Minutes of the Stated Meeting
of the
Executive Committee of the Trustees of the University of Pennsylvania
13 March 1987

A meeting of the Executive Committee was held on Friday, 13 March 1987. Trustees attending included: Walter G. Arader; Samuel H. Ballam, Jr.; Susan W. Catherwood; Gloria Twine Chisum; Robert A. Fox; Sheldon Hackney; Margaret R. Mainwaring; Paul F. Miller, Jr.; John B. Neff; Alvin V. Shoemaker; and D. Robert Yarnall, Jr. Others present included: Iris Alvaro-Shea; John Anderson; Ann Bailey; Stuart Carroll; Richard C. Clelland; Ann Duffield; Thomas Ehrlich; Eric Lang; Marshall Ledger; Robert G. Lorndale; Mary Ann Meyers; Frederick Nahm; Clay Neff; Helen R. O'Bannon; Pat Pancoast; Barbara Stevens; Glen Stine; Carolyn Weinblom; Marna Whittington; and Dilys Winegrad.

I. Call to Order
The chairman called the meeting to order. In the interest of attending to resolutions before several trustees had to leave to keep other engagements, he asked for immediate consideration of those actions that were being brought to the Executive Committee by the Budget and Finance Committee.

II. Budget and Finance Committee Report
A. Mr. Fox introduced the Resolution on Tuition and Fees, observing that it had the support of the Budget and Finance Committee. President Hackney commented that the committee discussion had been excellent. He noted that the administration did not come to its recommendation for a tuition increase lightly. He said it began with the assumption that, in general, everything in the budget was a trade off against everything else. "Our first objective," he continued, "is to balance the budget." The president went on to say that the administration also wanted to keep tuition levels as low as possible. "In addition, we want to provide growth in faculty salaries," Dr. Hackney said, and he cited as other budgetary objectives: attention to deferred maintenance, savings for management improvements, continuation of the need-blind admissions policy, investment in high priority programs for graduate education and research, and continued development of the computer network. "We want some freedom to provide for qualitative change in schools and centers," Dr. Hackney noted, "and the budget we are working on for FY'88 does all of these things. It may not be the only way to accomplish our long-range mission, but it is the way we arrived at after considerable consultation and a lot of painful self-examination."

Following the president's remarks, Mr. Shoemaker called upon Eric Lang, the president of the Undergraduate Assembly, to address
the Trustees on the subject of the proposed tuition increase. Mr. Lang commented that throughout the year the administration had been very willing to listen to student concerns about tuition. "The budget priorities were explained to us," he said, "and we understand what goes into the process of determining tuition." Mr. Lang went on to note, however, that students believe tuition is too high. "We have problems with $18,000 for a Penn education," he said. "We feel that maybe a couple of years down the road the University will see minority applicants and lower-income applicants moving away from the University, and we think that's bad." The UA president pointed out that 2,000 Penn students had protested President Reagan's proposed budget cuts in student financial aid and 2,200 had signed a petition calling for the tuition hike for FY'88 to be capped at 5.5 percent. "We don't expect to see the administration go from its proposed 6.9-percent increase to a 5.5-percent increase now," he continued, "but we'd like to register three main concerns." Mr. Lang described these as: 1) a fear that the University is becoming increasingly tuition-driven, 2) an objection to charging "usage fees" to students (Mr. Lang felt that such fees were merely disguised tuition increases), and 3) some dissatisfaction with the amount of money being allocated for student activities. He expressed the hope that the administration and the Trustees would continue to be sensitive to student views.

Mr. Shoemaker commented that many trustees had gone into the Budget and Finance Committee meeting with "very great qualms" about the size of the proposed tuition increase. "But after looking at various alternatives," he said, "we concluded that the increase was necessary and in the best interests of the University." Dr. Hackney observed that the administration shared Mr. Lang's concern that Penn was becoming "slightly more tuition dependent." Mr. Ehrlich noted that the University ranked ninth lowest out of 11 peer institutions in proposed charges for tuition and fees for 1987-88. He added that he did not see much chance of a decrease in the proportion of the University's operating budget represented by tuition inasmuch as endowment income represented only 4 percent of the University's unrestricted income.

Mr. Shoemaker said the provost's comments served to emphasize the need to stress augmenting the endowment over putting up new buildings in any future fund drive. But he went on to note that Penn ranked in the middle of the group of Ivy and other peer institutions in terms of percentage increase in proposed tuition. "Comparatively," he said, "I think we have managed our resources well."

Mrs. Catherwood asked about the percentage of the general fee allocated to the Student Activities Committee (SAC). Provost Ehrlich replied it was true, as Mr. Lang has suggested, that the percentage of increase in the allocation to SAC did not always match the
percentage of increase in the fees; nor, he continued, was there "an exact match" in other areas. The explanation is that needs vary unequally.

Mr. Yarnall inquired what percentage of students currently receive financial aid. Mr. Ehrlich responded that about 45 percent of the undergraduates were aided, and Mr. Stine said that 22 to 23 percent of the tuition increase was spent on undergraduate financial assistance and about 20 percent on graduate assistance. Mr. Miller pointed out that in many cases peer institutions had very substantially endowed financial aid programs compared to Penn, so the University's financial-aid program "is much more tuition-driven" than, for example, those of other Ivy schools. Mr. Yarnall commented that it would seem that more students at Penn than at the other Ivies are paying for the education of classmates. Mr. Shoemaker said that 22 cents of every student's tuition dollar is going for the aid of others. Mr. Stine noted that this year $19 million of Penn's endowment income was spent on undergraduate financial aid whereas no other Ivy institution had spent more than $8 million of their unreserved resources on undergraduate assistance. At the same time, the University receives only 5 percent of its operating revenue from the endowment whereas, according to the executive director of the budget, the "next worse off Ivy school gets one-third of its annual operating budget from endowment."

Mr. Miller drew attention to the contrast in tone between the statement Mr. Lang had mailed to the Executive Committee and his remarks at the meeting, applauding the responsibility, rationality, and civility of the latter.

Dr. Chisum commented that her decision to vote for a tuition increase was based on the importance she attached to keeping faculty salaries competitive, giving students the opportunity to become technologically literate, and attending to facility maintenance. But she went on to urge the administration to look for "every creative way" to hold down future increases in tuition and fees. Mr. Shoemaker noted that 1987-88 would be the fifth consecutive year that the percentage of increase in tuition over the previous year would decrease. He said that continuing the downward trend should be an administrative objective.

Action. A Resolution on Tuition and Fees was approved as follows:

Intention:

The administration proposes to establish the following tuition and fees for the academic year 1987-88:

For undergraduates, the tuition will be $10,968 and the general fee will be $1,008, totalling $11,976; for graduate students, tuition will be $11,936 and the general fee will be $744, totalling $12,680; for professional students, the general fee will be $582.

RESOLVED, that for the academic year 1987-88, the undergraduate tuition rate will be $10,968 and the undergraduate general fee will
be $1,008; that the tuition for graduate students will be $11,736 and the graduate general fee will be $744; that the professional general fee will be $621; that the tuition for professional students will be determined administratively to reflect budget requirements of the various schools; and that part-time tuition and fee rates will be determined administratively and will increase proportionately.

B. Mr. Fox went on to introduce nine other resolutions noting that they had been endorsed by the Budget and Finance Committee.

1. Action. A Resolution on Hill House Heating and Ventilation, Phase II was approved as follows:

Intention:

In the summer of 1984, in response to complaints by residents of Hill House, an extensive study was made of the ventilation system, operating equipment, window conditions, and the air flow within the building. The report outlined problems resulting from the age of the system, inoperative equipment, original construction, and the use of design concepts acceptable only in an era of inexpensive energy.

Upon reviewing results of the study, the Office of Residential Living decided to rehabilitate the building equipment in two phases. The first phase of the renovation was completed. This phase included the cleaning of air shafts, replacement of exhaust fans, replacement of range hoods, and retrofitting of windows. The second phase includes the replacing of air handlers, new air conditioning for activity rooms, and the extension of automated control systems. The administration proposes to begin work during the summer of 1987. Funding for this phase is available in the residential system accounts.

RESOLVED, that the second phase of Hill House building equipment rehabilitation, estimated at $870,000, be and the same hereby is approved and that 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 renovation presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such renovation.

2. Action. A Resolution on Renovations to the School of Veterinary Medicine was approved as follows:

Intention:

The School of Veterinary Medicine proposes to renovate 3,380 square feet of laboratory space in the Old Quad to provide new, modern, sophisticated laboratory space. The rehabilitated facility will include a cold room, a tissue culture room, and an incubator. The project is estimated to cost $650,000 and is to be paid for by a $325,000 gift from the Mabel Pew Myrin Trust and a matching grant. This project is included in the School of Veterinary Medicine's five-year capital plan. The administration supports this project.

RESOLVED, that the renovations to 3,380 square feet of laboratory space in the Old Quad for the School of Veterinary Medicine, estimated to cost $650,000, be and the same hereby is approved and that the Vice President for Finance or other appropriate officers of the University be and they hereby are authorized to proceed with such renovations and execute such contracts and incur such expenses and obligations - not, however, substantially in excess of the estimated cost of such renovations presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such renovations.
3. Action. A Resolution on Renovations to Nichols House, Phase II was approved as follows:

Intention:

The administration proposes to continue its major renovation of the Graduate Towers residential complex. The Towers were built and furnished sixteen years ago. The equipment and furnishings have deteriorated to the point that the facilities are only marginally competitive with surrounding off-campus housing.

In the summer of 1987, an additional eight floors in Nichols House would be refurbished. Kitchen units, refrigerators, lighting fixtures, bathroom vanities and sofas would be replaced; new carpeting and tile would be installed. The project is estimated to cost $870,000 and is to be paid for from the residential systems reserve fund.

RESOLVED, that the second phase of renovations to Nichols House, estimated to cost $870,000, be and the same hereby is approved and that the Vice President for Finance or other appropriate officers of the University be and they hereby are authorized to proceed with such renovations and execute such contracts and incur such expenses and obligations - not, however, substantially in excess of the estimated cost of such renovations presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such renovations.

4. Action. A Resolution on the Renovation of the First Phase of the Chemistry Department's 1958 Wing was approved as follows:

Intention:

A programmatic study of the Chemistry Department's three-building complex has been completed by architects. The administration is prepared to begin the first phase. Phase IA of the project consists of renovating and building a state-of-the-art Organic Chemistry teaching laboratory on the third floor of the 1958 Wing and related utilities for the building roof. This proposal is included in the School of Arts and Sciences' five-year capital plan. The administration supports the project. Bidding documents have been completed and the entire project scope of Phase IA is estimated to cost $5.2 million. Funds will come from the following sources: A grant from The Pew Charitable Trust for $2 million; $2 million from general University borrowings; $500,000 from the Undergraduate Development Fund and Commonwealth equipment appropriation; and the remainder from the sale of a property and the School of Arts and Sciences. The new roof will be paid from deferred maintenance funds.

RESOLVED, that a total expenditure of $5.2 million for the first phase of the Chemistry 1958 Wing, be and the same hereby is approved and that 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 presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such renovation.

5. Action. A Resolution on Renovations to the Class of 1920 Dining Commons, Phase I was approved as follows:

Intention:

The administration proposes to make additions and
alterations to the existing structure of the Class of 1920 Dining Commons to increase the seating capacity and to improve the efficiency of the building. Dedicated dining spaces will be created for the Modern Language and the Van Pelt College Houses and the Harrison Freshman House. The project will utilize a part of the space vacated by the Dining Services offices. Phase I of the construction will begin in the summer of 1987, at an estimated cost of $1.8 million, to be funded by reserves from Dining Services' operations.

RESOLVED, that the first phase of renovations to the Class of 1920 Dining Commons, estimated to cost $1.8 million, be and the same hereby is approved and that the Vice President for Finance or other appropriate officers of the University be and they hereby are authorized to proceed with such renovations and execute such contracts and incur such expenses and obligations - not, however, substantially in excess of the estimated cost of such renovations presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such renovations.

6. Action. A Resolution on the Renovation of the Furness Building was approved as follows:

Intention:

The Furness Building, built in the late 1880s and dedicated in 1891, is one of two campus structures listed on the National Registry. Since the building is in poor condition and requires a major rehabilitation effort, the architectural firm of Venturi, Rauch & Scott Brown was commissioned to survey and develop a feasibility study for renovating the Furness Building and attached Duhring Wing. The renovated facility would continue to house the Fine Arts Library, Louis I. Kahn Archives, Perkins Library of Rare Books, and the Graduate School of Fine Arts' studios, classrooms and seminar spaces. The entire scope of renovation was estimated to cost approximately $15 million.

The administration proposes to proceed with construction of Phase I on the Furness Building exterior in the summer of 1987. This will include a new tile roof, the structural reinforcement of existing trusses, restoration of masonry and skylight, the rehabilitation of windows and the front porch. Bidding documents have been completed, and the scope of this portion of Phase I is estimated to cost $3.1 million. Funds will come from the following sources: $2 million from The Pew Charitable Trust and $1.1 million from anticipated gifts and University deferred maintenance funds.

RESOLVED, that Phase I of the renovation of the Furness Building, estimated to cost $3.1 million, be and the same hereby is approved and that 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 presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such renovation.

7. Action. A Resolution on Compact Shelving for the Van Pelt Library was approved as follows:

Intention:

The Van Pelt Library wishes to acquire and install compact movable book shelves to maximize existing stack space. The
RESOLVED, that the acquisition and installation of compact movable book shelves for the Van Pelt Library, estimated at $303,000, be and the same hereby approved and that the Vice President for Finance or other appropriate officers of the University be and they hereby are authorized to proceed with such acquisition and installation and execute such contracts and incur such expenses and obligations - not, however, substantially in excess of the estimated cost of acquisition and installation presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such acquisition and installation.

B. Action. A Resolution on the Acquisition of an IBM 3090-200 Computer was approved as follows:

Intention:

The Administration proposes to acquire an IBM 3090-200 Computer with two scalar processors and two vector processors in two phases. Initially, the computer would be installed with one scalar and one vector processor. The second scalar and vector processors would be added in November 1987 if funding from a federal grant application is forthcoming. This computer will add substantial research computing capacity that will allow qualitatively different research efforts to be undertaken on our campus; it will also increase the computing capacity by a factor of approximately 2.5. The total estimated cost of the acquisition and installation of the new machine, excluding the second processors, is $3,080,000. This computer would replace the IBM 3081-GX which would be transferred to the Office of University Management Information Services. That office in turn would lease or sell its existing IBM 3081-D to an outside user.

Funding for Phase I, the IBM 3090-200 with one vector and one scalar processor, will be paid for from current depreciation account balances and current operating budgets in the School of Arts and Sciences. This will be achieved by extending the term of the loan on the current computer from a final payment due date of December 1988 to March 1992 at the current monthly payment amount. Funding for Phase II, the addition of the second vector and scalar processors, will come from federal grant funds currently being requested. In the absence of those funds, Phase II will be cancelled.

RESOLVED, that the acquisition and installation of an IBM 3090-200 computer to replace the current IBM 3081-GX at an estimated cost of $3,080,000, be and the same hereby approved in accordance with the proposal presented to the meeting and that the Vice President for Finance or other appropriate officers of the University be and they hereby are authorized to proceed with such acquisition and execute such contracts and incur such expenses and obligations - not, however, substantially in excess of the estimated cost of such acquisition as presented to the Budget and Finance Committee - as may in their judgment be necessary and desirable to accomplish such acquisition and installation.

9. Action. A Resolution on the Acquisition of a JEM-4000 EX Electron Microscope was approved as follows:

Intention:

The Biology Department proposes to acquire and install a JEM-4000 EX Electron Microscope for research purposes. The cost of this atomic resolution microscope is $639,000. Funds are
available from a grant from the National Institute of Health. The administration supports this request.

RESOLVED, that the acquisition and installation of a JEM-4000 EX Electron Microscope for the Biology Department, estimated to cost $639,000, be and the same hereby is approved and that the Vice President for Finance or other appropriate officers of the University be and they hereby are authorized to proceed with such acquisition and installation and execute such contracts and incur such expenses and obligations - not, however, substantially in excess of the estimated cost of acquisition and installation presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such acquisition and installation.

III. Overseers and Other Boards

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

RESOLVED, that Warren W. Deakins and Edward C. Melby, Jr. be appointed to the Board of Overseers of the School of Dental Medicine for three-year terms, effective 13 March 1987.

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

RESOLVED, that C. Austin Fitts, John H. Goldsmith, Stephen J. Heyman and Jerrold L. Kingsley be appointed to the Board of Overseers of the School of Arts and Sciences for three-year terms, effective 13 March 1987.

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


D. Action. A Resolution on An Appointment to the Advisory Board of the Institute of Contemporary Art was approved as follows:

RESOLVED, that Diana R. Rose be appointed to the Advisory Board of the Institute of Contemporary Art for a three-year term, effective 13 March 1987.

E. Action. A Resolution on Appointments to the Board of Managers of The Wistar Institute were approved as follows:

RESOLVED, that Laurence E. Earley and Barry S. Cooperman be appointed for one-year terms to the Board of Managers of The Wistar Institute, effective 13 March 1987.

IV. President’s Report

A. Dr. Hackney introduced four resolutions.

1. Action. A Resolution on the Appointment of Marvin Lazerson as Dean of the School of Education is approved as follows:

RESOLVED, that Marvin Lazerson be appointed dean of the School of Education for seven years, effective 1 July 1987.

2. Action. A Resolution on the Appointment of Edwin J. Andrews as Dean of the School of Veterinary Medicine was approved as follows:

RESOLVED, that Edwin J. Andrews be appointed dean of the School of Veterinary Medicine for seven years, effective 7 July 1987.

3. Action. A Resolution on the Extension of the Term of Joseph Bordogna as Dean of the School of Engineering and Applied Science was approved as follows:
RESOLVED, that the term of Joseph Bordogna as dean of the School of Engineering and Applied Science be extended for two years, from 1 July 1988 to 1 July 1990.

4. Action. A Resolution of Appreciation to Thomas W. Langfitt was approved as follows:

Intention:

A graduate of Princeton University and The John Hopkins University Medical School, Thomas W. Langfitt joined Penn’s medical faculty in 1961. He became the Charles Harrison Frazier Professor of Neurosurgery and Director of the Division of Neurosurgery in 1968. The Trustees elected him Vice President for Health Affairs in 1974, with responsibility for the University’s health schools and the Hospital of the University of Pennsylvania. In his roles as a distinguished neurosurgeon in the Hospital and a senior administrator in College Hall he has been crossing Spruce Street many times daily for 13 years.

Dr. Langfitt leaves Penn to become President and Chief Executive Officer of the Glenmede Trust Company, having served as a member of its board of directors since 1980 and as its acting president for the past six months. He goes with the very best wishes of the Trustees and his many other friends at the University.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves and the administration, faculty, students, and alumni of the University, express to Thomas W. Langfitt their appreciation for his service.

B. Academic Report

1. Provost Ehrlich noted that the Trustees were being asked to act upon six appointments or promotions to tenure. He called special attention to two in the School of Arts and Sciences as illustrative of the talent Penn was continuing to attract to its faculty. The provost described Ron Donagi, proposed for appointment as a professor of mathematics, as "a giant in the field of algebraic geometry" who would be coming to the University from Northwestern. He noted that Lynn A. Hunt, proposed for appointment as a professor of history, was a "distinguished analyst of modern France" who would teach European history.

2. Action. A Resolution on Appointments and Promotions was approved as found on pages 1 through 21 of the meeting book.

3. Action. A Resolution on the Authority to Execute and Perform Research Contracts and Grants was approved as follows:

Intention:

Corporate and governmental sponsors of University research often request a certified Board resolution explicitly delegating to the University signatory the authority to execute research agreements or grants. In addition, certain foreign patent applications require a copy of the corporate resolution authorizing the signatory for the University to sign on its behalf.

The Administration proposes that the authority to sign and perform such contracts and grants and make such applications be delegated by resolution to the appropriate individuals, provided that University policies and procedures have been followed with respect to such grants, agreements or applications.
RESOLVED, that the Vice Provost for Research, the Executive Director for Sponsored Programs, and the Associate and Assistant Director(s) of Research Administration be and hereby are authorized to sign, perform, and execute for the University all research and training contracts, grants or other agreements which have been reviewed and approved pursuant to University policy. This authority shall include the signing of any and all documents required in connection with the initiation, operation and termination of such contracts, grants or agreements.

FURTHER RESOLVED, that these same officers be and hereby are authorized to sign any and all documents in connection with the application for, or prosecution of, patents on inventions and discoveries, the issuance of licenses to use such inventions and discoveries and to sign documents required for the application for, or transfer of, copyrights.

C. Financial Report

Mrs. O'Bannon reported that the administration continued to project a general University surplus of $63,000 for FY'87 in addition to the $97,000 planned surplus required to fund the debt amortization cost for the Graduate Hospital. She said that during the month, her staff would be meeting with each of the schools "to try to narrow those areas where there appears to be some overspending."

Turning to the University's restricted performance, she noted that endowment and income expenditures were running ahead of last year by 24 percent and almost 13 percent, respectively. She said that grant and contract expenditures had increased by nearly four percent over the same period in FY'86. "The University continues to have a backlog of contracts and grants," the senior vice president observed, "and we are doing well at the Federal level in attracting new ones this year."

She went on to observe that for the seven months ending on 31 January, the Hospital of the University of Pennsylvania had an excess of revenues over expenses of nearly $5 million, which was approximately $2.5 million below budget. She attributed the discrepancy between budgeted and actual revenues to a decline in admissions, particularly in obstetrics and gynecology, and HUP's inability to implement some anticipated cost savings, notably in the area of employee benefits. Mrs. O'Bannon said that for the six months ending on 31 December, the Clinical Practices had an excess of revenues over expenses of $7.4 million.

V. Trustee Board of the Medical Center

Mr. Ballam reported that HUP's new executive director had taken office on 1 March. He said that many of the financial problems alluded to by Mrs. O'Bannon were being addressed, but went on to note that the Hospital was operating in a very competitive market. He said that he expected that the excess in revenues over expenses for the fiscal year would be less than budgeted for the reasons cited by the senior vice president. "We should note, however, the successful refinancing of the Hospital debt, and, indeed, the University's debt," Mr. Ballam concluded.
VI. Investment Board

Mr. Neff reported that total market value for the Associated Investments Fund (AIF) was almost $540 million as of 9 March, which represented more than a 10-percent increase since the end of December 1986. "The improvement," he said, is "a credit not to our investment prowess but to a marketplace that continues ever upward. Its movement," he noted, was occurring "despite corporate earnings that seem to have plateaued some while ago, interest rates no longer going down and, in fact, moving up about 50-60 basis points from the low, an administration in some disarray, certain members of the investment community being less than straight-arrows, and a dollar that is plunging. About the only thing that's really positive is liquidity," he said. "But don't bet on that being a permanent state," he added, citing again the dollar under attack, inflationary fires "being fanned by unending credit expansion," and the Fed's "permissiveness or accommodation, depending on one's perspective, to date." Mr. Neff said that despite reserving 20 percent of the AIF in cash, the Fund "continued to be reasonably upside participative. The advance in market value of an AIF share since year-end '86 is 11.1 percent," he pointed out. "If you took the combination of the Standard and Poor 500 Stock Average and the Shearson Fixed Income Index, we trail that 13.4-percent increase by 2.3 points for the period. But since mid '86," he said, "the AIF has increased 15.6 percent per share on a total return basis despite our liquidity; whereas the combined indices increased only 13.9-percent. We're offsetting our lack of foresight in having some cash around with a reasonably good selection record," he added. "We're conscious of the fact that there is a time to show bravado and a time to lean against the wind a bit because these are precious monies. There may be some black holes out there that we don't even know about. The whole system is very sensitively interrelated, and we're always conscious, for better or worse, of the downside."

VII. Development Committee

Mr. Miller reported that subscriptions through 5 March totalled $63 million versus $49.6 million at that time a year ago for an increase of 27 percent. "Alumni participation is up 56 percent," he noted, "and receipts are up 33 percent at $52.1 million versus $36 million. These results are very encouraging," he concluded; "we're well on our way toward our $90 million objective."

Adjourned.

Respectfully submitted,

Mary Ann Meyers
Secretary of the
University

PLEASE NOTE: Background materials for the Resolution on the Renovation of the Furness Building can be found in the permanent meeting file.