvania is divided into six classes: the Standing Faculty, the Standing Faculty-Clinician Educator, the Associated Faculty, the Academic Support Staff, the Teaching Graduate and Professional Students, and the Emeritus Faculty.

A. STANDING FACULTY

The essential requisite for membership in the Standing Faculty is a commitment to both the advancement and the communication of knowledge. The Standing Faculty is composed of all faculty members with tenure or in tenure probationary status. Permissible ranks in the Standing Faculty are Professor, Associate Professor, and Assistant Professor.

PROFESSOR. The title of Professor signifies that the holder is a mature scholar whose achievements have won outstanding approval both by scholars outside the University and by his or her faculty colleagues, and whose presence on the faculty enhances the prestige of the University. Appointment to this rank is not merely a recognition of length of service, but also of outstanding quality. Such an appointment is for an indefinite term.

In 1968 the trustees created Benjamin Franklin Professors in place of an earlier category of University professorships. In January 1970 the trustees reinstituted University professorships.

ASSOCIATE PROFESSOR. Appointment to this rank is made only to a person who has demonstrated the personal and intellectual qualities that with increased maturity are expected to lead to appointment to a professorship. Appointment to the rank of Associate Professor may be for a fixed term or for an indefinite term.
ASSISTANT PROFESSOR. Appointment as Assistant Professor is accorded to a person who has completed his or her final earned degree or other professional certification relevant to his or her discipline and who has given evidence of superior potential for development in academic stature. As most persons in this rank are passing through an early period of their scholarly growth, an effort is made to design departmental and school policies in such a way as to provide them with a variety of educational experiences, including the opportunity to conduct original research and to participate in both undergraduate and graduate levels of instruction. Appointment in this rank provides a period during which an individual has an opportunity to confirm his or her own interest and motivation as being appropriate to the broad scope of University faculty responsibilities, and also one in which senior faculty may assess the promise and the competence of the faculty member's performance in both instruction and scholarly productivity. Appointment to the rank of Assistant Professor is always for a fixed term.

B. STANDING FACULTY-CLINICIAN-EDUCATOR

This group includes full-time faculty members appointed in the health schools at the ranks of Professor, Associate Professor and Assistant Professor with primary responsibility for delivery of health services in a clinical facility of the University of Pennsylvania or in a facility affiliated with the University. Clinician-Educators do not acquire tenure, but they are important to the educational programs of the health schools. There shall be a limit of ten years on the length of full-time service as Assistant Professor for Clinician-Educators. Clinician-Educators with the rank of Professor or Associate Professor shall have continuing appointments, subject to their generation of income to support their appointments, and subject to satisfactory performance of their responsibilities, as established by the faculty as determined in accordance with those fair
procedures established in the Guidelines for Appointments and Promotions for Full-Time Faculty in the School of Medicine, in the Trustee resolution of June 19, 1981 authorizing a clinician-educator track in the School of Dental Medicine and in the resolutions of the Executive Committee of the Trustees on May 6, 1983 authorizing clinician-educator tracks in the Schools of Nursing and Veterinary Medicine. It is expected that income from professional services rendered will assure indefinite affiliation of Clinician-Educators, but the University does not assure continuity of appointment by commitment of any other resources. Permissible appointments in the category of Clinician-Educator will identify the academic rank, the specialty of the faculty member, and the hospital with which the appointee is affiliated where appropriate; e.g., Professor of (specialty) at (hospital) and a member of the Standing Faculty (Clinician-Educator) in the School concerned.

C. ASSOCIATED FACULTY

Members of this group play varied and important roles in the teaching, research, and professional programs of the University. However, they do not acquire tenure. Permissible ranks in the Associated Faculty are those used in the Standing Faculty preceded by one of the descriptive modifiers "Research", "Clinical", "Adjunct", "Visiting", "Practice", or "Wistar Institute".

RESEARCH FACULTY. This group includes persons who are qualified to participate full-time or part-time in one or more of the research activities undertaken by the University and whose salary is derived principally from grants and contracts from government or private agencies. Such appointments should not be given to full-time faculty members holding a terminal professional degree and continuously engaged over an extended period in the same academic activities as faculty members having tenure or serving in a
probationary period for tenure. Because of the nature of the funding of such activities, an appointment to the Research Faculty will normally be for a specified term or for the duration of a particular specified project, whichever is shorter. Persons may serve on the Research Faculty through successive reappointments. While the University will seek to find employment elsewhere in the University for a member of the Research Faculty when a project has been terminated, the University does not assure continuity of appointment for any person in the Research Faculty. Academic ranks in the Research Faculty are Research Professor, Research Associate Professor, and Research Assistant Professor.

CLINICAL FACULTY. This group is composed of persons who are members of the Faculties of Medicine, Dental Medicine, Nursing or Veterinary Medicine, who provide professional services and participate in educational programs on a part-time basis. The professional careers of the Clinical Faculty are primarily independent of their University affiliations. Persons may serve in part-time status in the Clinical Faculty without limit of time through successive reappointments. The University does not assure continuity of appointments for any person in the Clinical Faculty. Academic ranks in the Clinical Faculty are Clinical Professor, Clinical Associate Professor, and Clinical Assistant Professor; e.g., Clinical Professor of (specialty) in the Faculty of (school).

ADJUNCT FACULTY. This group is composed of faculty members whose primary careers are outside the University faculty, whether self-employed or with other institutions of higher education, business or non-profit organizations, or government agencies. Such persons may be appointed to part-time academic status in the University while continuing their principal associations or careers elsewhere. Appointment to the Adjunct Faculty may also be used for academically qualified persons employed by the University.
for non-academic or administrative duties. Persons may serve in the Adjunct Faculty without limit of time through successive reappointments. The University does not assure continuity of appointment for any person in the Adjunct Faculty. Academic ranks in the Adjunct Faculty are Adjunct Professor, Adjunct Associate Professor, and Adjunct Assistant Professor.

VISITING FACULTY. This group normally is confined to persons who are temporarily appointed by the University while they have continuing academic appointments in another institution of higher education, or have continuing associations with business or non-profit organizations, or with government agencies. A Visiting Faculty member is a full-time member of the University while on leave from the institution, organization or agency with which he or she is affiliated. Full-time appointment as a Visiting Professor is limited to three consecutive years, and normally such appointments are for one year or less. Academic ranks in the Visiting Faculty are Visiting Professor, Visiting Associate Professor, and Visiting Assistant Professor.

PRACTICE PROFESSOR. This category is confined to a small number of untenured full professorships in the Wharton School. Practice Professorships are limited to two at any given time with each appointment for a term of 5 years, renewable for not more than a single additional 5-year term.

WISTAR INSTITUTE APPOINTMENTS

Members of the scientific staff of the Wistar Institute who hold appointments in the Associated Faculty of the University hold titles prefixed by the modifiers "Wistar Institute".
D. ACADEMIC SUPPORT STAFF

Members of the Academic Support Staff include the many persons who participate in the University's teaching, research, or clinical services, but who are not eligible for appointment to the Standing or Associated Faculty. Each appointment to the Academic Support Staff is for a term of years and is without tenure or tenure significance.

LECTURER. The rank of Lecturer is flexible, denoting eminent scholars whose appointments at the University are temporary or part-time, scholars still in professional training, or persons who do not possess the normally expected scholarly credentials but nevertheless provide valuable instructional services. Appointments are for one year or less, but may be renewed. Full-time service in the rank of Lecturer is limited to three consecutive years, except where additional appointments are approved by the Provost.

INSTRUCTOR. This rank is used primarily for part-time clinical personnel in the health professional schools. There is no limit on the length of part-time service in this rank. In addition, this rank is occasionally used in some schools for full-time appointments of scholars still in professional training. In this case appointments are limited to three consecutive years, except where additional appointments are approved by the Provost.

POSTDOCTORAL FELLOW. This title is accorded to an individual who holds the degree of Ph.D. or M.D. or the equivalent and comes to the University for the principal purpose of furthering his or her personal development by engaging in research or participating in advanced training programs. Appointments are made on an annual basis for no more than five years.
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 years, except with approval of the Provost.

CLINICAL ASSOCIATE. Clinical Associates work in clinical programs in the health schools and must hold the appropriate terminal professional degree in their disciplines. Full-time service at this rank may not exceed three years except with approval of the Provost.

SENIOR FELLOW. A Senior Fellow of the University is a distinguished scholar who holds an appointment outside the Standing Faculty at the University for teaching or research, for a limited period of time.

E. STAFF APPOINTMENTS OF GRADUATE AND PROFESSIONAL STUDENTS

The following appointments are limited to persons registered in the graduate or professional programs of the University of Pennsylvania. Such appointments are for one year or less, however, they may be renewed. Departments may place limits on the length of service by students in these ranks.

ASSISTANT INSTRUCTOR. This rank is used for scholars still in graduate study or professional training who have substantially greater instructional responsibilities than those normally expected of teaching fellows, yet who are not fully qualified for full-time faculty appointment. Appointments to this rank are for one year or less, but may be renewed.

TEACHING FELLOW. A Teaching Fellow is a member of the instructional staff who is also registered as a graduate or a graduate-professional student and whose work involves actual teaching or guidance of students.
under the direction of a senior faculty member. Appointments are ordinarily for a one-year term and are made by department chairs under the general supervision of the appropriate dean or director.

RESEARCH FELLOW. A Research Fellow is appointed for research directly related to the area in which his or her degree is to be conferred and in which equivalent research is required of all candidates as a condition for receiving such a degree.

RESEARCH ASSISTANT. A Research Assistant is a graduate student engaged to aid the research of an investigator or a member of the faculty.

F. THE EMERITUS FACULTY.

Emeritus status is normally conferred upon Professors and Associate Professors in the Standing Faculty and the Standing Faculty (Clinician-Educator) at the time of their retirement.
b. Action. A Standing Resolution on the Tenure System at the University of Pennsylvania was approved as follows:

1. PURPOSE OF THE TENURE SYSTEM

The protection of the academic freedom of individual teachers and scholars is the instrument by which society at large is protected from hindrances to the search for knowledge and from limits on the dissemination of knowledge. The statutes of the University hold that a system of tenure for faculty members is the preeminent means of fostering and protecting academic freedom of the faculty in teaching and in scholarly inquiry.

The tenure system consists of rules and procedures which establish an essentially self-regulated body of scholars enjoying the continuity of existence and economic security within which academic freedom is both fostered and protected. The protections of academic freedom are extended to all members of the faculty during their terms of appointment. The rights and privileges embodied in the tenure system are extended to all members of the standing faculty during their terms of appointment. Certain of these rights and privileges are also extended to members of the associated faculty during their terms of appointment.

The concomitant responsibility of faculty members, benefited and encouraged by the tenure system, is to use the opportunities thus provided for the advancement of the purposes of the University and of the communities it serves. These purposes include teaching and scholarship. Members of the Standing Faculty are obliged to share in the teaching mission so that their students may advance in learning. They are also obliged to push forward the frontiers of knowledge through study and research. These activities go hand in hand, for scholarship is unavailing if its results are not communicated, and a lively stimulus to learn is best imparted by one who is adding to our store of knowledge.
2. BASIC PRINCIPLES OF THE TENURE SYSTEM

A faculty member who has received tenure has a continuous appointment that extends to retirement age unless terminated sooner by resignation, early retirement, death, or by action of the Trustees under the provisions for removal for just cause or by reason of financial exigency.

Only members of the Standing Faculty are eligible to be appointed with tenure. Members of the Standing Faculty-Clinician Educator, the Associated Faculty or the Academic Support Staff do not acquire tenure; service in any of these three classes is without tenure significance. Each decision creating tenure status for a faculty member is made, upon recommendation of the faculty and the provost and president, only by positive action of the trustees except in the case of the "rare instances" mentioned in Standing Resolution III in the section entitled REAPPOINTMENTS AND PROMOTIONS OF FACULTY MEMBERS ON TERM CONTRACTS IN THE STANDING FACULTY AND STANDING FACULTY-CLINICIAN EDUCATOR.

No faculty member shall be appointed or promoted to the rank of Professor in the Standing Faculty without a simultaneous affirmative grant or confirmation of tenure status.

The faculty of any school of the University may adopt a resolution asking Provost's approval for promotion of members of the Standing Faculty to the rank of Associate Professor without simultaneous affirmative grant of tenure. After receiving the advice of the Senate, the Provost may authorize this type of promotion for the school in question. The school may then recommend individual members of the Standing Faculty for promotion to the rank of Associate Professor without affirmative grant of tenure by the usual process. In such cases, the faculty member may serve without tenure for the remainder of the probationary period established for the faculty member's previous appointment as Assistant Professor. In schools whose faculty have
not received authorization for this type of appointment from the provost, promotion to the rank of Associate Professor must be accompanied by simultaneous grant of tenure.

An initial appointment of a faculty member from outside the University, or a transfer from the Associated Faculty, to the rank of Associate Professor is permissible without conferral of tenure status.

In no case, except that of faculty who have not previously held appointments at other institutions, can the total probationary period as Associate Professor in the Standing Faculty exceed five years.

There shall be definite limits upon the length of time any faculty member can serve as a member of the Standing Faculty without tenure. For members of the Standing Faculty initially appointed as Assistant Professor, the probationary period is seven years, except for members of the faculty in the health professional schools who have substantial clinical duties and thus are eligible for and elect a probationary period of ten years. Faculty appointed from outside the Standing Faculty to the rank of Associate Professor have a probationary period of five years except that faculty appointed to the rank of Associate Professor who have not previously held faculty appointments at other institutions may elect a probationary period of seven years. In cases where a proposed untenured appointment to the Standing Faculty is substantially different from the present appointment of an untenured faculty member, the Provost is authorized to decide, after consultation with the Senate Committee on Academic Freedom and Responsibility, that the probationary period for the present appointment should not be considered as probation for the proposed appointment because of the degree of professional dissimilarity and to determine whether or not the new untenured appointment would preserve academic freedom. If the
provost decides that the new appointment may be untenured, the new
tenure-probationary period will be measured without regard to any
probationary period already served at the University by the faculty member.

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.

The University expects that each recommendation for a tenure appointment
will be made only after the most careful and searching inquiry by the
faculty concerned, and thorough review by the provost and president, on the
attainments and the capabilities of the person under consideration in light
of the University's perceived academic needs and plans, and in the context
of a financial plan commensurate with the new commitment proposed to be
undertaken.

TENURE IN PART-TIME STATUS. In very rare instances prior to July 1,
1976 the University granted tenure for persons serving on a part-time
basis. In such cases the University's financial commitment is only for
corresponding partial salary. Since July 1, 1976, part-time service,
however, is never tenure-probationary except for persons who after
appointment to tenure-probationary status, receive approval for reduced load
for the purpose of child care.
TENURE OF TITLE AND LIMITED TENURE. The University reserves the right to employ individuals to whom rank in the associated faculty is accorded without accepting responsibility for the continuation of their salaries beyond the termination of the contract or grant supporting them, but in such cases the letter of appointment or the trustees' minute must contain a specific statement to this effect.

Prior to July 1, 1976 appointments were sometimes made of the form "Tenure of title", "tenure limited to...", or "indefinite tenure of academic rank; salary limited to...", in which the appointments or salary commitments were limited to funds from research grants or contracts, clinical practice funds, or funds from certain administrative appointments. All new appointments after July 1, 1976 with such limitations shall be without tenure significance and to the associated faculty.

The terms and limitations of the appointments made prior to July 1, 1976 shall continue to be observed.
c. Action. A Standing Resolution on Procedures for Academic Appointments, Promotions, and Leaves was approved as follows:

UNIFORMITY OF PROCEDURES. The diversity of professions and disciplines within the academic community of the University and the valued traditional customs of the several Faculties preclude wholly uniform procedures for appointments and promotions at the school level. The primary responsibility for developing and maintaining a high quality faculty rests with the individual discipline. Each faculty shall adopt bylaws prescribing procedures for review of proposals for appointments or promotions within the faculty. Each faculty shall also establish procedures for the appointment of a school personnel committee. Uniform procedures should be followed when appointments and promotions are considered at the University level under the aegis of the President and Provost. Consistent with policies adopted by the Trustees, additional procedures concerning academic appointments and promotions may be promulgated by the President and Provost.

Where the President and Provost propose to recommend an appointment or grant of tenure without the approval of the faculty concerned, they shall inform the dean, the body responsible for articulating the opinion of that faculty in personnel matters and the Committee on Academic Freedom and Responsibility of that faculty. These bodies shall be provided an opportunity to respond before the proposed appointment is submitted to the Trustees.

Every recommendation for Trustee action shall specify the date of commencement and the duration of the employment relationship thereby created; whether the faculty member is a member of the Standing Faculty, the Standing Faculty-Clinician-Educator, or the Associated Faculty; and whether
the faculty member already has tenure, is receiving tenure by this action, is in a tenure-probationary position, or is in a position without tenure significance.

Every recommendation for Trustee action of appointment or promotion of a faculty member to a tenure-probationary position shall indicate the date (month, day and year) that the probationary period began and the latest date by which such faculty member shall be reviewed for purposes of a timely tenure decision (hereafter referred to as the date of mandatory review).

The Secretary of the University and the Provost shall arrange for suitable means of notifying each faculty member and the respective dean of such action. The notice shall contain the minutes entered in the records of the trustees.

REAPPOINTMENTS AND PROMOTIONS OF FACULTY MEMBERS ON TERM CONTRACTS IN THE STANDING FACULTY AND STANDING FACULTY-CLINICIAN EDUCATOR. Where a faculty member's initial term appointment is for three years or more and has not been previously modified, consideration of the faculty member's continued employment on a new term appointment should occur no later than the penultimate year of the term. Renewal of such term appointments should be made only after systematic serious evaluation of the faculty member's qualifications, the programmatic needs to be met by continuation, and the resources available.

Occasionally term appointments are made in the Standing Faculty for terms of less than three years. Consideration of such a faculty member's continued employment on a new term appointment should occur as soon as practical in light of the nature of the faculty member's role and responsibilities to the faculty concerned.
No single term appointment or combination of such appointments shall exceed the appropriate maximum period of time permitted in a tenure-qualifying position in the Standing Faculty. Where a faculty member’s total years of actual service in one or more term appointments approaches the maximum period, a timely decision on promotion to tenured status shall be made. Such consideration shall be no later than the date of mandatory review, that is, the end of the academic year preceding the last year of the permitted period.

If a faculty and its dean determine not to recommend continued employment of a faculty member on a term appointment, the faculty member should be so advised as soon as possible, in order to enable him or her to explore other employment opportunities. A faculty member who has served more than two years in the Standing Faculty should be given by the dean one full year’s notice of nonreappointment. A faculty member who has served less than two years in the Standing Faculty should be so informed by the dean on or before March 1 of the final academic year of the term.

In the rare instances when certain time limits on notification of termination are not followed, a faculty member may acquire tenure. A faculty member, in tenure probationary status approved by the Trustees, if not notified on or before the date of mandatory review that the appointment will be terminated, will be granted tenure in his or her present rank after the date, provided that the faculty member has been notified in writing not later than November 1 that he or she is due for mandatory review prior to the following July 1, or, if this does not occur, the faculty member has notified the dean and the Provost in writing no later than February 1 that he or she believes review is required before the following July 1.
A faculty member who is not notified of forthcoming tenure review, as in the above, and who does not notify the dean and Provost, as in the above and who does not receive notification of a tenure decision, shall not receive tenure after the date of mandatory review. Such a faculty member shall automatically receive an additional one-year appointment still in tenure-probationary status at his or her current rank. The above procedures and obligations of notification shall then again apply in this additional year, and if not observed, still another year in tenure-probationary status shall be automatically granted. If, however, the faculty member is not notified either of tenure or termination within two years after the expiration of the normal probationary period (i.e., by the end of nine years for Assistant Professor or Associate Professor with no previous academic experience and twelve years for faculty with substantial clinical responsibilities in tenure-probationary status) the faculty member will receive tenure at the current rank.

REAPPOINTMENTS AND PROMOTIONS OF FACULTY MEMBERS IN THE STANDING FACULTY-CLINICIAN EDUCATOR. There shall be a limit of ten years on the length of full-time service as Assistant Professor Clinician-Educator in accordance with procedures set by the faculty. Clinician-Educators with the rank of Professor or Associate Professor shall have continuing appointments, subject to their generation of income to support their appointments, and subject to satisfactory performance of their responsibilities. Action to terminate members of the Standing Faculty-Clinician Educator at the rank of Professor and Associate Professor for failure to generate appropriate levels of practice funds shall be carried out according to policies and procedures promulgated by the President and Provost.
REAPPOINTMENTS AND PROMOTIONS OF FACULTY MEMBERS IN THE ASSOCIATED FACULTY OR ACADEMIC SUPPORT STAFF. The University assumes no obligation of continuing appointment to faculty members in the Associated Faculty or Academic Support Staff. Some appointments in these categories are self-limiting with no expectation of renewal. Others are expressly conditional on the availability of funds such as research grants or clinical practice funds, or are subject to changing plans of the school or department. In all appropriate cases, the University through the deans of the faculties should seek to provide notice as soon as possible to any faculty member whose employment will not be continued. The timing of such notice of termination depends in part on the nature of the reason for the decision. Where the basis is loss of funding for a project of research or service, the length of notice to affected faculty members is dependent on the date of the announcement of the decision of the funding agency.
TRANSFERS OF FACULTY MEMBERS OR TERMINATIONS OF FACULTY APPOINTMENTS RESULTING FROM DISCONTINUATION OF PROGRAMS. Where a faculty or school is discontinued for valid academic or financial considerations in accordance with University procedures, an attempt to relocate members of the standing faculty and the associated faculty within the University will be made. In considering any transfer of a faculty member from one faculty to another, the rights of the faculty as expressed in the statutes of the Corporation shall not be impaired. The University's obligation to those faculty members whose academic base has been terminated must be balanced with the considered opinion of the receiving faculty on the suitability of any transfer. The final decision on any transfer from one faculty to another is made by the trustees on the recommendation of the president and provost.

Where a program or department within a faculty is discontinued for valid academic or financial considerations, in accordance with University procedures, the faculty concerned, and its dean, will attempt to relocate members of the standing faculty and associated faculty in other programs or departments within the faculty. If suitable intra-faculty transfer cannot be effected, the possibility of transfer to another faculty will be pursued in accordance with the above paragraph. If after full exploration of the opportunities for transfer no suitable appointment within the University can be found for faculty members affected by the discontinuation of a school, department, or program, and if the continuation of their salaries would become an undue burden on the University, proceedings to terminate academic tenure under the financial exigency provisions may be implemented.

d. Action.

A Standing Resolution on Suspension or Termination of Faculty for Just Cause was approved as follows:

1. Action to suspend or terminate the appointment of a member of the standing faculty may be taken for just cause, which shall mean:
   a. Failure or refusal without excuse of a faculty member to perform his or her academic obligations; or
   b. Such flagrant disregard of the rules of the University or of the customs of scholarly communities as to render the faculty member unfit to continue as a member of the academic staff; or
   c. Incapacity or disability, whether physical or otherwise. This can only be implemented when the faculty member is deemed eligible to participate in the University's disability income protection program. Suspension may be only for the period of the disability.

Suspension, termination, or threat thereof, may not be used to restrain or interfere with faculty members in their exercise of academic freedom or other rights of citizenship.

2. Formal proceedings for suspension or termination of a member of the standing faculty shall be preceded by discussions between the faculty member and appropriate University academic administrative officers looking towards a mutually agreeable settlement. The offices of the University Ombudsman may be employed for this purpose.

3. Procedures for determination of the existence of just cause for suspension or termination of a member of the standing faculty shall be as follows:
   a. Definitions. As used in this Statement of Procedures:
      (1) "Administration" shall mean the President, Provost or other relevant executive officers of the University.
      (2) "Board" shall mean the Executive Board of the Trustees or the Full Trustees (at discretion of the chairman).
      (3) "Committee" shall mean the Committee on Academic Freedom and Responsibility elected by a faculty.

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(4) "Complainant" shall mean either a member of the University Administration (as specified below) or a Group Administration (as specified below).
(5) "Counsel" shall mean either an attorney-at-law or a non-lawyer adviser (either a colleague of the faculty member or otherwise) chosen by the party.
(6) "Dean" shall mean the dean or director of a faculty.
(7) "Statutes" shall mean the Statutes of the Corporation, as revised.
(8) "Faculty Member" shall mean a member of the standing faculty who holds tenure or an appointment for a term.

4. Suspension or Termination for Just Cause
a. Action to suspend or terminate the appointment of a faculty member shall be prosecuted by either:
   (1) A member of the University administration, who shall normally be the dean responsible for the budget in which the faculty member is carried (or, if the faculty member is carried in more than one budget, the dean named by the president after consultation with the deans concerned) but who may, in unusual circumstances, be the president; or
   (2) A Group for Complaint, elected and acting under the circumstances described below.

b. Should a question arise concerning possible suspension or termination, the dean or the president will normally interview the faculty member in the presence of the department chairman concerned, if any, and will afford opportunity for informal adjustment of the matter. Thereafter, the dean or the president may initiate proceedings for suspension or termination if:
   (1) the matter is not adjusted informally;
   (2) he has conducted an investigation of the matter; and
   (3) he has consulted with members of the faculty concerned (other than members of the committee) to aid him in determining whether there is substantial reason to believe that just cause exists for suspension or termination.

c. If a faculty has by resolution requested its dean to examine a question concerning possible suspension or termination and, within two months following the date such resolution was adopted:
   (1) the dean has not initiated proceedings for suspension or termination and neither another dean nor the president has initiated such proceedings;
   (2) the dean either has not reported to the faculty on the matter or has reported that proceedings for suspension or termination will not be initiated; and
   (3) the reasons, if any, given by the dean for not initiating such proceedings are not deemed satisfactory by the faculty, it may elect from its own members a Group for Complaint which, by the fact of its election, shall be empowered to take action for suspension or termination pursuant to these procedures.

Members of the faculty's Committee on Academic Freedom and Responsibility shall withdraw from faculty meetings when the foregoing matters are considered and shall not be eligible for membership on the Group for Complaint. The group shall conduct an investigation of the question of possible suspension or termination and may initiate proceedings for suspension or termination if it determines that there is substantial reason to believe that just cause exists therefor. A determination by the group not to initiate proceedings shall be reported to the faculty, with the group's reasons for such determination, and no further action shall be taken by the faculty.

d. A faculty member shall not be suspended during proceedings involving him unless immediate harm to himself or others is
threatened by his continuance. Any such suspension shall be with salary.
e. If it is determined that action should be taken for suspension or for termination, the complainant shall send to the Committee on Academic Freedom and Responsibility of the faculty concerned a written statement which sets forth in as much detail as is practicable the grounds for the proposed suspension or termination. The committee shall immediately consider the statement. In the process of arriving at its conclusion at this stage of the proceedings, the committee shall afford the complainant opportunity to present oral and written argument, but shall not hold a hearing to receive evidence. If the committee concludes that the grounds stated, if true, would not constitute just cause for suspension or termination, it shall so report in writing and shall send to the complainant a copy of its report. The complainant may appeal to the faculty concerned. If the complainant does not appeal or the faculty affirms the committee's conclusion, the proceedings against the faculty member shall be discontinued. If the committee, or the faculty on appeal from the committee, concludes that the grounds stated, if true, might constitute just cause for suspension or termination, the committee shall conduct further proceedings as hereinafter provided.
f. Whenever further proceedings are taken, the committee shall send to the faculty member:
(1) a copy of the complainant's statement of the grounds for suspension or termination;
(2) written notice that the faculty member may request a hearing before the committee by submitting such request in writing to the chairman of the committee within 30 days from the faculty member's receipt of such notice;
(3) a summary statement of the evidence proposed to be presented by the complainant, a list of witnesses to be called by the complainant and copies of extracts from the statutes of the Corporation, the standing resolutions, this memorandum, and other University documents relevant to the faculty member's procedural rights in the matter, all of which shall have been supplied by the complainant to the committee for that purpose.
g. If the faculty member does not request a hearing before the committee, the complainant shall nevertheless present its testimony to the committee. The faculty member's failure to request a hearing before the committee shall be a waiver of his or her right to appeal to the faculty pursuant to paragraph (k) below and to request a hearing before the Board provided by paragraph (l). The committee shall make a written report of its finding, recommendations and reasons therefor and shall send a copy of its report and a transcript of the testimony to the complainant and the faculty member. If the committee concludes that the complainant has not shown convincing evidence of just cause for suspension or termination, the complainant may appeal to the faculty concerned; if the complainant does not appeal or the faculty affirms the committee's conclusion, the action against the faculty member shall be discontinued. If the committee, or the faculty on appeal by the complainant, concludes that the complainant has shown convincing evidence of just cause for suspension or termination, the committee shall send to the board (through administrative channels) a transcript of the testimony and a copy of its report and the faculty shall similarly send to the board a record of the faculty's action, if any.
h. If the faculty member requests a hearing before the committee, he shall accompany his request with a written answer to the complainant's statement of the grounds for the proposed suspension or termination. Following receipt of the faculty member's request for a hearing, the chairman of the committee shall notify the parties in writing of the date and place of
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the hearing, which shall be held not less than three weeks from
the date the chairman shall send to the parties notice of such
date and place.
i. The faculty member and the complainant shall be entitled to
move to disqualify, for prejudice, any member of the
committee. Such motion shall be made in writing, which shall
set forth the reasons therefor and shall be delivered to the
chairman of the committee not later than 10 days prior to the
date set for the hearing. Such motion shall be decided by the
remaining members of the committee. If the remaining members
decide that the disqualification is proper, an alternate
member, if any, shall serve as a substitute for the
disqualified member. If an alternate member is not available,
the faculty member and the complainant may agree that the
hearing shall be held by the remaining members or that the
remaining members shall select a substitute. In the event of
failure so to agree, a substitute shall be elected by the
faculty.
j. If a hearing is held at the request of the faculty member, it
shall be private except that (a) the faculty member shall have
the right to invite as observers representatives of national
professional academic associations concerned with matters of
academic freedom and tenure, and (b) other observers may be
invited to attend the hearing if the parties mutually consent
to such invitation. A transcript of the hearing shall be kept
by a stenographer furnished by the University. The complainant
has the burden of proving by a preponderance of the evidence
that there is just cause for suspension or termination of the
faculty member. Both the faculty member and the complainant
may appear personally throughout the hearing; both may have
the assistance of counsel. The faculty member shall have the
right to be confronted by the witnesses against him and to question
the witnesses personally or through counsel. He may call
witnesses on his own behalf and shall receive the assistance of
the University Administration in securing the attendance of
witnesses on his behalf. The committee shall afford the
faculty member and the complainant opportunity to present oral
and written argument.
k. After the hearing, the committee shall deliberate privately.
The committee shall determine solely on the basis of the
information adduced at the hearing whether or not the
complainant has established that there is just cause for
suspension or termination. The committee shall decide the
matter as promptly as possible and shall send to the
complainant and the faculty member a transcript of the
proceedings and a copy of its report, in which it shall set
forth its findings, recommendations and reasons therefor.
l. Either the faculty member or the complainant may appeal to
the faculty. A faculty member's failure to appeal shall not
waive of the right to request the hearing before the board
provided by paragraph (m) below. The faculty member or the
complainant may initiate such appeal by sending to the
secretary of the faculty, within 30 days of his or her receipt
of the committee's report, a written request that the faculty
review the decision of the committee. The dean shall call a
meeting of the faculty for this purpose, to be held within 15
days following the secretary's receipt of the faculty member's
request. The committee shall submit to the faculty, in advance
of the meeting, the transcript of the proceedings and its
report, which shall be available to all members of the faculty
and to all parties in interest. If he so desires, the faculty
member may submit to the faculty a written statement in
advance of the meeting. Both the faculty member and the
complainant may appear personally at the faculty meeting; both
may have the assistance of counsel. The chairman of the
committee shall read the committee's report of its findings,
recommendations and reasons; the faculty member may read his
counterstatement. Both parties may make oral statements. The
faculty member, complainant and committee shall then withdraw and the faculty shall vote to affirm, reverse or modify the findings or recommendations of the committee. The faculty shall decide the matter solely on the basis of the information adduced at the hearing before the committee and the statements of the parties at the faculty meeting. If the faculty votes to reverse or modify the findings or recommendation of the committee, it shall adopt a resolution setting forth its reasons for such reversal or modification. In all cases, the faculty shall promptly send to the faculty member a record of its action, including a copy of any such resolution of reversal or modification. If the committee concludes that the appointment of the faculty member should not be suspended or terminated and there is no appeal to the faculty, or if the faculty so concludes on appeal from the committee, the proceedings shall be discontinued. If the committee concludes that the faculty member should be suspended or terminated and there is no appeal to the faculty, or if the faculty so concludes on appeal from the committee, the committee shall send to the board (through administrative channels) a transcript of the proceedings and copy of its report and the faculty shall similarly send to the board a record of the faculty's action, if any.

m. The faculty member may appeal to the board directly from the report of the committee unless an appeal has been taken to the faculty, in which case the faculty member may appeal to the board from the faculty's action. The faculty member may appeal on one or more of the following grounds: (a) that there has been a defect of procedure, (b) that the complainant has failed to prove, by a preponderance of the evidence, the existence of just cause, (c) that the term "just cause" has been misinterpreted and (d) that the recommended sanction is unreasonably severe under the circumstances. The faculty member may initiate such appeal by sending to the secretary of the Corporation within 30 days following his or her receipt of the committee's report (or, if an appeal has been taken to the faculty, within 30 days following the date on which he or she was notified in writing of the faculty's action on the appeal), a written request that he or she be accorded a hearing before the board. The board shall then afford the faculty member, the complainant and the committee opportunity to appear personally before it and to present oral and written statements. The faculty member and the complainant may have the assistance of counsel.

n. Whenever a committee or a faculty shall recommend suspension or termination, and whether or not the faculty member has appealed to the board, the board shall take action to suspend or terminate solely on the basis of the information set forth in the transcript of the proceedings, the report of the committee, the statement of faculty action, if any, and statements of the parties at the hearing, if any, before the board. The board shall decide whether or not (a) there has been a defect of procedure, (b) the complainant has failed to prove, by a preponderance of the evidence, the existence of just cause, (c) the term "just cause" has been misinterpreted or (d) the recommended sanction is unreasonably severe under the circumstances. The board may direct that the proceedings be discontinued, may affirm the committee's recommendations (unless the recommendations of the faculty on appeal shall differ from those of the committee, in which case it may affirm the faculty's recommendations), may substitute suspension for a recommended termination or may reduce the period of a recommended suspension. It the board decides that additional evidence should be received or that further proceedings are otherwise required, it shall remand the matter to the committee. In that event the committee may receive additional evidence, shall send the parties written notice of hearings at least one week before they are to be held and shall accord the
parties the procedural rights provided in paragraph (j) above. The parties may again appeal to the faculty and the faculty member may appeal to the board as provided above. The board shall furnish all parties in interest with copies of a report of its decision, in which it shall set forth its reasons therefor.

o. A faculty member's salary shall be continued for one year from the date of receipt of notification by the board of termination of his or her appointment, or if the faculty member holds an appointment for a term which ends in less than one year from the date of receipt of such notification, the faculty member's salary shall be continued until the end of his or her term of appointment, unless, in either case, the committee shall find that the faculty member has engaged in such gross personal misconduct as unfit him or her for association with students and shall include in its report a recommendation either that his or her salary be terminated immediately upon his or her receipt of notification of termination or that it be continued for some stated period less than the period stated above.

p. A decision by the board made pursuant to these procedures shall be final within the University.

q. Public statements about proceedings by persons within the University, whether parties to the proceedings or otherwise, should be avoided until the proceedings have been completed.

e. Action. A Standing Resolution on Removal of Faculty by reason of Financial Exigency was approved as follows:

1. If the administration of the University proposes to curtail an activity of the University which might involve the removal of faculty members, it shall initiate consultation with the Executive Committee of the Senate on the issues of the existence in fact of a financial exigency, the appropriateness of the selection of the particular segment of the faculty for removal, possible alternative actions and the like, at least 30 days before it proposes to send to the affected faculty members the notice described in paragraph (2) below.

2. If after such consultation the administration determines to take action to curtail an activity of the University with or without the concurrence of the Senate, the administration shall make an attempt to continue those faculty members who will be affected by such action, by transfer to other faculty positions so far as feasible. If such transfer is not deemed feasible by the administration, the president shall send the following written notice to (a) each faculty member whose employment the University proposes to terminate and who either has tenure at the time such notice is given or, by the operation of the University's tenure principles, will have tenure at the time of the proposed termination and (b) each faculty member on term appointment whose employment the University proposes to terminate prior to the expiration of such term. The president's notice shall state that the University is engaged in proceedings which may result in termination of the faculty member's employment, that, if it is finally decided that his or her employment will be terminated, such termination will become effective not less than one year from the date of receipt of such notice and that he or she may request a hearing before the Committee on Academic Freedom and Responsibility of his faculty (unless the administration proposes to terminate the employment of an entire faculty, in which case the notice shall state that the faculty member may request a hearing before the Senate's Committee on Academic Freedom and Responsibility).

3. Each faculty member so notified may request a hearing by sending a written request therefor to the chairman of the appropriate committee within 30 days of his or her receipt of the president's notice. The faculty member's failure to request a hearing before the committee shall be a waiver of his
or her right to request the hearing before the board. The faculty member shall accompany his or her request with a statement in which he or she may make one or more of the following charges:
a. that the administration is not acting in good faith to remove him or her on the grounds of financial exigency;
b. that it is possible for him or her to be assigned to other duties, the nature of which shall be described in his statement.

In his or her statement, the faculty member shall specify in as much detail as is practicable the reasons for his or her charge or charges. The faculty member shall send a copy of his or her statement to the president. The president shall furnish the faculty member and the committee with a written answer to the faculty member's charges.

4. If the faculty member charges that the administration is not acting in good faith, the president shall send a written notice to each faculty member affected by the proposed curtailment, stating that the recipient may join in the hearing. The president shall also furnish each such faculty member with a copy of the charge made by the faculty member initially requesting the hearing and a copy of the answer thereto. A faculty member who receives such notice and who does not, within ten days following receipt of such notice, deliver to the chairman of the committee a written statement of his or her intention to join in the hearing and of his reasons thereof, shall thereby waive his or her right thereafter to request a hearing on the charge that the administration is not acting in good faith. A faculty member's failure to join in such a hearing shall not be a waiver of his or her right to request a hearing on the possibility of his or her own reassignment. Promptly after the expiration of the period within which faculty members may state their intention to join in the hearing, the chairman of the committee shall notify the parties in writing of the date and place of the hearing, which shall be held not less than three weeks from the date the chairman shall send to the parties notice of such date and place.

5. Any faculty member requesting or joining in the hearing, and the administration, shall be entitled to move to disqualify, for prejudice, any member of the committee. Such motion shall be made in writing, which shall set forth the reasons therefor, and shall be delivered to the chairman of the committee no later than ten days prior to the date set for the hearing. Such motion shall be decided by the remaining members of the committee. If the remaining members decide that disqualification is proper, an alternate member, if any, shall serve as a substitute for the disqualified member. If an alternate member is not available, the parties may agree that the hearing shall be held by the remaining members or that the remaining members shall select a substitute. In the event of failure to agree, a substitute shall be elected by the faculty (if the committee is a faculty committee), or shall be selected by the Executive Committee of the Senate (if the committee is a senate committee).

6. If a hearing is held at the request of a faculty member on a charge that the administration is not acting in good faith, the administration shall have the burden of proving by a preponderance of the evidence that it is acting in good faith in seeking to remove the faculty member on the grounds of financial exigency. If a hearing is held at the request of a faculty member on a charge that it is possible for him or her to be assigned to other duties, the faculty member shall have the burden of proving by a preponderance of the evidence that such assignment is possible, and shall not be deemed to have met such burden unless he or she shall introduce testimony, supporting such assignment, by faculty
members from the department or school to which such assignment is proposed to be made. A transcript of the hearing shall be kept by a stenographer furnished by the University. Both the faculty member and the representatives of the administration may appear throughout the hearing; both may have the assistance of counsel. Both shall have the right to be confronted by the witnesses against them and to question the witnesses personally or through counsel. Each party may call witnesses on his or her own behalf; the faculty member shall receive the assistance of the administration in securing the attendance of witnesses on his behalf. The committee shall afford the faculty member and the administration opportunity to present oral and written argument.

7. After the hearing, the committee shall deliberate privately. It shall determine solely on the basis of the information adduced at the hearing whether or not the administration has proved by a preponderance of the evidence that it is acting in good faith in seeking to remove the faculty member on the grounds of financial exigency, or whether or not the faculty member has proved by a preponderance of the evidence that it is possible for him or her to be assigned to other duties. The committee shall send to the faculty member and (through administrative channels) the president a transcript of the proceedings and a copy of its report, in which it shall set forth its findings, recommendations and reasons therefor.

8. If the committee concludes that the administration is not acting in good faith, or that it is possible for the faculty member to be assigned to other duties, the administration shall not proceed with action to terminate the faculty member's employment. If the committee concludes otherwise, the faculty member may appeal to the board by sending to the secretary of the Corporation within 30 days following receipt of the committee's report, a written request that he or she be accorded the hearing before the board. The board shall then afford the faculty member, the administration and the committee an opportunity to appear before it. The faculty member and the administration may have the assistance of counsel.

9. The board may direct that action to terminate the faculty member's employment be discontinued, may take action based on the committee's conclusions, or, if it decides that additional evidence should be received or that further proceedings are otherwise required, shall remand the matter to the committee. In the event of such remand, the committee may receive additional evidence, shall send the parties written notice of hearing at least one week before they are to be held and shall accord the parties the procedural rights provided in paragraph (3) above. The faculty member may again appeal to the board as provided in paragraph (3) above. The board shall furnish all parties with copies of a report of its decision, in which it shall set forth its reasons therefor.

10. If the employment of a faculty member is terminated by reason of financial exigency, his or her salary shall be continued for one year from the date of his or her receipt of the president's notice described in paragraph (3) above. Until such termination date the faculty member will continue to work in his or her own field or on some other activity mutually agreed upon. If the employment of a faculty member who has tenure is terminated by reason of financial exigency, the released faculty member's place will not be filled by a replacement within a period of two years from the date of termination, unless the released faculty member has been offered reappointment with tenure and has declined.

11. A decision by the board made pursuant to these procedures shall be final with the University.
f. Action. A Standing Resolution on Financial Obligations of the University to Faculty Members was approved as follows:

Decreases in Salary
Salaries of faculty members may be decreased only in accordance with an expressed agreement between the faculty member and the University or because of financial exigency. Decreases for financial exigency shall be limited to the following: (a) simultaneous uniform percentage decreases in the salaries of all faculty members in the University and (b) simultaneous uniform percentage decreases in the salaries of a class of faculty members such as a particular rank, department or school. No decrease for financial exigency shall be made except after consultation, initiated by the president, with the Executive Committee of the Senate (in the University) or with representatives selected by the class of faculty members subject to a proposed decrease. Consultation shall cover such issues as the existence in fact of a financial exigency, the appropriateness of the selection of the particular class for salary decrease, alternative actions and the like.

If after such consultation the salaries of faculty members are decreased, with or without the concurrence of the Senate or the representatives of the class of faculty members, the president shall notify the affected faculty members, in writing, of (a) the fact that the salaries of all of the faculty members have been simultaneously decreased, (b) the formula applied uniformly to determine the amount of the decrease and (c) the reasons for the action taken.

Financial Obligations of the University
Death. In case of death, salary shall be continued to the date of death and a gratuity of one-fourth the faculty member's annual salary is paid to the faculty member's spouse or dependents, in three equal monthly installments.

Illness. Policies regarding absence for illness are covered by the University sick leave policy as published in The University of Pennsylvania Personnel Policy Manual.

Absenteeism. The University is not obligated to pay an individual holding tenure or a term appointment for periods of absence without leave. When a faculty member is recurrently absent from classes to a degree which interferes with the proper conduct of the course in the opinion of the department chairman, and fails to provide evidence for the necessity of the absence which is satisfactory to the chairman or the dean, the dean may after one written warning to the faculty member reduce the faculty member's salary by the amount actually expended to employ a substitute for the remainder of the course, without raising any question of termination. At the end of this period the reduced salary would be restored subject to the possibility of either suspension or permanent removal determined as outlined above.

l. Action. A Standing Resolution on Temporary Exclusion of a Faculty Member was approved as follows:

1. If the capacity of a faculty member to perform teaching or scholarly duties should become seriously impaired so that there is a risk of substantial harm to persons, including the faculty member, or to equipment or other property, the faculty member shall be temporarily excluded from the classrooms, laboratories, or other facilities.

2. Where there is a threat of immediate injury to persons or to property, preventive action shall be taken by an appropriate academic administrator, department chairperson, or other person in charge of any classroom, laboratory, or other facility. In other cases, which are not of such
emergency nature, the appropriate academic administrator shall seek the advice of the elected faculty Committee on Academic Freedom and Responsibility before taking action to exclude a faculty member. Exclusion may not exceed seven working days, unless extended by the provost, acting with the advice of the elected school Committee on Academic Freedom and Responsibility. The president and provost, by memorandum, may promulgate further procedures for temporary exclusion of faculty members.

3. Compensation of a faculty member shall not be discontinued as a result of a temporary exclusion.

2. Action. A Resolution Honoring Sylvan H. Eisman, M.D. was approved as follows:

September 1983 marks a full half century of Sylvan H. Eisman's association with the University of Pennsylvania. The steps have been many; undergraduate, medical student, house officer, first chief resident under Dr. Francis C. Wood, scholar, teacher, and above all a constant, loyal, and superb physician. For so many, the burden of illness has been lightened by his consummate knowledge, his practical wisdom, his keen judgment, his unfailing concern and good humor, and his ever presence. He gives us much to emulate, and legion are those who have tried to make themselves more like him.

Many events mark this fiftieth year of his association with the University. Most notable are the establishment by the University of the Sylvan H. Eisman Professorship of Medicine and the appointment of Dr. Eisman by the School of Medicine as its first Distinguished Professor of Clinical Medicine.

RESOLVED, that the Trustees of the University of Pennsylvania on behalf of themselves, the faculty, the students, the alumni, and the administration express to Dr. Sylvan H. Eisman their congratulations on his fifty years of association with the University, the endowment in perpetuity of a chair bearing his name, and his appointment by the School of Medicine as its first Distinguished Professor of Clinical Medicine.

3. The provost concluded by calling special attention to faculty members proposed for tenure appointments: Dr. Alan J. Auerbach in economics, Dr. Paul M. Chaikin in physics, Dr. Paul Guyer in philosophy, Dr. Michael O'Conner in neurosurgery, Dr. Alan Wein in urology, and Dr. Ann Burgess in nursing. As the van Ameringen Professor in Psychiatric and Mental Health Nursing Dr. Burgess will be the first occupant of the School of Nursing's first endowed chair.

Action. A Resolution on Appointments, Leaves, and Promotions for the period from June 3, 1983 to August 12, 1983 was approved as found on pages 1 through 33 of the meeting book.

C. Action. Reporting for the Budget and Finance Committee, Mr. Eckman introduced A Resolution on Construction of a Nuclear Magnetic Resonance (NMR) Clinical Research Facility, which was approved as follows:

SECRETARY
Intention:

The administration proposes to construct a NMR Clinical Research Facility of approximately 6,000 net square feet in the Silverstein Courtyard of the Hospital of the University of Pennsylvania. Total estimated cost of the project is $3,300,000, including the cost of the magnet. The second generation 1.5 Tesla whole-body magnet is being funded in part by a $1,200,000 gift by the General Electric Corporation. The remaining cost of $2,100,000 consisting of the balance of the magnet cost of $800,000 and the construction cost to house the magnet of $1,300,000 will be funded by the Department of Radiology Educational and Development Fund.

RESOLVED, that the purchase of the magnet and the construction of the facility, 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 to execute such contract and incur such expenses and obligations—not, however, substantially in excess of the estimated cost as presented to the Budget and Finance Committee—as may in their judgment be necessary or desirable to effect such renovations.

D. Overseers and Other Boards

1. Action. A Resolution on Appointments to the Board of Overseers of the School of Arts and Sciences was approved as follows:

RESOLVED, that Blith E. Clark, D. Michael Crow, Alan G. Weiler, and Jerome Zwanger be appointed to the Board of Overseers of the School of Arts and Sciences for three-year terms, effective 10 September 1983.

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

RESOLVED, that John Seward Johnson, Jr. and Paul S. Weinberg be appointed to the Board of Overseers of the Graduate School of Fine Arts for three-year terms, effective 10 September 1983.

3. Action. A Resolution on Appointments to the Board of Overseers of the School of Social Work was approved as follows:

RESOLVED, that Demo N. Carros, Antonia B. D'Angelo, Diane D. Datcher, Robert F. Pomer, Kirk Seibert, and Geraldine R. Segal be appointed to the Board of Overseers of the School of Social Work for three-year terms, effective 10 September 1983.

4. Action. A Resolution on Appointments to the Board of Overseers of the University Museum was approved as follows:

RESOLVED, that Teri Y. Doke, Sandra C. Feldman Hollin, A. Bruce Mainwaring, Richard B. Price, Sara S. Senior, and Lee E. Tabas be appointed to the Board of Overseers of the University Museum for three-year terms, effective 10 September 1983.

5. Action. A Resolution on Appointments to the Athletic Advisory Board was approved as follows:

RESOLVED, that Thomas C. Curtiss, Jr., Ira R. Fish, Howard E. Mitchell, Gerald L. Robinson, Myles H. Tannenbaum, and Audrey C. Bedford be appointed to the Athletic Advisory Board for three-year terms, effective 10 September 1983.
IV. President's Report

A. A presentation of the Penn Plan for family-based financial assistance was made by Dr. Zemsky. By way of introduction, he stressed the continuing importance of federal assistance programs. He traced the two-year evolution of the plan, noting that when it had been unveiled in June for a small group of trustees, they encouraged the planners to obtain an outside financial analysis and to create a marketing strategy and materials. The former was provided by Coopers & Lybrand working with Mr. Gazzarro; the latter by Ms. Duffield working with Mr. Stetson.

Dr. Zemsky said the goals of the Penn Plan were to 1) limit student indebtedness after graduation by 2) assisting families in arranging financing, and 3) to preserve and, indeed, strengthen the University's need-blind admissions policy for at least the balance of the century. The plan is a comprehensive one which provides a series of options.

Option One is prepaid tuition. For students and families who want and are able to pay in advance a full four-year's tuition, the University will guarantee a set price pegged at the tuition rate in effect at the time of matriculation.

Option Two gives the same guarantee against tuition escalation as Option One, but permits students and families to finance a Penn education for a down payment equal to one year's tuition and fees. The remaining cost is covered by a 10-year fixed-interest, secured loan from a financial assistance agency which will dispense revenues to the University.

Option Three requires the same down payment as Option Two, but a uniform rate of tuition is not guaranteed and the interest rate and payment schedule covering the remaining cost varies depending on the cost of money.

Option Four is for students who qualify for need-based aid. It is similar in structure to Option Two, except that the University assumes joint responsibility with students and parents for meeting monthly payments both prior and subsequent to graduation.

Dr. Zemsky went on to point out that in its report, Coopers & Lybrand stressed that Penn should be concerned with the size and, indeed, the need for the down payment required in Options Two and Three. He said he thought the concept should be maintained because such a requirement created a savings goal, and had social as well as
financial ramifications. The accounting firm also recommended that the establishment of the proposed agency as a wholly-owned nonprofit subsidiary, and Dr. Zemsky said that seemed to him "right on track." He reported that Coopers & Lybrad urged Penn to proceed cautiously with Option Four to get a feel for parent/student reaction, but definitely to proceed because in their opinion the University could not continue to increase unrestricted aid in proportion to tuition increases.

The Penn Plan will not affect any student currently enrolled in the University. Dr. Zemsky said that if it is implemented, it will be on a class by class basis. "I have no doubt," he observed, "that the plan in effect five years from now will have evolved substantially from the plan I've outlined here." He emphasized that such an evolutionary plan would allow the University to take advantage of shifting federal policies.

In response to a question from Mr. Miller as to whether a second mortgage might provide the security for family loans, Dr. Zemsky said that it depends in part on the role played by the Pennsylvania Higher Education Assistance Agency (PHEAA). He added that a legal task force was reviewing the Penn Plan, and noted that the financing mechanism in Options Two and Three might be an installment credit contract. Mr. Gazzerro remarked that there might be private insurance available to the University against default on such loans so that a secured note would not be necessary. Dr. Zemsky said that the planners were trying very hard "not to organize the Plan for a single source of capital."

Mr. Miller then inquired about the precise role of PHEAA. Mr. Gazzerro explained that the state authority would finance tax exempt bonds to float student loans. PHEAA presently has authorization to float $325 million worth of bonds, and the vice president for finance said the agency felt it could quickly double that total. "They're talking about both a government insured loan program for which Goldman-Sachs would be the head underwriter and an uninsured loan program through L.F. Rothschild," he continued. "The questions they're asking are: what is the demand and should the two programs run concurrently. But there is no doubt about PHEAA's commitment. They think they could begin floating bonds in the next four to five months. If Penn decided to go the commercial or taxable route, moreover, PHEAA could service those loans for a premium or percentage."

"Does that mean that PHEAA can either serve, so to speak, as a retailer or as a wholesaler?" Dr. Kaysen asked. "Can a student's
or his family's obligation be either to PHEAA or to some other institution which borrows from PHEAA?" Mr. Gazzerro replied that PHEAA was flexible, and could go in a variety of directions. "What we are in the process of trying to determine," he said, "are the advantages of going one way or the other." Mr. Neff then asked if the tax-exempt bonds would be general obligations of the Commonwealth or revenue bonds, and Mr. Gazzerro replied that they would be revenue bonds.

In response to Mr. Eckman's question about timing, the vice president for finance said he was confident that the Penn Plan could be put into effect in time to respond to the needs of next year's freshman class. PHEAA can make funds available by spring, he noted, and, in any case, both the state authority and several banks are prepared to consider the possibility of the University's prepaying a commercial and taxable venture and then converting it into a tax-exempt one. "By one means or another," Mr. Gazzerro said, "money will be available to make the kind of commitments to students and parents that are intrinsic to the Penn Plan." Dr. Zemsky added that the bigger the down payment, the longer before the University would have to go to the credit source for capital. Mr. Eckman then asked if any thought had been given to permitting students and parents to spread out tuition payments over the course of a year. Dr. Zemsky replied that a variety of services already exist that would allow essentially monthly payments, and that such an option undoubtedly would be included in the Penn Plan.

Mrs. Mainwaring asked about the risks to the University. Dr. Zemsky said that if the plan had been in effect for the past 20 years there wouldn't have been any. "If we anticipate sky-high inflation, say an 18 percent prime rate for five years," he went on, "we would be in trouble. But the key is that our promise is only to one entering class at a time, and there is enough leverage in the plan to absorb the shocks." Mr. Ehrlich added that given the likely competition for first-rate students in an era of declining numbers of 18-year-olds, "the real nightmare would be the idea that something like this not get done." Mr. Gazzerro noted, furthermore, that the University might be able to indemnify itself against a major catastrophe through an insurance mechanism. "The riskiest part," Mr. Miller observed, "would seem to be the financial aid option, and that," he emphasized, "is where Coopers & Lybrand is urging the most caution." Dr. Zemsky agreed that the University lacked any experience on which to predict its risk, but he said the planners intended to work within prudent limits of what they thought they could expect graduates to earn.
In response to Mrs. Mainwaring's inquiry about a marketing plan, Mr. Stetson replied that a strategy for presenting the plan was currently being devised by Ms. Duffield and the Admissions Office. 'We're feeling more and more comfortable about our chances of being understood by prospective students and parents," he added. Mrs. Mainwaring then cautioned the planners against putting the University in the position of being a collection agency for bad debts. Dr. Zemsky noted that the more directly involved the University was, the lower the cost of money. "The more at arm's length we are," he continued, "the higher the cost. Somewhere down the line, we're going to have to make a very conscious choice." "But the choice," Dr. Kayser pointed out, "involves some examination of the differences with which a lender and a debtor might view the relation between the University and a wholly-owned subsidiary."

Mr. Ehrlich noted that the focus of the Penn Plan is on undergraduates. He said each of the professional schools would have to craft its own financial arrangement with students, and he added that it did not appear the plan was an appropriate approach to the financial problems faced by those seeking the Ph.D. Dr. Hackney said that Trustee action on the plan would be required soon. He appealed to anyone who thought the planners were off track to share their doubts with the administration. Mr. Miller said he thought the work done on the plan to date was excellent.

R. Review of Summer Activities

The president called attention to the arrival of James Bishop who has taken up his duties as vice provost for University Life. He mentioned that Penn had received a larger-than-anticipated appropriation from the Commonwealth with a 3.6-percent, as opposed to the expected 2-percent, increase over last year's funding level. He pointed out that a new faculty-staff newspaper, The Penn Paper, had been published and would be issued concurrently with Almanac for the remainder of the year. "I have great hopes for it," Dr. Hackney said, "as the kind of internal communications mechanism that will bring us together."

C. Financial Report

Mr. Gazzerro reported that after assigning $860,000 to the University of Pennsylvania Research Foundation and $640,000 to the Physical Plant Reserve Fund to pay for laboratory renovation, the University had an unrestricted surplus of $375,000 in the general unrestricted operating budget. The total is reduced to $128,000 by subtracting $347,000 mandated and planned to cover the Hi-Rise and
Graduate Hospital deficit amortizations. The vice president for finance said the Hospital of the University of Pennsylvania had an excess of revenue over expenses $6.7 million, including $2 million from operations and $4.7 million from non-operating revenue comprised of unrestricted gifts and endowment income. The Clinical Practices had an excess of revenue over expense of $7.8 million and their Education and Development Fund balances increased, net, from $6 to $11 million.

D. Investment Board

Mr. Neff reported that since June, the Associated Investment Fund had sold some of the industrials in the portfolio and purchased more banks and utilities. "We've built up our American Telephone and Telegraph stock to 10 percent of our total equities," he said, "and made additions to our Tenneco and Arco holdings. We also put half of our equity liquidity into 10-year government bonds yielding 12.1 percent."

Mr. Neff went on to observe that since 31 December 1979 the per-share value of the AIF on a total-return basis, has nearly doubled. The common stock portion of the portfolio has increased 150 percent versus an 88-percent rise in the Standard and Poor 500 Stock Average (S & P). Bonds have risen 55 percent compared with a 40-percent rise in the Salomon Brothers High Grade Bond Index. The chairman also noted that in the shorter time span since 31 December 1982, the Fund has increased 21 percent per share (total return) with the equity portion up 35.5 percent (30 percent with an adjustment for liquidity) versus 23 percent for the S & P. Bonds, he said, are ahead by 5 percent, compared with a 1-percent advance in the Salomon Brothers Index.

Mr. Miller added that in December 1979 projected investment income, looking ahead one year, was $9.3 million. "Now, looking forward for a year, we project it at $22.7 million," he said. "Some part of that immense increase is due to additions to the endowment, but the most important reason is linked to the impact of Mr. Neff's methodology of recycling into higher yielding securities when investments meet his objectives."

Adjourned.

Respectfully submitted,

Mary Ann Meyers  
Secretary of the University