Minutes of the Stated Meeting
of the
Executive Committee of the Trustees of the University of Pennsylvania
6 May 1988

A meeting of the Executive Committee was held on Friday, 6 May 1988 in
the Tea Room of the Faculty Club. Trustees attending included: Walter G.
Arader; Richard P. Brown, Jr.; Susan W. Catherwood; G. Morris Dorrance,
Jr.; C.F. Fretz; Sheldon Hackney; Margaret R. Mainwaring; Paul F. Miller,
Jr.; Alvin V. Shoemaker; and D. Robert Yarnall. Others present included:
Michael Aiken; Ann Bailey; Richard C. Clelland; Ann Duffield; William
Epstein; Shelley Green; George Koval; Robert Lorrdale; Mary Ann Meyers;
Kim Morrison; Rick Nahm; Helen O'Bannon; Antonia Oberthaler; Barbara
Stevens; and Marna Whittington.

I. Call to Order
The chairman called the meeting to order and the minutes of 8 April
1988 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 observed that the Executive Committee was meeting on
the day following the last day of spring semester examinations. "It has
been a very interesting year," he said. "We've had a lot of things to
talk about on campus, and most of those things are going in the right
direction. We've accomplished a lot of good, and I'm particularly pleased
with the fact that we'll be joined next fall by a number of outstanding
new faculty members."

Dr. Hackney went on to note that the University had received a record
13,104 applications for undergraduate admission. "We were able to be much
more selective for the Class of '92 than in any time in our history, he
said, pointing out that "the University expects about half of the admitted
students will accept its offer." "A 50-percent yield would be an increase
from our traditional yield of about 47-48 percent," the president
continued, "although somewhat down from our extraordinary yield of 53
percent of last year."

Dr. Hackney observed that the University was aiming for an entering
class of 2,250 freshmen. "We think that 22 percent of the class will be
from minority groups, which is about the same as the current year," he
said. "Applications from alumni children actually declined a bit in the
current year," he continued, "but we admitted 58 percent of our legacies,
and we expect that the Class of 1992 will consist of 15 percent alumni
sons and daughters. That is a very high percentage compared to other Ivy
League institutions, and these young people add a special flavor to the
freshman class since they join us with a different level of commitment and
familiarity than other students."

Dr. Hackney further noted that the Admissions Office had turned down some 200 valedictorians. "One doesn't normally brag about that sort of thing," he said, "but it gives you a rough idea of the level of competition." The president observed that the Class of 1991 has been an unusually active, involved freshman class. "But maybe the Class of '92 will be able to match their level of involvement," he suggested.

Dr. Hackney then commented on the visit of Louis Farrakhan to the campus. "I'm pleased to be able to tell you that it came off without incident," he said. "There was no disruption or interruption either of Minister Farrakhan's speech or of the demonstration against what he stands for. We had excellent cooperation from the Philadelphia police. John Logan and his public safety officers planned and handled security arrangements extraordinarily well. Kim Morrison and the University life staff did an extremely good job too, not only by being present and calming emotions, but also in recruiting and training 40 special open expression monitors."

The president went on to note that there are clearly a number of people who do not share his view that "the University needs to be open to the expression of opinion of all sorts. I am getting angry letters," he said. "People are very upset. But while I do not like what Minister Farrakhan stands for," Dr. Hackney continued, "and while his values are not those that the University is trying to inculcate in its student body, our core value is the free exchange of ideas. Once a person has been invited to the campus to speak by a student or a faculty group, then the University, as an institution, really must protect that person's right to speak, the rights of those who want to hear him or her, and the rights of those who want to express a counter-opinion, and all in a way that doesn't interrupt what other, disinterested people are about on the campus. I hope," he said, "that we'll be able to use this incident as a way to stimulate us as a community and as individuals to think more about the sensitivities of other members of the community. One of my great hopes is that we will evolve into a caring community in which we all have a sense of responsibility towards each other and can anticipate when actions and words are going to hurt and try to avoid those actions and words."

B. Academic Report

1. Dr. Aiken reported on the status of the searches for deans of the Annenberg School, the School of Arts and Sciences, the Dental School, and the School of Medicine as well as on the search for a vice provost for University Life. He went on to note that the outside consultants on the Black Resource Center had submitted a final report and recommendations on the Center's structure and activities.

Turning to academic financial matters, Dr. Aiken observed that once again, the administration had developed a salary policy for the coming year that "continues to provide growth in the incomes of continuing faculty and staff. The minimum academic base salary for assistant
professors will be $28,000, up from $26,000 last year," the provost reported. "The base increment for individual members of the continuing standing faculty will be a minimum of two percent. As was the case last year, increases in salary for both faculty and staff are intended to emphasize merit."

He then mentioned that the School of Social Work and Philadelphia’s Gratz College have developed a joint program, which, beginning in the fall, will enable students to earn both a master’s degree in social work and a certificate in Jewish communal studies. On the subject of faculty honors, the provost pointed out that:

- Dr. Henry Hoenigswald, emeritus professor of linguistics, has been elected to the National Academy of Sciences;
- President Hackney, along with former Vice President for Health Affairs Thomas Langfitt, has been elected to the American Philosophical Society;
- Dr. Charles Epstein, an assistant professor of mathematics, and Dr. Hai Lung Dai, an assistant professor of chemistry, have been awarded Sloan Research Fellowships;
- Dr. Edward Peters, a professor of history, has won a Guggenheim Fellowship;
- Dr. David Premack, a professor of psychology, has been awarded the Fyssen Foundation Prize, which is given annually for research in neurosciences, cognition, and prehistory; and
- Dr. Ruth Patrick, adjunct professor of biology, has received the first Commonwealth of Pennsylvania Governor’s Award of Excellence in the Sciences.

The provost reported on the naming of three faculty to endowed chairs: Joseph Rykwert, professor of architecture, to the Paul Philippe Cret Chair in the Graduate School of Fine Arts; Andrew B. Abel, professor of finance, to the Ronald O. Perelman Professorship, a new chair in the Wharton School; and David J. Rubenstein, professor of marketing, to the Julian Aresty Professorship, a chair awarded on a rotating basis to the faculty member serving as vice dean and director of the Wharton Graduate Division. He went on to note that Dean Russell E. Palmer, the Reliance Professor of Private Enterprise in the Wharton School, has been honored by his former firm, Touche Ross, which has established a professorship in management to honor him.

Dr. Aiken also observed that: Joel L. Sisenwine, a College sophomore, has been awarded a Truman Scholarship; Jonathan Zax, a Wharton MBA student, is among 15 recipients of a Henry Luce Foundation Fellowship; and three students, Walter Clayton III in the School of Engineering, Jordan Robert Ship in the School of Medicine, and Allen Weinberg in the College, have won Thouron Scholarships.

He then called the attention of the Trustees to two nominations for appointment to tenure: Dr. Fumio Hayashi, a Harvard Ph.D. who is presently an associate professor of economics at Osaka University, as a professor of economics and Dr. Marco Frascari, a Penn Ph.D. who is
presently an associate professor of architecture at Georgia Institute of Technology, as an associate professor of architecture.

2. Action. A Resolution on Appointments, Leaves, and Promotions was approved as found on pages 1 through 20 of the meetingbook.

D. Financial Report

Mrs. O'Bannon observed that the administration is projecting a general University surplus of $150,000 for FY'89, which is an increase of $25,000 over the projection reported at the April meeting of the Executive Committee. "The anticipated surplus," she observed, "was after discretionary allocations of $735,000 to the Undergraduate Development Fund and $600,000 to the Research Fund and after the budgeted, mandated Graduate Hospital deficit amortization of $97,000 as well as a transfer, which the administration will ask the Trustees to approve, of $1 million to provide some of the resources for the costs of the upcoming capital campaign." The senior vice president reported that the primary source of the University's projected surplus is salary savings. She observed that the Hospital's financial performance through the end of March was better than the cost-containment budget by $1.6 million.

IV. Trustee Committee Reports

A. Medical Center Board

Mr. Brown observed that he had recently seen a report that predicted the demise of about 10 percent of all the hospitals in the United States in the next decade. "The industry is going through a lot of changes," he continued, "and we are going to cope with them at the Medical Center partly by the cost-containment program and partly by getting more admissions. Our present ambition is to try to bring the projected budget deficit down from $11 million to $6.1 million, and we believe we have a good chance of accomplishing that reduction. We are working on the budget for Fiscal '89," Mr. Brown further noted, "and we would love to bring it in at a break-even or even better position, but it is a little early to tell what may be possible."

V. B. Investment Board

In giving the Investment Board report in the absence of John Neff, Mr. Miller observed that the Investment Board chairman had not stepped one of his black holes" but was having lunch with Sen. John Heinz. Mr. Miller went on to say that since 30 June 1987 the per share value of the Associated Investments Fund (AIF) had declined 3.7 percent on a total return basis. "Given the kind of chaos we've had in the financial market," Mr. Miller commented, "that is really not a bad performance. Our common stocks sub-performed the Standard & Poor 500 Index by a very small margin of about one half of one percent during that period," he continued. "The fixed income portion of the AIF has outperformed the
markets both since the end of June and the end of December of last year. Furthermore, since 31 December our common stocks have substantially outperformed the S&P." Mr. Miller observed that from the end of last year through 29 April, the AIF increased 8.2 percent per share on a total return basis.

Adjourned.

Respectfully submitted,

Mary Ann Meyers
Secretary of the University