A Stated Meeting of the Trustees was held on Friday, 15 January 1988, in Bodek Lounge of Houston Hall. Trustees attending included: Arlin M. Adams; Gustave G. Amsterdam; Leonore Annenberg; Walter G. Arader; Marlene S. Arnold; Gordon S. Bodek; Alan C. Bowser; Richard P. Brown; Jr.; Susan W. Catherwood; Henry M. Chance, III; Gloria Twine Chisum; D. Michael Crow; Charles D. Dickey, Jr.; G. Morris Dorrance, Jr.; John W. Eckman; Melvyn J. Estrin; C.F. Fretz; Bruce J. Graham; John G. Harkins; Sheldon Hackney; Stephen J. Heyman; Reginald H. Jones; Carl Kaysen; Gene Kutin; Leonard A. Lauder; Martin Lipton; Margaret R. Mainwaring; Paul F. Miller, Jr.; Anthony S. Minisi; John P. Mulroney; John B. Neff; Alvin V. Shoemaker; Jacqueline G. Wexler; and Charles S. Wolf. Others present included: Michael Aiken; Ann Bailey; Valarie Brown; R. Jean Brownlee; Valarie S. Cade; Richard Clelland; Ann Duffield; William Epstein; Doris Cochrane-Fikes; Karen Gaines; Michael Gold; Shelley Green; Stanley Johnson; James Karpi; Noam Lior; Robert G. Lorndale; Mary Ann Meyers; Kim Morrison; Rick Nahaj; Helen O’Bannon; Antonia Oberthaler; Jeffrey Sehgal; Benjamin Shen; Edward Stemmler; Lee Stetson; Barbara Stevens; and Glen Stine.

I. Call to Order
Chairman Shoemaker called the meeting to order and an invocation was offered by Chaplain Johnson. The minutes of the 30 October 1987 meeting were approved as written by the secretary.

II. Report of the Chairman
Mr. Shoemaker presented Mr. Jones with a resolution of appreciation that had been adopted by the Trustees in October when Mr. Jones was designated a trustee emeritus. He then introduced two new resolutions of appreciation.

A. Action. A Resolution of Appreciation to Charles D. Dickey, Jr. and Designation of Mr. Dickey as Trustee Emeritus was approved as follows:

Intention:

Pennsylvania claims Charles Dickey as a son by adoption. A 1940 graduate of Yale University, he has been one of our number since 1970, serving as a term trustee before becoming a permanent member of the board as a life trustee in 1979. He was a member of the Executive Board and then Executive Committee for most of these years and chaired the important Committee on the Structure and Function of the Trustees whose work is reflected in the present organization of our committees.

He also has lent his wise counsel to a prodigious number of standing committees and boards. They include the Joint Trustees of the Annenberg School and the University, Budget and Finance, Development, Honorary Degrees, Legal Affairs, Student Affairs, and University Responsibility committees, as well as the Trustees of the University Hospital and then the Medical Center. We have had the benefit of his financial acumen as chairman of the Audit Committee, and he has aided the University's vital development efforts as a member of the President's Council. His...
colleagues entrusted to him the chairmanship of the ad hoc committee that recommended a successor to Paul Miller as chairman of the Trustees. As a Penn father, he also has served as chairman of Parents' Annual Giving.

Charley Dickey's business career followed distinguished service as a Marine captain during World War II. In 1946 he joined the Scott Paper Company as an industrial salesman. His organizational skills and rapidly acquired knowledge of the paper industry in all of its aspects were recognized by his election as a vice president and director in 1961, and his being named president of the firm in 1969, chief executive officer in 1971, and chairman of the board and chief executive officer in 1973. Having retired as chairman four years ago, he remains as a director.

Not only a leader in his own industry but also in the world of business in the broadest sense, he is past chairman of the American Paper Institute and a past member of the Conference Board and the Business Roundtable. He serves on the Business Council and the International Executive Service Corps and is a director of major corporations and banks. His openness to new challenge is reflected in his acceptance of the chairmanship of the National Board of the Smithsonian Associates, a post he took over last January in his third year as a member of the Smithsonian's advisory board.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves and the administration, faculty, students, and alumni of the University, record their warmest thanks to Charles Denston Dickey, Jr. for his service; and be it

FURTHER RESOLVED, that they designate their colleague and friend trustee emeritus.

B. Action. A Resolution of Appreciation to F. Eugene Dixon, Jr. was approved as follows:

Intention:

A term trustee since 1984, F. Eugene Dixon, Jr. has furthered the deliberations of the Executive Committee, Trustee Board of the Medical Center, Budget and Finance Committee, and External Affairs Committee. He has chaired the Legal Affairs Committee and, as a reflection of his keen interest in sports, is a member of the Athletic Advisory Board. His formal association with the University began in 1981 when he joined the Advisory Board of the Morris Arboretum, a good neighbor of his Erdenheim Farm. In recognition of his devotion to horses and his important support for the improvement of their care, he was awarded the honorary degree, Doctor of Laws, at the centennial convocation of the School of Veterinary Medicine.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves and the administration, faculty, students, and alumni of the University, record their appreciation to Fitz Dixon for his service.

III. Report of the President

President Hackney called the Trustees' attentions to a CBS television program, "Assassin on Trial," in which one of the central characters, the defender of a Palestinian terrorist, was a Penn Law School professor. He noted that he was very relieved that the character was portrayed in a favorable light. He further observed that there are other television programs that have Penn alumni as central characters and that they view
their University connections as important. "The increasing appearances of Penn characters in film and television," he said, "is evidence of Penn's growing visibility, and as long as the characters are worthy people," he added, "we can take some pleasure in that."

The president went on to say that he thought that the winter Trustee meetings had gone very well. "We obviously have a lot of problems to work on together," Dr. Hackney observed, "but my own sense is that the trajectory of the University is sharply up. I was particularly pleased that the Trustees had two occasions to learn something about our involvement as a University in West Philadelphia," he said. "These programs are really quite exciting to me. We are truly good citizens, and I think we have a great deal to be proud of, though there is more to do."

The president mentioned that Provost Aiken would talk about the details of Penn's progress in establishing a Black Resource Center. "But I did want to say," he continued, "that the discussions between the administration and the tri-chairs of the black administrators, faculty, and staff groups have been very encouraging and productive." Dr. Hackney explained to the Trustees that as part of a continuing effort to maintain a safe and secure campus, the administration was about to deploy a team of three independent consultants to evaluate and make recommendations on the operations of the Department of Public Safety and that, furthermore, he had asked the offices of the senior vice president and the vice provost for University life to meet with various campus constituencies to determine what changes, if any, are advisable at this time in the University's escort and bus services.

The president then recalled that some five years ago, he began a practice of virtually annual programs in which Penn focuses attention on a very important public problem. He said the next President's Forum, as this effort has become known, will consider the topic of how society addresses the needs of children. "It is an emerging issue of very great importance," Dr. Hackney commented, "and we have a number of people on this campus who are engaged in interesting ways."

The president concluded by offering congratulations to the members of Mask and Wig, who will celebrate the Club's 100th anniversary this year. He noted that an exhibit of Mask and Wig memorabilia and history will be on display from 18 to 23 February in the Kamin Gallery on the first floor of Van Pelt Library, and he encouraged trustees to visit it, as well as the exhibition of a Henry Moore mother and child sculpture in bronze at the Arthur Ross Gallery in the Furness Building.

B. Academic Report

1. Provost Aiken began his remarks by observing that of all the things that have been done in the academic area at Penn in recent years, none will have a greater impact on the future quality of the institution than the Trustee Professorship Program. He noted that it was a bit early to share with the board detailed information on appointments, but "I think you will see in June that this program has made a major impact on the
aspirations that we share for our future," he declared.

Dr. Aiken went on to report that there are encouraging and exciting discussions currently going on in all of the undergraduate schools about ways to continue to enhance undergraduate education. In the area of graduate education, he said, the administration is "putting in place a number of mechanisms that will permit it to look very carefully at each program" to ascertain the program's excellence.

Turning to the Black Resource Center, he noted that two consultants had recently visited the campus. The consultants will return to campus six or seven times over the next several months. The provost said he was "very optimistic that Penn would be able to create a center that is consistent with its policies and traditions and at the same time addresses current problems in the area of minority concerns."

He went on to report on the status of several administrative searches. He then mentioned that the University would be setting up a faculty committee in the spring to examine Penn's international programs, as well as faculty interest in international areas, with the goal of enhancing programming.

The provost further observed that the administration was beginning a study to assess the quality of teaching in various schools. He called to the Trustees' attention a number of faculty awards and 18 grants, which were made in support of undergraduate research by Penn's Nassau Fund. He mentioned that the Lucille P. Markey Charitable Trust has awarded Penn scientists a total of $3.8 million for joint studies between the division of immunology in the School of Medicine and the division of gene therapy in the Veterinary School, and he further noted that Thomas P. Hughes, Mellon Term Professor of Social Sciences, had been elected to the Royal Swedish Academy of Engineering Science.

2. Action. A Resolution on the Change of the Name of the Department of Radiation Therapy of the School of Medicine to the Department of Radiation Oncology was approved as follows:

Intention:

The Department of Radiation Therapy of the School of Medicine has requested that its name be changed to the Department of Radiation Oncology. The dean of the School of Medicine and the School's Long-Range Planning Committee have approved this change, which reflects more accurately the current mission of the department and is in keeping with the nomenclature used at other institutions.

RESOLVED, that the name of the Department of Radiation Therapy of the School of Medicine be changed to the Department of Radiation Oncology as of 15 January 1988.

3. Action. A Resolution on Appointments, Leaves, and Promotions was approved as found on pages 1 through 11 in the meeting book.

C. Financial Report

Mrs. O'Bannon reported that since the Trustees' fall meeting, several newly renovated facilities had been opened, including: the Hollenbach Center Annex, a recreational facility; the basements of the McNeil Building and the new Steinberg Conference Center, which are providing quarters for Career Planning and Placement; and the tenth floor of the
Penn Tower, which houses another one of the Hospital clinical practice groups. She said work on the Clinical Research Building is proceeding on time and within budget, and she further noted that the Steinberg Conference Center is expected to open early in February. The senior vice president said that work continues on the Furness Building and the new garage at 34th and Chestnut streets, and she called particular attention to the long-heralded opening of the new building at 3401 Walnut Street, which will take place on 4 February with the inauguration of the shops and food court.

Mrs. O'Bannon observed that the administration continued to project a general University surplus of $75,000 after approved, budgeted discretionary allocations of some $735,000 to the Undergraduate Development Fund and $600,000 to the Research Fund and after a mandated transfer of $97,000 to cover the continuing amortization of the Graduate Hospital deficit. She said that gains in summer tuition and in general University tuition, plus savings in salary expenses and utility costs, contributed to the positive projected performance. On the debit side, she pointed to the scheduled bond repayment, totaling more than $500,000, in addition to some uncollectible bills at the Small Animal Hospital and the Large Animal Hospital, which will have to be written off this year. Mrs. O'Bannon noted that the Veterinary School dean had given the provost and vice president for finance "a preliminary but very detailed and thoughtful" cost reduction plan designed to reduce the School's base budget. She said the other schools are projected either to end the fiscal year with a slight surplus or to break-even. Turning to the University's restricted performance, she mentioned that expendable awards are about 8.5 percent behind where they were a year ago, due largely to the National Institutes of Health holding back on commitments of awards and making only three-month rather than annual awards until the passage in December of the Budget Reconciliation Act.

The senior vice president went on to report that for the five months of FY'87 the Hospital had a deficit of revenues over expenses of $4.2 million, which is more than $900,000 worse than budget. She said that HUP's operational loss is actually about $1.1 million worse than budget. She further observed that there had been no new financial statements for the Clinical Practices since the fall meeting of the Trustees.

IV. Reports of Trustee Committees
A. Academic Policy

Dr. Kaysen reported that the Academic Policy Committee had heard a "very exciting" presentation on international programs which focused on the role of language learning. He noted that "Penn has been a pioneer in substituting performance standards for endurance standards" in undergraduate language instruction. Dr. Kaysen went on to say that the committee had learned of the Lauder Institute's commitment to producing graduates with a very high level of language competency. He said that members also heard about an established SAS area center in Soviet and
Eastern European Studies and a nascent one focused on West Europe. "Both efforts are complementary to what goes on in the Lauder Institute," Dr. Kaysen observed. He added that the Academic Policy Committee and other members of the board who attended the presentation on international programs responded to it with "enthusiasm and delight."

B. Audit Committee

1. Mr. Dorrance reported that the Audit Committee had met with the University's outside auditors, Coopers and Lybrand, and representatives from the Hospital and the Clinical Practices of the University. Management recommendations for improving the gathering of data and the further coordination of financial information were reviewed, according to the chairman, who said that, in his view, there was evidence of substantial progress.

2. Action. A Resolution on the Appointment of Auditors was approved as follows:

RESOLVED, that Coopers and Lybrand be and hereby are appointed as accountants to audit the financial statements of the University of Pennsylvania for Fiscal Year 1988.

C. Budget and Finance

Reporting in the absence of Robert Fox, Mr. Harkins observed that the Budget and Finance Committee had reviewed a variety of financial statements and variances from budget. "We had a preliminary look at the development of the budget for the coming academic year," he said, "and there was a healthy dialogue between the administration and members of the committee about various problems inherent in developing the budget, as well as a discussion of the budget's objectives and goals." Mr. Harkins noted that the committee had reviewed seven resolutions and recommended them to the Trustees for favorable action. Mr. Shoemaker said that the Executive Committee would vote on the first six resolutions, which would be recorded in the minutes as actions of the Executive Committee.

1. Action. A Resolution on the Renovation of the Furness Building, Phase IB was approved as follows:

Intention:

On 13 March 1987, the Trustees approved the administration's request to proceed with Phase IA of the renovation of the Furness Building, estimated to cost $3.1 million. The scope of work included a new tile roof, the structural reinforcement of existing trusses, restoration of masonry and skylights, and the rehabilitation of windows and the front porch.

On 11 September 1987, the Trustees approved completion of bidding documents for Phase IB; the total cost of Architectural/Engineering fees amounted to $423,000. The bidding documents have been completed and the estimated project budget is $4,992,000. The scope of the project includes the rebuilding of the book stack building, new heating and ventilating systems, new exit stairs, a fire suppression system, the insertion of an elevator, and relocation of some of the stack system within the reserve book area. Funds for this phase will come from fundraising and the deferred maintenance budget for fiscal year 1988. This project is included in the Fiscal Year 1988 Capital Budget. The administration requests approval to proceed with the project in the Spring of 1988.
RESOLVED, that Phase IB of the renovation of the Furness Building, estimated to cost $4,992,000, 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 such 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 Safety and Security System Modifications for the University Museum was approved as follows:

Intention:

In 1986, engineers completed construction documents for Phase C of the Museum's safety and security alterations. Subsequently, asbestos was discovered in the plaster in the 1896 Wing of the Museum, and some of the door requirements have been reevaluated. The project was rebid in December 1987 and the total cost amounts to $1,825,000.

The administration requests approval to proceed in January 1988 with construction of Phase C to complete the safety and security system alterations. The cost will be covered by a current fund advance, to be repaid by the Museum through its operating budget. The project is included in the Fiscal Year 1988 Capital Budget.

RESOLVED, that the safety and security system modifications for the University Museum, estimated to cost $1,825,000, 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 construction and execute such contracts and incur such expenses and obligations - not, however, substantially in excess of the estimated cost of such construction presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such construction.

3. Action. A Resolution on the Renovation of Laboratory Space for the Department of Pathology, School of Medicine was approved as follows:

Intention:

The administration proposes to renovate existing medical research laboratory space on the fourth floor of the Johnson Pavilion for the Department of Pathology. This is part of a commitment made by the School of Medicine to Dr. Leonard Jarett, Chairman of the Department of Pathology.

The project entails renovation of 6,400 square feet; is estimated to cost $1 million; and is to be funded by the Department of Pathology. The project is included in the Fiscal Year 1988 Capital Budget. The administration requests approval to proceed with the project in February 1988.

RESOLVED, that the renovation of laboratory space for the Department of Pathology, estimated to cost $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.

4. Action. A Resolution on the Graduate Towers Planned Maintenance, Phase III was approved as follows:

Intention:

The Graduate Towers complex was originally constructed in 1969. Since
that time, the interiors of the student apartments and the furnishings have deteriorated. Conditions have affected the ability of the University to maintain full occupancy of the apartments. Over the past two summers, renovations were completed on the first 16 floors of Nichols House (towers C and D). The planned renovations for Phase III include the last six floors of the C tower plus the first six to eight floors of A and B towers (as determined by the level of construction bids). The estimated project cost is $1,286,000. The project will be paid from residential revenues. The administration requests approval to proceed with the project during the Summer of 1988. This project was included in the Fiscal Year 1988 Capital Budget.

RESOLVED, that the Graduate Towers Planned Maintenance, Phase III, estimated to cost $1,286,000, 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 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.

5. Action. A Resolution on the Rehabilitation of the Exterior of Blockley Hall was approved as follows:

Intention:

The Department of Physical Plant has completed studies of the facade and related structural elements of Blockley Hall. The studies show significant problems that have to be corrected to protect the structural integrity of the building. The brick ties are rusted and are pulling away from the building structure. The steel shelf angles are rusted and are deteriorating. The weep holes are obstructed and do not permit water to drain, thereby causing further rusting and deterioration of the structural components of the building's facade. The design of the repair and reconstruction work has been completed and bids for the work have been received. The project cost is estimated at $375,000. Construction is scheduled to start April 1, 1988 and work should be completed by November, 1988. Funds for the work will be allocated from deferred maintenance funds. Planned expenditures for deferred maintenance were included in the Fiscal Year 1988 Capital Budget. The administration requests approval to begin construction in the Spring of 1988.

RESOLVED, that the rehabilitation of the exterior of Blockley Hall, estimated to cost $375,000, 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 rehabilitation and execute such contracts and incur such expenses and obligations - not, however, substantially in excess of the estimated cost of such rehabilitation presented to the Budget and Finance Committee — as may in their judgment be necessary or desirable to accomplish such rehabilitation.

6. Action. A Resolution on Renovations to the Penn Tower Hotel to Accommodate the Student Health Service was approved as follows:

Intention:

The Hospital of the University of Pennsylvania, in the course of constructing the Founders Pavilion, concluded that it could not accommodate the additional space needs of Student Health Service within the hospital facilities. The Hospital and Student Health reached agreement that Student Health would be relocated into the motor level of the Penn Tower once the temporary employee cafeteria was no longer needed. Modifications to the space are estimated to cost $1,200,000. The funding for the project will come from Phase IVB capital reserves of the hospital. The University administration supports the project and requests approval to proceed with bidding documents immediately and to begin construction as soon as possible.
RESOLVED, that the renovations to the Penn Tower Hotel to accommodate the Student Health Service, estimated to cost $1,200,000, be and the same hereby are 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 as presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such renovations.

7. Action. An Amendment to the Resolution of 26 October 1984 on the Renovation of Laboratory Space in the Anatomy-Chemistry Building was approved as follows:

Intention:

On 26 October 1984, the Trustees approved the administration's request to renovate 8,000 square feet of medical research laboratory space on the third and fourth floors of the Anatomy-Chemistry Building for the Department of Biochemistry/Biophysics, estimated to cost $2 million. This renovation is part of a commitment made by the School of Medicine to Dr. Franz Matschinsky when he became Chairman of the Department.

The renovation will replace the currently outmoded laboratory space with modern facilities. The scope of the project has been expanded and the renovation area has been increased from 8,000 square feet to 12,000 square feet. Construction documents are being completed, and the revised estimated cost is $3,290,000. The project is funded from the educational and development funds of the School of Medicine. The project is included in the Fiscal Year 1988 Capital Budget. The administration requests approval to proceed with the project in February 1988.

RESOLVED, that the renovation of laboratory space in the Anatomy-Chemistry Building, estimated to cost $3,290,000, 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 such renovation presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such renovation.

D. Development Committee

Mr. Miller reported that the University's fund-raising performance for the first half of the year has been very strong. He said that as of the end of December subscriptions had totaled just short of $62 million, which is an increase of 42 percent from the same time last year. "It seems that the bear market has not negatively affected us," the chairman continued, "although we did note a modest drop in gifts of depreciated securities." He added that cash gifts have more than made up for the lag since they totaled $46 million, an increase of 16 percent over the first six months of 1986. "The appreciation in receipts is particularly encouraging," he said, "given our goal of increasing alumni support, and it's run at a staggering 80-percent ahead of FY'87 during the first six months of this fiscal year." Mr. Miller went on to report that foundation gifts are also up whereas corporate funding and contributions from non-alumni friends have declined slightly. "By the end of FY'88, we are confident that we will be able to report progress on all fronts," he said. "Overall we are in very good shape thanks in a large part to Trustee leadership." Mr. Miller added that the University had reaffirmed its goal...
of making the year ending on 30 June 1988 the first $100 million dollar year in Penn's history. "A $100 million record," he said, "would put the University on a very solid platform for launching a campaign in the future."

Mr. Miller went on to report that at a joint meeting of the Executive Committee and the Development Committee and then a plenary session of the board, the Trustees reviewed the preliminary findings of the campaign market study and the recommendations of consultants. "At this stage, it looks good," he observed. "The enthusiasm of the Trustees and our alumni is very high. Their agreement with the proposed objectives of the campaign is solid." He noted that the market study would be completed within the next few months after which a comprehensive development plan for the campaign would be prepared before the completed package is presented to the Trustees in June. "At that point, if everything continues to go well," Mr. Miller continued, "we will begin focusing special attention on lead gifts and building momentum as we head toward an anticipated public announcement of the campaign in the fall of 1989."

Mr. Miller then reported that the Meyerson Professorship of Urbanism, which was established by the Trustees, had been funded thanks in no small measure to the efforts of President Emeritus Meyerson himself. "Our expectations," he said, "is that the chair will be filled by exceptional professors who come from different disciplinary or professional origins but that the initial holder of the chair, a senior scholar, would have his or her primary investment in the Graduate School of Fine Arts." He went on to note that a committee of three, including Bernard Segal, Robert Dunlop, and himself, which had been raising funds for the chair over the last few years, wanted to express their gratitude to all the trustees who had contributed to it. He pointed out that among the generous contributors from outside the board were Lita Annenberg Hazen, Eleanor Houston Smith, and the UPS Foundation.

E. External Affairs

Mr. Lauder reported that the External Affairs Committee had discussed the University's recruiting efforts and the unity of its image. He noted that on the basis of a report by Dean of Admissions Lee Stetson, the committee concluded that Penn had made "enormous strides" in attracting new students, especially from the West. He pointed out that through the generosity of Messrs. Heyman and Crow, a satellite admissions office had been opened in Dallas with the result that the number of applicants increased 35 percent last year compared to 1986. Turning to the committee's discussion of "image unity," Mr. Lauder said that over the past few years Penn has sought to remind people that the University is not an amalgam of different schools, and, as part of this effort, has used a redesigned "Penn" logo on many of its publications. "We are in route, but not all the way to achieving overall unity," the chairman observed. "We must continue our efforts to bring all our schools into the fold since the image of one university is especially important as we undertake a major
new fundraising drive."

F. Facilities and Campus Planning

Mr. Arader reported that the Facilities and Campus Planning Committee had reviewed the University's design review procedure both as to its intended function and actual performance. He said there had been a "lively discussion" on the appearance of the new construction at 3401 Walnut Street and that suggestions were made for improving a draft document describing the administrative procedures for campus building design. The chairman went on to mention that Lewis Davis, the architect for the Lauder/Fischer building, had presented an update on the project. He noted that Vice Provost Cooperman had reported on the science precinct and its impact upon the campus. "He described the advantages and the disadvantages of the various locations as well as the trade-offs involved in each site," Mr. Arader said. "No decision on the best location was reached, and the committee urged the administration to study the issue further and report to the committee.

G. Nominating Committee

1. Action. Mr. Dorrance introduced a resolution on the Election of P. Roy Vagelos as a Term Trustee. It was approved as follows:

RESOLVED, that P. Roy Vagelos be elected a term trustee, effective June 1988.

H. Student Life

Mrs. Mainwaring reported for Dr. Chisum, who was not able to join the committee at its meeting the previous day. She noted that the committee had heard four reports on making the campus a secure environment. In one, which dealt with security in residential buildings, members learned that 34 out of 53 recommendations made by security consultants had been implemented and the rest were in the process of implementation. In a second report focused upon security on and off the campus, John Logan, director of the department of public safety, provided the committee with an update on various training programs, according to Mrs. Mainwaring, and reported that relations with the Philadelphia Police Department are most positive. She went on to note that Director of Victim Support Ruth Wells also had talked with committee members.

Kim Morrisson, the acting director of University Life, addressed the issue of educational efforts, Mrs. Mainwaring said. The vice chairman noted that "it is very important that students, particularly when they are newly arrived on the campus, understand what is provocative behavior and what is an acceptable way of living in the city," and she pointed out that a new program called "Living in the City" tries to address these questions. She noted that Dr. Morrisson had said the seminars that her office had held for students on safety awareness had not been as well attended as she had hoped, and in the future would be targeted for specific groups, such as the freshmen and fraternities. "Security is an
on-going concern of the Student Life Committee," Mrs. Mainwaring
concluded.

She then remarked that the committee also heard presentations on the
activities and the interaction of students and the community. She said
that the West Philadelphia Improvement Project had been discussed, and she
went on to note that the committee also heard from the director of the
Penn Extension Program, the director of Off-Campus Living, and from
students who were concerned about safety on the campus.

1. Medical Center Board

1. Mr. Brown observed that the Hospital, one of the three parts of
the Medical Center, is not doing as well as the clinical practices, which
have an excess of revenues over expenses. "Strenuous measures are being
taken to try to improve that situation," he said. He went on to note that
the HUP deficit arises from a decrease in admissions and an increase in
patients' length of stay. He said Medical Center management, including
Dr. Stempel and the Executive Director of the Hospital Edward Schwartz,
were "putting into place a cost reduction program in order to make the
Hospital more competitive with its peers in the Philadelphia area." He
further noted that they were developing a master plan for the Medical
Center, which they expect to present in draft form to the Trustees of the
Medical Center in April and to the Trustees of the University in June.

2. Action. A Resolution on Appointments to the Trustee Board of the
Medical Center was approved as follows:

RESOLVED, that John G. Harkins, Jr. and Vivian Weyerhaeuser Piasecki
be appointed to the Health Services Committee of the Trustee Board of the
Medical Center for three-year terms, effective 15 January 1988.

J. Investment Board

Mr. Neff reported that the total market value of the Associated
Investment Fund (AIF) as of 11 January was $513 million. He pointed out
that the University had increased its investment position in equities to
60 percent from a low of 55 percent in the late summer, adding that the
"difference is especially dramatic" if one considers the decline in the
stock market. He went on to report that since the last meeting of the
Trustees, the AIF has purchased about $3 million more common stocks. "But
to go to the 69-percent level that we are permitted," he said, "we would
really like to see some new areas." Mr. Neff noted that the current yield
on the common stock portfolio had increased from 4.6 percent on 30 June to
6.0 percent as of mid-January. "Equity performance during this period,"
he continued, "was a bit behind the Standard and Poor 500 Stock Average:
down 19.0 percent for AIF common stocks as opposed to a 17.1-percent
decline for the S&P. But if we updated that comparison," he added, "we
would be within a whisper of the 500 Stock Average." Mr. Neff went on to
point out that there is a little-noticed "January effect on the
marketplace," which means that "small, growth stocks usually get beat up
by tax selling and then spring back in the first few weeks of the year."
Noting that the financial intermediaries in the AIF had done poorly, he said: "we're still laboring a bit, but we're fighting our way back." He observed that the portfolio's price-earnings multiple was a little under half that of the market, which was a wider gap than ever been experienced. "The companies in our portfolio are good but not great," he concluded. "If the best single indicator of corporate accomplishment is return on equity, they are a bit above average and should serve us well in a market that now seems fairly valued."

V. Overseers and Other Boards

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

RESOLVED, that David Olivier be appointed to the Board of Overseers of the School of Dental Medicine for a three-year term, effective 15 January 1988.

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

RESOLVED, that Monroe E. Trout be appointed to the Board of Overseers of the School of Nursing for a three-year term, effective 15 January 1988.

C. Action. A Resolution on Appointments to the Board of Managers of the Wistar Institute was approved as follows:

RESOLVED, that the following individuals be appointed for one-year terms to the Board of Managers of The Wistar Institute, effective 15 January 1988:

Mr. Robert P. Adler; Dr. J. Thomas August; Mr. George B. Barnard; Dr. Thomas Peter Bennett; Mr. Herbert W. Blades; Mr. Ira Brind; Ms. Margaret Leonard Brown; Dr. Barry S. Cooperman; Dr. Harry Eagle; Dr. Lawrence E. Earley; Ms. Kathleen Federline; Mr. James W. Fordyce; Mr. Robert A. Fox; Mr. William B. Gold; Mr. Harris N. Hollin; Dr. Michael Katz; Dr. George B. Koelle; Mr. W. Thacher Longstreth; Ms. Faye S. Olivieri; Dr. Ruth Patrick; Mr. Roy T. Peraino; Dr. Donald Vail Rhoads; Mr. Gerald B. Rorer; Mr. Isadore M. Scott; Mr. E. Robert Thomas, Jr.; Dr. Keith S. Thomson; Dr. Howard S. Turner; Dr. George F. Vande Woude; and Mr. David V. Wachs.

Adjourned.

Respectfully submitted,

Mary Ann Meyers
Secretary of the University