Minutes of the Stated Meeting  
of the  
Executive Committee of the Trustees of the University of Pennsylvania  
4 March 1988

A meeting of the Executive Committee was held on Friday, 4 March 1988  
in the Tea Room of the Faculty Club. Trustees attending included: Walter  
G. Arader; Susan W. Catherwood; Gloria Twine Chisum; G. Morris Dorrance;  
Jr.; Robert A. Fox; C.F. Fretz; Sheldon Hackney; Margaret R. Mainwaring;  
Paul F. Miller, Jr.; Alvin V. Shoemaker; and Saul P. Steinberg. Others  
present included: Michael Aiken; Ann Bailey; Ann Duffield; William  
Epstein; Shelley Green; George Koval; Mary Ann Meyers; David Morse; Rick  
Nahm; Helen O'Bannon; Antonia Oberthaler; Barbara Stevens; Glen Stine;  
Marna Whittington; and Dylis Winegrad.

I. Call to Order

The chairman called the meeting to order and the minutes of 11  
December 1987 were approved as written by the secretary.

II. Report of the Chairman

Mr. Shoemaker had no report.

III. Report of the President

A. Dr. Hackney reported that Dean of Admissions Stetson and his staff  
are now in the middle of the task of selecting the Class of 1992 from an  
all-time high of 13,100 undergraduate applicants. "The applicant pool is  
more diverse than ever," he said, "and it is very strong academically."

The president went on to note that the Fraternity and Sorority  
Advisory Board has recommended a suspension until at least September 1989  
of Zeta Beta Tau fraternity and that its recommendation has been accepted  
and put into effect by Acting Vice Provost for University Life Kim  
Morisson. He observed that the charges against ZBT centered on a rush  
event, which occurred early last fall, and involved behavior that was  
"sexually degrading and racially offensive. While opinion on the campus  
differs as to whether the sanctions against the fraternity are too  
lenient, too harsh, or quite appropriate," Dr. Hackney said, "there is not  
disagreement on the fact that such behavior cannot be tolerated on  
campus." He added that in his opinion the charges fully warrant the  
"serious" steps that have been taken by the administration. "I am very  
hopeful that we all learned something from this incident," Dr. Hackney  
continued, "and that we will be better prepared to move forward in  
building a more caring community on campus."

The president expressed congratulations to the women's swimming team,  
which finished second in the Ivy League, and the women's track team, which  
again captured the Ivy League title and Heptagonal Championship for the  
winter season. He announced that Marvin Lazerson, the dean of the  
Graduate School of Education, has agreed to chair a faculty committee to  
plan the President's Forum for next year on the topic of children. "We
will focus on the major issues confronting the welfare of children," Dr. Hackney said, "and the forum will present distinguished researchers, policymakers, and professionals on issues that affect the quality of life of children throughout the country."

B. Academic Report

1. Provost Aiken reported that the search for a director of libraries had been concluded with the appointment of Paul Mosher, currently the deputy director of the Stanford University libraries. "The new director," the provost said, "will also hold the title of vice provost." He added that Dr. Mosher comes with a very strong academic orientation. "I see the possibility of linking all of our academic functions even more closely with the library than before," Dr. Aiken commented.

He went on to note that the search for the vice provost for University life is continuing after being somewhat delayed while several consultants examined the current structure of the division. "We decided on the basis of their report to retain the concept of a very strong vice provost for University life," Dr. Aiken said; "and also to move toward a different kind of middle management/administrative structure, which, in essence, would bring a more hierarchical and stronger associate vice provost into the University Life organization." He observed that searches for deans of Medicine, Annenberg, the School of Arts and Sciences, and Dental Medicine also are in progress.

The provost went on to report that another consequence of the study of the Division of University Life, and of many discussions held as a result of it, was a decision to reorganize the Student Financial Aid Office. It will be combined with the Bursar's Office, the Penn Plan Agency, and the Collections Department to form a new structure, which will be called the Office of Student Financial Aid Services. Dr. Aiken said the new office will be physically located in the Franklin Building and will be under the direct supervision of Deputy Provost Richard Clelland and Vice President for Finance Marna Whittington. "We expect the student financial aid services administrators to undertake a careful evaluation of our student financial aid policies," he observed. "We remain committed to the concept of need-blind admissions in our undergraduate programs, but we feel that we need to look very carefully at those policies in preparation for the 1990s." The provost further noted that there continues to be great progress in the reorganization of the course registration system. He said that he looked forward to the time when Penn will have a more modernized registration system, allowing students to use the telephone instead of waiting in line. Dr. Aiken then reported that he had reconvened the Council of Graduate Deans. He reminded the board that he had earlier established a Council of Undergraduate Deans, which brings together the four undergraduate deans with the registrar and the vice provost for University life and is chaired by the provost. "It has been an excellent mechanism of coordination to discuss various policies," Dr.
Aiken said, "We are now moving toward a similar coordinating device at the graduate level. The purpose would be to share information and to consider such issues as financial aid."

The provost called attention to several awards. He noted that Penn, along with nine other area institutions, would be participating in a $2-million project, funded by the Pew Memorial Trusts, to strengthen undergraduate science education. He mentioned that the World Health Organization has named the University's School of Nursing as the WHO collaborating center for nursing leadership development. He observed that the School of Engineering and Applied Science had developed a new graduate program, comparable to the executive education program in Wharton, which focuses on engineers and awards the master's degree.

Turning to individual faculty honors, the provost reported that the American Nurses Association has selected Dean Claire Fagin to receive its honorary recognition award, which is the most prestigious award in the nursing profession; William Pierskalla, deputy dean for academic affairs in the Wharton School and chairman and professor of Health Care Systems, has been named president of the International Federation of Operational Research Societies; Peter Nowell, professor of pathology and laboratory medicine, has received the Kaplow Award of the Academy of Clinical and Laboratory Physicians and Scientists for his chromosome studies of leukemia cells; and Stanley Brody, professor of physical medicine and rehabilitation in psychiatry, has been presented with the fourth annual Gerontological Health Section Key Award by the American Health Association.

Dr. Aiken then introduced a Resolution on Appointments, Leaves, and Promotions. He called particular attention to the promotion of Dr. Vicki Mahaffey, a Joyce scholar, to associate professor of English, and the appointment of Dr. Linda Aiken, a health policy expert, as a professor of nursing.

2. Action. A Resolution on Appointments, Leaves, and Promotions was approved as found on pages 1 through 25 of the meetingbook.

C. Financial Report

Mrs. O'Bannon reported that as of the end of January, the administration was projecting a general University surplus of $25,000 in its unrestricted accounts after a proposed transfer of $1 million in unanticipated freshman tuition revenues to establish resources to fund the upcoming capital campaign. The senior vice president noted that the Trustees would be asked to approve the transfer at the end of the fiscal year. She went on to observe that the administration continues to work with the Vet School in an effort to reduce its deficit, which is now down from over a million dollars to a projected $650,000, and with the Annenberg Center, which projects a modest deficit. "All other schools are expected to be in surplus or to break even," Mrs. O'Bannon said. She reported that as of the end of January, the Hospital was running a deficit of expenses over revenues of $7,591,000, which is $4,126,000 worse
than budget. HUP's loss from operations is $11,448,000 or $4,357,000 worse than budget. "We continue to monitor the situation," Mrs. O'Bannon said, noting that the Hospital had instituted a cost containment and expense reduction program effective 1 February. She further observed that the Clinical-Practices had an excess of revenues over expenditures of almost $1.5 million through the first six months of FY '89, which ended on 31 December. "CPUP's Education and Development Fund balances increased by $2.7 million during that period," the senior vice president said.

IV. Trustee Committee Reports

A. Budget and Finance

Mr. Fox reported that the Budget and Finance Committee had reviewed 10 resolutions, and recommended them to the Trustees for favorable action.

1. Action. A Resolution on the Purchase of an Addition to the Arts and Sciences IBM 3090 Computer was approved as follows:

Intention:

On 13 March 1987, a resolution entitled, "Resolution on the Acquisition of an IBM 3090-200 Computer" was passed by the Board of Trustees authorizing the expenditure of $3,080,000 in two phases to acquire an IBM 3090-200 computer. The first phase, one vector and one scalar processor, was acquired in June 1987. The second phase, a second vector and scalar processor, was to have been funded from Federal grant funds. Proposals for the majority of those funds have been submitted to Federal agencies by the Physics and Chemistry Departments but have not yet been approved.

New programs in quantum chemistry and materials research have increased the use of the machine to the point of saturation of the first phase equipment. The administration proposes to acquire the second phase from current funds in the Research Facilities Development Fund. The total cost of the acquisition will be $3,080,000 as outlined in the original resolution. We expect reimbursement of the majority of the $1,350,000 second phase costs from research grants.

RESOLVED, that Phase II of the previously approved acquisition of an IBM 30-90-200 for Arts and Sciences costing $1,350,000, be approved from University funds available for the acquisition of research facilities.

2. 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 1988-89.

For undergraduates, the tuition will be $11,678 and the general fee will be $1,071, totalling $12,750; for graduate students, tuition will be $12,708 and the general fee will be $792, totalling $13,500; for professional students, the general fee will be $620.

RESOLVED, that for the academic year 1988-89, the undergraduate tuition rate will be $11,678 and the undergraduate general fee will be $1,072; that the tuition for graduate students will be $12,708 and the graduate general fee will be $792; that the professional general fee will be $620; 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.

3. Action. A Resolution on the Furness Building Renovation, Phase
II was approved as follows:

Intention:

The University is committed to restoring the Furness Building as funds become available. Venturi Rauch & Scott Brown, Architects, have completed the schematic design for the renovation. Since then, the Trustees have approved funds for the construction of Phase IA - exterior envelope and Phase IB - bookstack building and related work. Construction is proceeding.

The administration now proposes to proceed with the design and construction documents of Phase II of the Furness Building renovation. The scope of work includes the interior restoration of the reading room; renovations of seminar/classrooms, architectural archives spaces; heating, ventilation and air-conditioning; structural work for utility trenches; remainder of life safety work; fire suppression system and Duhring Wing renovation.

The cost of the architectural/engineering and estimating fees amount to $607,900. Funds for this phase will come from fundraising and the deferred maintenance budget for Fiscal Years 1988 and 1989. The projected project cost for Phase II is currently estimated at over $8 million and this part of the project will be included in the Capital Budget for Fiscal Year 1989.

RESOLVED, that the design documents for Phase II of the renovation of the Furness Building, estimated to cost $607,900, 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 design development and execute such contracts and incur such expenses and obligations - not, however, substantially in excess of the estimated cost of such design development presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such design.

4. Action. A Resolution on the Modifications to the Magnetic Resonance Imaging Facility in Blockley Hall was approved as follows:

Intention:

In 1986, a Magnetic Resonance Imaging facility was opened in Blockley Hall. The Department of Physiology in the School of Medicine wishes to expand the facility to accommodate human subjects in its research.

The project is estimated to cost $275,000 and is to be funded by the School of Medicine's Education and Development Fund. The project is included in the Capital Budget for Fiscal Year 1988. The administration requests approval to proceed with construction of the project in March 1988.

RESOLVED, that the modifications to the Magnetic Resonance Imaging facility in Blockley Hall, estimated to cost $275,000, 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 modifications and execute such contracts and incur such expenses and obligations - not, however, substantially in excess of the estimated cost of such modifications presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such modifications.

5. Action. A Resolution on the Renovation of Space in the Anatomy-Chemistry Building was approved as follows:

Intention:

The administration proposes to renovate 975 square feet of medical research laboratory space on the first floor of the Anatomy-Chemistry Building for the Department of Anatomy. This is part of a commitment made to Dr. Frank Pepe, Chairman of the Department of Anatomy.
The project is estimated to cost $398,000 and is to be funded by the Education and Development Fund of the School of Medicine. The project is included in the Capital Budget for the Fiscal Year 1988. The administration requests approval to proceed with the construction of the project in March 1988.

RESOLVED, that the renovation of space in the Anatomy-Chemistry Building for the Department of Anatomy, estimated to cost $398,000, 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.

6. Action. A Resolution on the Construction of a Facility to House X-Ray Crystallography Equipment for the School of Arts and Sciences was approved as follows:

Intention:

A new facility to house X-ray crystallography equipment will be shared by the Department of Chemistry of the School of Arts and Sciences and the Wistar Institute and funded jointly by Wistar and the University. It will provide the research focus for a new senior appointee at Wistar, who will have an adjunct appointment in Chemistry, and a junior appointee in Chemistry, who will have an honorary appointment in Wistar. The facility will be housed in the basement of the Department of Chemistry's 1973 Wing in order to also allow students to benefit. The renovation of the X-ray facility and an associated wet lab will necessitate the relocation of an undergraduate Physical Chemistry laboratory.

The renovation portion of the project is estimated to cost $535,000 and is to be funded by the University Research Facilities Development Fund ($425,000) and the School of Arts and Sciences ($110,000). The administration requests approval to proceed with the implementation of the project in March 1988.

RESOLVED, that the construction of a facility to house X-ray crystallography equipment, estimated to cost $535,000, 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.

7. Action. A Resolution on Repairs to Parking Garage #7, Phase I was approved as follows:

Intention:

The Department of Physical Plant has completed studies of the deck and related structural elements of the Parking Garage #7 at South Street and Convention Avenue. The studies identify significant problems that have to be corrected to protect the structural integrity of the facility. The top deck and expansion joints show evidence of extensive deterioration. In some areas, the parapet walls lean outward. The University administration intends to repair the facility in phases. Phase I calls for the repair of the cracks and spalling in the top parking deck, replacing the expansion joints and reinforcing the parapet walls. A coating will then be applied to the top deck to prevent water damage on the lower floors. 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 $355,000. The funding source is the Parking Building Fund Reserves.

RESOLVED, that the repairs to the Parking Garage #7, Phase I, estimated to
cost $355,000, 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 repairs and execute such contracts and incur such expenses and obligations - not, however, substantially in excess of the estimated cost of such repairs presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such repairs.

B. Action. A Resolution on the Exterior Rehabilitation of the Veterinary Medicine Old Quadrangle, Phase III was approved as follows:

Intention:

The Department of Physical Plant completed an engineering study of the masonry walls, limestone and steel lintels of the Veterinary Medicine Old Quadrangle in 1985. The study concluded that the facility’s exterior envelope and roof required rehabilitation and restoration to protect the structural integrity of the building. Subsequently, design and construction documents for roof repair and partial replacement, exterior masonry restoration, lintel repair and partial replacement and new energy efficient windows have been completed for the project. The University administration is implementing this project in phases. Construction on Phases I and II, covering the facility’s west and south wings, started in May 1987. Bids have been received for Phase III, which includes the east wing. It is estimated that the work will cost $920,000. Construction of Phase III is scheduled to start in May 1988. The University administration intends to finance the project from deferred maintenance funds.

RESOLVED, that the exterior rehabilitation of the Veterinary Medicine Old Quadrangle, Phase III, estimated to cost $920,000; 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.

9. Action. A Resolution on the Sale of Interest in Property Located in Stamford, Connecticut was approved as follows:

Intention:

The University has been notified that it is to receive as a gift from a donor a two and three hundred eighty-one thousandths percent (2.381%) interest in a 14.422 acre parcel of real property located in the Town of Stamford, Fairfield County, Connecticut. The administration proposes to sell this property interest as part of an overall disposition of the property in return for a price of $25,000.

RESOLVED, that the Trustees of the University of Pennsylvania hereby approve the sale and conveyance of the said property interest for a total purchase price of $25,000, and hereby direct and authorize the Treasurer or other appropriate officers of the University to proceed with the execution and delivery of the deed and all necessary affidavits and other documents required in connection with such sale and conveyance, and hereby further approve, confirm, and ratify all other actions taken by such officers or their designees in connection with or which are necessary or convenient to the accomplishment of such sale and conveyance.

10. Action. An Amendment to the Resolution of 11 September 1987 on the Replacement of the Hutchinson Gymnasium Roof was approved as follows:

Intention:

On 11 September 1987, the Trustees passed a resolution authorizing the expenditure of $250,000 for the replacement of the Hutchinson Gymnasium roof. The complexity of the flashing details on the monitor over the gymnasium floor has increased the scope and projected cost of the roofing work from the originally authorized amount to $400,000. Funding
for the project comes from the deferred maintenance account for Fiscal Year 1988.

RESOLVED, that the replacement of the Hutchinson Gymnasium roof, estimated to cost $400,000 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 replacement 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 replacement.

B. Investment Board

In the absence of John Neff, Mr. Miller reported that the value of the Associated Investments Fund (AIF), as of 29 February, was nearly $551 million. "We are now only $8 million dollars below where we were at the end of last June," he said, "although we have added $28 million to the endowment in the interim, so the market has had some deleterious effects on the Fund's value." In what Mr. Miller called "a strong market so far this year," the per-share AIF value has increased more than 10 percent on a total return basis. He pointed out that common stocks have appreciated 14 percent (total return), which is 5 percentage points more than the Standard and Poor's 500 Stock Average. "Since 30 June, adjusting for incoming monies, the total value of the AIF is down only 1.6 percent," Mr. Miller said. "Common stocks did just about what the market did," he continued, "and the fixed income side performed strongly. We did have some cash in there, which helped protect us," Mr. Miller added, "but nevertheless we are quite pleased with the AIF's performance. The Investment Board has nerve," he said, "and we bought opportunistically after the market disaster last fall. The board's courage," he concluded, "is now paying off."

V. Overseer and Other Boards

A. Action. A Resolution on Appointments to the Board of Overseers of the School of Engineering and Applied Science was approved as follows:

RESOLVED, that Hollis L. Caswell and Frederick J. Warren be appointed to the Board of Overseers of the School of Engineering and Applied Science for three-year terms, effective 4 March 1988.

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

RESOLVED, that Philip U. Crane and Michael J. Joyce be appointed to the Board of Overseers of the School of Nursing for three-year terms, effective 4 March 1988.

Adjourned.

Respectfully submitted,

Mary Ann Meyers
Secretary of the University