A Stated Meeting of the Trustees was held on Friday, 21 October 1988, in Bodek Lounge of Houston Hall. Trustees attending included: Leonore Annenberg; David C. Auten; Gordon S. Bodek; Richard P. Brown; Susan W. Catherwood; Gloria Twine Chisum; Constance Clayton; D. Michael Crow; G. Morris Dorrance, Jr.; John W. Eckman; Sheldon Hackney; John G. Harkins; Stephen J. Heyman; Jon M. Huntsman; Reginald H. Jones; Carl Kaysen; Gena Kutin; Leonard A. Laufer; Robert P. Levy; Paul F. Miller, Jr.; Anthony S. Minisi; John B. Neff; Ronald D. Perelman; Alvin V. Shoemaker; Roger W. Stone; Hyle H. Tanenbaum; Michael L. Tarnopol; Robert L. Trescher; P. Roy Vagelos; Frederick J. Warren; George A. Weiss; Jacqueline G. Wexler; Charles S. Wolf; and D. Robert Yarnall. Others present included: Gregory Aaron; Michael Aiken; Valarie Swain Cade; Richard Clelland; William Epstein; Debra Fickler; Karen Baines; Arthur Gravina; Michel Huber; Stanley Johnson; George Kovalj; Marvin Lazerson; John Logan; Robert Lorndale; Mary Ann Meyers; Kim Morrison; Rick Nahm; Antonia Oberthaler; Steven Poskanzer; Brodie Remington; Frank Roth; Adele Schaeffer; Hugo Sonnenschein; Edward Stebbler; Lee Stetson; Glen Stine; and Marna Whittington.

I. Call to Order

Chairman Shoemaker called the stated meeting to order. Before offering the invocation, Chaplain Johnson asked the Trustees to observe a minute of silence in memory of Helen B. O'Bannon and Paul J. Cupp. The minutes of the 17 June 1988 stated meeting were approved as written by the secretary.

II. Report of the Chairman

A. Action. A Memorial Resolution for Paul J. Cupp was approved as follows:

Intention

A 1924 graduate of the Wharton School, Paul J. Cupp first applied his management skills to his family's independent grocery chain business. When it was acquired by the American Stores Company, the parent company of Acme Markets in 1929, he began his long and successful career with that firm as a junior buyer. Selected as president in 1955, he became chief executive officer in 1957 and chairman of the board in 1961.

His alma mater chose him as a term trustee in 1959. Elected for a second term in 1964, he became a life trustee in 1969 and was designated an emeritus trustee in 1972. He joined the Executive Board in 1960 and continued as a member until he reached emeritus status, sharing with that body his wise counsel, organizational ability, and continuity of experience. He chaired the Development and University Relations Committee and was a member of the Finance Committee, Investment Committee, Long-Range Planning Committee, and Student Affairs Committee.
With his financial acumen and good business sense, it was natural that the University should seek his advice as a member of its Board of Business Education, the precursor to the Wharton School's Board of Overseers. He also served as general chairman of Alumni Annual Giving. A member of the Joint Committee of the Trustees of the Annenberg School and University of Pennsylvania from its inception in 1964, he further served the University and its community as president of the University City Science Center Corporation and as a trustee of the Presbyterian-University of Pennsylvania Medical Center. We lost our fellow trustee on August 16, 1988.

RESOLVED, that the Trustees of the University of Pennsylvania adopt this memorial to our friend and colleague and direct that a copy be sent, with our deepest sympathy, to his family.

B. Action. A Memorial Resolution for Helen B. O'Bannon was approved as follows:

Intention

Helen Bohen O'Bannon joined the University of Pennsylvania in 1983 as its senior vice president. She had overall responsibility for finance, human resources, business and hospitality services, public safety, facilities management, and governmental relations. Among her many contributions to the long-term well-being of the University were the effective reorganization of the administrative staff, the establishment of standards for the construction and maintenance of facilities, and the instituting of a system of internal audit. She and her staff were critical to the successful implementation of the innovative "Penn Plan", a program designed to assist families in financing a Penn education.

Prior to joining the University administration, Mrs. O'Bannon served as Secretary of the Commonwealth's Department of Public Welfare for four years. From 1975 to 1979 she was a member of the Pennsylvania Public Utilities Commission. Earlier she served first as assistant and then as associate dean of the engineering college at Carnegie-Mellon University.

Mrs. O'Bannon was a 1961 honors graduate of Wellesley College. She received an M.A. in economics from Stanford University in 1962 and took graduate courses in business at the University of Pittsburgh. She began her career in Washington as a research assistant on the House Banking and Currency Committee. She later worked as a fiscal economist in the Office of the Secretary of the Treasury and served as a research economist for the Comptroller of the Currency.

Mrs. O'Bannon taught at Robert Morris and Chatham colleges while living in Pittsburgh. She also lectured at Bryn Mawr College and was an adjunct professor of business and public policy at the Wharton School.

She served as president of the Wellesley College Alumnae Association and as a trustee of her alma mater from 1982 to 1985. Among the other organizations that benefited from her wisdom were the National Research Council, Planned Parenthood of Southeastern Pennsylvania, the Mayor's Economic Roundtable, the Finance Committee of Women's World Banking, the University City Science Center, the PBN Development Corporation, the Board of Overseers of the School of Urban and Public Affairs at Carnegie-Mellon, and Women's Way.

A person of high energy and keen intelligence, Mrs. O'Bannon possessed a quick wit and irreverent sense of humor. We value her many and varied contributions to the University and are grateful for the five years during which she was so significant a part of the Penn community.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves and the administration, faculty, students, and alumni of the University, adopt this memorial to our friend and colleague and direct that a copy be sent, with our deepest sympathy, to her family.

C. Action. A Resolution of Appreciation to David C. Auten was approved as follows:
Intention:

A 1960 graduate of the College who stayed on at his alma mater to take a law degree in 1963, David C. Auten was president of the General Alumni Society, representing all of the alumni as an ex-officio trustee, from 1977 to 1980 and has just completed five years of service as an alumni trustee, representing the alumni of the Metropolitan Philadelphia area. During his initial service with the Trustees, he was a member of the Executive Board, chairman of the Alumni Affairs committee, and a member of the External Affairs Committee and resources Committees.

Upon returning to the board in 1983, he served on the Audit, Development, University Responsibility, and External Affairs committees. He currently brings to the President's Council the same leadership in the University's development initiatives that he demonstrated earlier as chairman of the Benjamin Franklin Associates. Since 1982 the School of Arts and Sciences has had his advice and support as a member of its Board of Overseers. These varied assignments reflect his wide-ranging interest in the affairs of the University and constitute a generous expenditure of time and energy on behalf of his alma mater.

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 David C. Auten their thanks for his service.

D. Action. A Resolution of Appreciation to Margaret R. Mainwaring was approved as follows:

Intention:

A 1947 graduate of Penn's School of Education, Margaret R. Mainwaring was the first woman to be elected an alumni trustee, serving in the capacity as a representative of the Metropolitan Philadelphia area from 1973 to 1978. Elected by the Trustees as a term trustee in 1978, and again in 1983, she has lent her counsel as a member of a prodigious number of Trustee committees during her fifteen-year association with the board.

She has held important leadership roles as vice chairman of the Trustees for five years, as chairman of the Student Life Committee for seven years, and as chairman of the board of Overseers of the School of Nursing since 1979. A member of the Executive Committee from 1979 to 1986, she also has served on the Nominating Committee, Academic Policy Committee, and Development Committee. She was a member of the Health Affairs Committee and of the successor Trustee Board of University Hospital and Trustee Board of the Medical Center.

A dedicated alumna, she served as president of the Association of Alumnae and president of her class. In 1973 she was awarded the Alumni Award of Merit. She is a member of the President's Council and was a long-term member of the Advisory Board of the Institute for Contemporary Art. We recognized her devotion and her accomplishments by conferring on her a Doctor of Law degree at the 1975 convocation celebrating the 50th anniversary of the School of Nursing.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves and the administration, faculty, students, and alumni of the University, express their appreciation to Peggy Mainwaring for her service.

III. Report of the President

A. President Hackney expressed his deep sorrow at the death of Helen O'Bannon. "Most of us on the board knew of her long and courageous battle against cancer," he said. "In her final months, as in the rest of her life, she refused to be diverted from her goals. The University was graced by Helen's exceptional managerial and organizational skills, her compassionate toughness, and her leadership ability," he continued. "She
was never deterred by challenges, or by the considerable scope of her tasks. Both personally and professionally, she leaves a strong and lasting impact on Penn and on everyone who knew her.

Dr. Hackney went on to welcome members of the board to the first Trustee meeting of the academic year. "We are off to a peaceful but spirited start," he said. "As you will hear today from my colleagues, we continue to strengthen our position in the firmament of universities."

The president suggested that one proof of Penn's stature lies in the quality of its first appointees to Trustee Professorships. "They include," he said, "Joan DeJean, a leading scholar of French literature, who joins us from Princeton; Jose Miguel Oviedo, a distinguished scholar in Latin American literature; and Linda Aiken, a leading authority on health policy and nursing and former vice president of the Robert Wood Johnson Foundation." The president pointed out that in addition to these Trustee Professors, he was pleased to announce that earlier in the month Walter McDougall, the 1986 Pulitzer Prize winner for history, had come east from the University of California at Berkeley to join the Penn faculty. He further noted that since the spring meeting of the board, Gary Tomlinson, chairman and associate professor of music, had become Penn's latest winner of a MacArthur Foundation fellowship and that the New York City Opera Company had produced in September the opera "Rasputin, composed under commission by his colleague, Associate Professor of Music Jay Reise.

Dr. Hackney went on to observe that Dean Marvin Lazerson of the Graduate School of Education was putting together an "outstanding" two-day program entitled "Our Children/Our Future," for the 1988-89 President's Forum. He said that the forum, scheduled for February 10th and 11th, will bring together "a distinguished group of researchers, policymakers and practitioners who are committed to improving the lives of all children." The keynote address will be delivered by Governor Casey, according to the president, and other speakers will include: Marian Wright Edelman of the Children's Defense Fund; Lisbeth Shorr, author of "Within Our Reach: Breaking the Cycle of Disadvantage" and James Comer of the Child Study Center at Yale University. He noted that the Penn faculty will participate in the forum workshops and panels, and that other events allied to the theme of "Our Children/Our Future" will be sponsored by various University groups throughout the year.

Turning to other matters, Dr. Hackney them observed that the safety of students, faculty, and staff—on and off campus—remains a "top priority and a worrisome problem" for the administration. He noted with satisfaction that the strike by public safety officers had been resolved shortly after the beginning of the semester, thanked managerial personnel for bearing extra burdens during the walkout, and observed that the University was mending the "frayed relationships that are the inevitable consequences of such an event." He reported that the administration is continuing to meet with community leaders and city officials to seek added police presence off campus. Since the tragic beating of a graduate student in Clark Park, Philadelphia police presence in the blocks
adjoining the campus has been increased significantly, according to the 
president. He added that in response to the desire of area residents and 
a request he made to the Police Commissioner, mounted patrols were being 
 instituted in the park. He further observed that extra security would be 
provided at the Civic Center when there are events that might bring into 
the area large groups of young people.

Dr. Hackney went on to remark that new steps taken by the University 
to address the issue of underage drinking have generated no small amount 
of discussion. "The issue has been referred to a committee of the 
University Council," he said, and the administration is awaiting the 
committee's deliberations and recommendations. "The new state law 
presents us with a considerable potential for liability," the president 
observed. He mentioned a case in New Jersey where a student sued his 
school and three campus organizations for $1 million after he was 
paralyzed in a car crash following a drinking party of campus. "I think 
all of us can agree on the need to reduce the abuse of alcohol," he 
declared, "and I believe we can develop an alcohol policy that will be 
accepted by the various University groups in good spirits."

The president concluded his remarks by commenting on the performance 
of Penn's athletic teams. He mentioned in particular the success of the 
women's field hockey team and the varsity football squad.

B. Academic Report

1. Provost Aiken reported that the administration was proceeding 
with the preparation of a five-year plan for the University, which it 
hoped to have completed in 18 months. He said that 10 working groups were 
being created that would develop recommendations concerned with planning 
goals in the following areas: undergraduate education, admissions, 
financial aid, retention and advising, graduate education, professional 
education, research, the academic information environment, faculty 
development, and the international dimension of a Penn education. He noted 
that during the 1989-90 academic year, the Academic Planning and Budget 
Committee would oversee the synthesis of the committees' reports into a 
five-year plan.

Dr. Aiken went on to say that the administration had authorized nine 
other Trustee Professorships in addition to the three already filled and 
planned to authorize another six during the fall term. He reported that 
the Ford Foundation had awarded the School of Arts and Sciences a $400,000 
grant to develop new undergraduate courses in the social sciences with 
emphasis on offerings for non-majors. "The three-year grant will fund a 
series of faculty seminars that will develop courses that cut across the 
social sciences and can meet the new distributional requirements," the 
provost said. He further observed that a $300,000 grant from the 
Rockefeller Foundation will help launch Penn's new Center for Black 
Literature and Culture. "Under the direction of Houston Baker, a 
professor of English and the Albert M. Greenfield Professor in Human 
Relations," Dr. Aiken pointed out, "the center will work with Philadelphia 
educators in developing new approaches to increasing black literacy in the
public schools." He added that both faculty from the School of Arts and Sciences and the Graduate School of Education will participate in the work of the center.

Turning to faculty honors, the provost announced that this year's winner of the Charles A. Dana Award for pioneering achievements in higher education is Norman Adler, a professor of psychology, who is being recognized for his development of the Biological Basis of Behavior undergraduate major programs in the School of Arts and Sciences. He mentioned that Murray Low, a doctoral candidate and research fellow in the Wharton School's Sol S. Snider Entrepreneurial Center, has won the first prize in the NCR Corporation Stakeholder Essay Competition, competing against 2500 other students nationwide. Dr. Aiken further noted that the new president of the 102-year-old Association of American Physicians is Laurence E. Earley, Francis C. Wood Professor and chairman of medicine. Other medical faculty who have been elected to national office, the provost told the trustees, are Kelley Browne, who has been elected president of both the Society of Behavioral Medicine and the Association for the Advancement of the Behavioral Therapies, and Albert J. Stunkard, who has been named president-elect of the Society of Behavioral Medicine.

He went on to call attention to two faculty members, in addition to Dr. McDougall whom the president mentioned, who are being recommended for tenure: Friedrich Kratochwil, proposed as an associate professor of political science, and David E. Longnecker, proposed as the Robert Dunning Dripps Professor of Anesthesia.

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

C. Financial Report

Dr. Whittington reported that as of 30 September, the administration was projecting a general University surplus of $25,000. "This very preliminary number is based on three months of actual performance," she said, "and does not take into account final enrollment figures, which will only become available at the end of this month." The vice president for finance went on to say that the positive factors in the University's unrestricted performance are indirect cost recoveries, temporary investment fund income, and savings in salary expense and utility costs. She pointed out that the negative factors on the unrestricted side are graduate tuition, summer and special tuition, special program and fee revenues, and gifts and sales revenues. "On the restricted side," Dr. Whittington continued, "endowment, gift, and grant and contract expenditures increased by 27.8 percent, 14 percent, and 6.6 percent, respectively, over the first quarter of last year. The amount available for grant and contract expenditures is 10.1 percent greater than on 30 September 1987," she said, "and thus equates to about 3.2 percent more months of expendable awards." She reported that for the first two months of the fiscal year, the Hospital of the University of Pennsylvania had an excess of revenues over expenses of $469,000, which is $1.2 million
greater than budget.

IV. Reports of Trustee Committees

A. Nominating

1. Mr. Miller introduced four resolutions, which he noted reflected decisions of the Nominating Committee that had the endorsement of the Executive Committee of the Trustees.

   A. Action. A Resolution on the Election of G. Morris Dorrance, Jr. as a Life Trustee was approved as follows:


   B. Action. A Resolution on the Election of Ronald O. Perelman as a Term Trustee was approved as follows:

   RESOLVED, that Ronald O. Perelman be elected a term trustee for a five-year term, effective 21 October 1988.

   C. Action. A Resolution on the Election of Roger W. Stone as a Term Trustee was approved as follows:

   RESOLVED, that Roger W. Stone be elected a term trustee for a five-year term, effective 21 October 1988.

   D. Action. A Resolution on the Election of Myles H. Tanenbaum as a Term Trustee was approved as follows:

   RESOLVED, that Myles H. Tanenbaum be elected a term trustee for a five-year term, effective 21 October 1988.

2. Messrs. Perelman, Stone, and Tanenbaum were welcomed by the Trustees as was Mr. Weiss, an alumni trustee who had been elected to represent the Northeast Region and was attending his first board meeting.

B. Audit

Mr. Dorrance reported that the Audit Committee had met on 7 October to receive the financial statements for the Hospital and the Clinical Practices, as well as the consolidated University financial statements. "Coopers & Lybrand gave us an unqualified opinion," he said, "and were very complimentary about the process this year." Mr. Dorrance went on to say that for the first time the University's consolidated statements had included new requirements for pension costs and post-employment benefits. The University's consolidated statements also included the impact of professional liability costs and the financial statements of the University City Associates, according to the Audit Committee chairman. He added that the committee has been expanded to include representatives from the Hospital as well as the University.

C. Budget and Finance

In the absence of Robert Fox, Mr. Arader introduced four resolutions, which he noted had been reviewed and approved by the Budget and Finance Committee. Mr. Shoemaker commented that the vote on the resolutions will be recorded as action by the Executive Committee of the Trustees.
1. Action. A Resolution on Renovations to the Franklin Building for the Office of Student Financial Affairs was approved as follows:

Intention:

The administration proposes to develop a center in the Franklin Building for the Office of Student Financial Affairs. This office will consolidate the Student Financial Aid Office and Student Employment with other student financial functions. Central to the plan is the enhancement of services offered to students and their families. The design calls for the renovation of the basement, the first floor and part of the second floor. The work must be completed by January 1989, in order to minimize disruption of services. The estimated project cost is $711,000, to be advanced by the University and amortized through allocated costs. This was not included in the Capital Budget for Fiscal Year 1988.

RESOLVED, that the renovations to the Franklin Building for the Office of Student Financial Affairs, estimated to cost $711,000, 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 presented to the Budget and Finance Committee -- as may in their judgment be necessary or desirable to accomplish such renovations.

2. Action. A Resolution on the Construction of a Building Located at the Northwest Corner of 37th and Irving Streets was approved as follows:

Intention:

The Administration proposes to construct a new building at the northwest corner of 37th and Irving Streets, east of McNeil Building. This building will house offices and instructional spaces for The Lauder Institute of Management and International Studies of the School of Arts and Sciences and the Wharton School and the Real Estate Center of the Wharton School. The building will have three stories and an unfinished attic. It will be of steel frame and concrete deck construction. The facades will be of brick, granite, and limestone with a slate roof. The design of this building has been completed and is currently out to bid. The project cost is estimated at $6.5 million. The building has been part of the University’s Capital Budget and will have approximately 24,000 gross square feet. Funds for a portion of this project have been donated by the Lauder Family. The University has received a pledge from Arthur Fischer toward the construction of the Real Estate Center. The remainder will come from fund raising and University resources. The project has been reviewed by the Trustee Committee on Facilities and Campus Planning, and was in the Capital Budget for Fiscal Year 1988.

RESOLVED, that the construction of a building located at the northwest corner of 37th and Irving Streets, estimated to cost $6.5 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 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. An Amendment to the Resolution of September 11, 1987 on the Construction of a Chiller Plant-Substation Building at Blockley Hall was approved as follows:

Intention:

The Trustees have approved an expenditure of $10,850,000 toward the completion of a chilled water plant and electrical substation that will provide air conditioning and electricity for the proposed Clinical Research Building and to support the renovations and upgrades of systems throughout the medical complex. The utility plant must be in operation by
January 1989 to meet the requirements of the Clinical Research Building which will require utility services for completion at that time.

The administration requests approval to purchase remaining necessary equipment and to complete the fittings to this utility building. This additional request had been contemplated in the September 11, 1987 resolution. The total cost of this construction and equipment is $1,876,000. The funding will come from general university funds and will be paid back by utility charges allocated to users. The total cost of the project is $12,726,000. This project has been reviewed by the Trustee Committee on Facilities and Campus Planning and was in the Capital Budget for Fiscal Year 1988.

RESOLVED, that the completion of the construction of a chiller plant-substation building at Blockley Hall, estimated to cost $1,876,000, 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.

4. Action. A Resolution on the Establishment of a Line of Credit for WXPN was approved as follows:

Intention:

The Board of WXPN presented a five-year plan to make the station self-supporting through the combination of expanding the station's listening area, upgrading the programming, development of new revenue sources and increased listener and other support of the station. To accomplish these goals, the station has established an affiliation and membership with National Public Radio. To further their goals, the station proposes relocation of their antenna from the top of the High Rises to Roxborough and intends to apply for Federal matching support. The five-year plan indicates that the station will be self supporting and no longer dependent on University subvention.

The administration proposes to extend a maximum of $500,000 in working capital over the next four years to WXPN. Approval of this credit facility is in support of WXPN's goal to eliminate their dependence on University subvention of $125,000 annually. Further, University-provided financing qualifies for Federal matching funds.

RESOLVED, that the University is hereby authorized and empowered to lend to WXPN such funds as WXPN requires for working capital in connection with its operations on such terms and in such amounts, up to five hundred thousand dollars, as the Vice President for Finance, Treasurer or other appropriate University officer may deem necessary or appropriate in her, his or their judgment. The Vice President for Finance, Treasurer or any other officer of the University is hereby authorized and empowered to execute any agreement or documents necessary or appropriate to make such loan(s) and to effectuate the purposes of this Resolution.

D. Development

Mr. Miller reported that 1987-88 had been an "astounding" Annual Giving year for Penn with $106 million in receipts and $114 million in subscriptions. "If you look at our performance versus the rest of the Ivy League, MIT, and Stanford," he said, "there was only one school in that group that showed any increase other than us, and that was Yale was a scant 1 percent jump over 1986-87. Our Annual Giving record was ahead of the previous year," Mr. Miller continued, "and that puts us last year in the number five position nationally in money raised." He pointed out that among the purposes toward which funds were contributed were: 11 endowed
chairs, student financial aid, the clinical research building, and the Furness restoration project. The Development Committee chairman further noted that on 20 October the University had the pleasure of dedicating the Leonard A. Lauder Career Center, which he described as "an exquisite facility that integrates career planning and placement services."

Turning to the campaign, which is now in its nucleus phase, Mr. Miller observed that while the University had hoped to raise $125 million by now, it had surpassed that goal by $14 million with total pledges and receipts to date of $139 million. "Our schedule calls for $200 million in the nucleus fund by January 1989," he said, "so between now and then, we have to complete about a $40 million project, and it's going to take a lot of work and depends upon the generosity of many at this table." He reminded the Trustees that the campaign schedule called for raising $250 million by June and $270 million by next October, and that Penn's success, or lack of it, in reaching the latter target will be directly connected to the final campaign goal.

E. External Affairs

Mr. Lauder observed that the External Affairs Committee had had a very interesting report from Mr. Weiss, who shared with members information about the "Say Yes to Education" program, which has involved the University very deeply with the West Philadelphia community. The chairman went on to mention that the committee also had heard another "fascinating report" on the Trustee Council of Penn Women, which was presented by Carol Einiger and Helen Peters. "The Trustee Council of Penn Women was established in 1987," Mr. Lauder noted, "at the instigation of Mr. Shoemaker and with the idea of raising awareness about the presence and importance of women" in the Penn community. He said that the administration was committed to expanding the number of women in the standing faculty and that this is one area among many in which the council can be helpful. The External Affairs Committee chairman further reported that the committee had heard a proposal for a Board of Associate Alumni Trustees in California similar to the group that has been put into place in Boston "under Jim Pappas' very fine leadership. Members unanimously endorsed the idea," Mr. Lauder said. He concluded by mentioning reports from Mr. Fretz on Alumni Relations and from Sara Senior and Howard Berkowitz on alumni involvement in Penn's 250th Anniversary celebration.

F. Facilities and Campus Planning

Mr. Crow reported that the Facilities and Campus Planning Committee had heard an update from Chris van de Ville on University City Associates, an organization set up to purchase real estate assets that are important to the University, but yet not needed for immediate use. He noted that the committee also had discussed the proposal to provide a research facility for the joint purpose of the chemistry department and the School of Engineering. "Robert Venturi, the architect, had studied
several sites on the campus," Mr. Crow said, "and he gave us a report on
his findings, focusing particularly on the 34th Street and Walnut Street
sites." He observed that the former had seemed the better choice to
committee members because of the location in relation to existing science
and engineering facilities and because of the potential future importance
of the latter site for expansion of other science-related areas. Finally,
Mr. Crow reported on Robert Hannah's talk about the Shearson Lehman Hutton
Quad and the landscaping that is proposed for the Wharton Quad and along
37th Street.

G. Student Life

Dr. Chisum reported that Vice Provost for University Life Kim
Morrisson had reviewed several issues in her area of responsibility with
the Student Life Committee before turning to the new alcohol policy. "Paul
Cribbins, who is a University legislative aid in Harrisburg, cited the
context in which the new legislation— to which the alcohol policy is the
response—came about," she said, "and pointed out to us that other
universities in the Commonwealth have responded to the law in a variety of
ways and that, indeed, universities outside the Commonwealth are also
responding to nationwide pressures to control drinking." She went on to
say that members of the Undergraduate Assembly had shared the students’
perspective on the new alcohol policy with the committee. "They don't
like it," Dr. Chisum noted, "but their reaction reflects to some extent
the lack of social activities on this campus, which I think we've all been
aware of for some time." She said that Professor Peter Conn had reviewed
the situation in one of the college houses in the Quad, a report which the
committee found very encouraging in terms of the extent of
student-initiated activities. "The Student Life Committee will continue
to review the policy," Dr. Chisum said, "and members recognize that it is
evolving and will be fine-tuned with the participation of all segments of
the University community."

H. University Responsibility

Mr. Yarnall reported that the University Responsibility Committee
had reviewed the hiring and promotion of women on the faculty. "We heard
detailed and very carefully prepared reports from the Provost's Office and
the Office of the Dean of Arts and Sciences," he said. "They show that
approximately 16 percent of the faculty are women. Compared with peer
institutions, Penn appears to be about in the middle in terms of the
number of women on the faculty. Looking behind the numbers," he
continued, "we found that promotions to tenure positions are not biased
against women, but that there are obviously very wide differences between
schools." Mr. Yarnall noted that "while emphasis must be given to
increasing the proportion of women in the pool of candidates from which
appointments are made, particularly in engineering and science, the
committee found little reason either to point with pride or view the
situation with alarm. The commitment at the top is clear, he concluded."
I. Trustee Board of the Medical Center

1. Mr. Brown reported that the Clinical Practices of the University of Pennsylvania (CPUP) had held a retreat last July for the purpose of considering ways to improve the financial condition of the Hospital. He said that the physicians had focused on how to increase admissions, reduce length of stay, and, in other ways, control costs. Particular attention, according to the chairman of the Medical Center Board, was given to "how the organization of the medical staff might be improved in order to produce better financial results, what incentives might be developed to encourage physicians to bring in more patients, how to make HUP systems more efficient, how to market the expertise and services of the Clinical Practices around the Delaware Valley, and what the leadership of the Medical Center could do to make the institution work better.

Mr. Brown went on to say that the Medical Center's first marketing effort is a book entitled The Penn Medical Directory for Referring Physicians, which lists the names, telephone numbers, and qualifications of all the clinical practitioners at HUP and is being widely distributed in the Delaware Valley. "In addition," he pointed out, "a marketing plan has been worked out for the gallstone lithotripter." The chairman added that since the June meeting of the Trustees, the Hospital's trauma program has become operational with Penn Star, an air ambulance service, which brings patients to HUP from outlying hospitals and accident scenes. Mr. Brown also observed that the Hospital was developing a single patient registration system. He noted that, "as a result of some very careful business planning, important new programs in gastroenterology, non-invasive cardiology, and magnetic resonance imaging are going to be put into place. They will enable departments to remain at the forefront of the health services and sciences," Mr. Brown said.

Turning to HUP's financial situation, he reiterated Dr. Whittington's remarks that for the two months ending in August, the Hospital had shown an excess of revenues over expenses of almost $500,000. "Net patients service revenues exceeded budget by almost 3 percent," he noted, "and operating expenses were almost 2 percent below budget whereas adult admissions for the first quarter were 247 above budget. Total expenses have been less than budget," he continued, "but there is one problem: because of a cut-back in staff and the necessity of paying for overtime work, salaries and wages exceeded budget. The Medical Center's Finance and Budget Sub-Committee watches the situation like a hawk," he added, "and it reports to the Trustees' Budget and Finance Committee every month."

Mr. Brown then commented briefly on the School of Medicine. "It has over 800 standing faculty, over a million net square feet of space, and an annual budget of over $250 million," he observed. "The major priority of the School will be rebuilding its basic science programs, and, to this end, chairman searches are underway in physiology, human genetics, and
anatomy. The School is actively recruiting for the Howard Hughes Medical Institute, which will be located in the new Clinical Research Building," the chairman added. He said the facility is scheduled to open in the autumn of 1989, and then concluded his remarks by noting that the School of Medicine is hoping to participate "actively and successfully" in the University's development campaign and achieve all its programmatic goals.

2. Action. Amendment to the Resolution of 19 June 1987 on the Bylaws of the Trustee Board of the University of Pennsylvania Medical Center was approved. See Appendix I.

3. Action. A Resolution on an Appointment to the Program Committee of the Trustee Board of the Medical Center of the University of Pennsylvania was approved as follows:

RESOLVED, that Stanley N. Cohen be appointed to the Program Committee of the Trustee Board of the Medical Center for a three-year term, effective 21 October 1988.

J. Investment Report

Mr. Neff reported that the market value of the Associates Investments Fund (AIF) totaled some $616 million, which is more than before the precipitous stock market slide on 19 October 1987. "Our performance since the end of June," he noted, "continues on a positive plain. The equity portion of the portfolio appreciated 2.9 percent (total return) versus a 2.1 percent increase in the Standard and Poors 500 Stock Average." Mr. Neff further observed that since 31 December 1987, AIF common stocks had shown a 29.9 percent advance in the value on a total return basis versus 15.1-percent appreciation for the S&P. "It is," he said, "the nucleus of a good year." The Investment Board chairman went on to note that in the almost nine years since 31 December 1979, the AIF has compared very positively with other indices. He said that for the past so-called NACUBO year (ending 30 June 1988) in which Penn compares itself with other colleges, the AIF was likely to be in the "third to fifth percentile with one being the best."

The chairman went on to point out that common stocks constituted 60 percent of the total market value of the portfolio as of 17 October, which is down a couple of points since the end of June. "Compared with a list of 22 other large endowments," he noted "Penn's current equity position is the fourth highest. Of the three higher," Mr. Neff said, "one is the CREF Fund, which is a 100 percent equity fund. We consider the present market climate a reasonable one," he continued, "and we have a sympathy towards increasing our equity position. But we're determined to do it outside the very large concentration we have in areas such as banks, autos, airlines, savings and loan institutions, and electric utilities.

V. Overseer and Other Boards
A. Dental Overseer Report

Mrs. Schaeffer reported on the status of the School of Dental Medicine. Her report is attached to these Minutes as Appendix II.
B. Action. A Resolution on an Appointment to the Board of Overseers of the School of Engineering and Applied Science was approved as follows:

RESOLVED, that John D. Rittenhouse be appointed to the Board of Overseers of the School of Engineering and Applied Science for a three-year term, effective 21 October 1988.

C. Action. A Resolution on an Appointment to the Board of Overseers of the Graduate School of Fine Arts was approved as follows:

RESOLVED, that Robert Venturi be appointed to the Board of Overseers of the Graduate School of Fine Arts for a three-year term, effective 21 October 1988.

Adjourned.

Respectfully submitted,

Mary Ann Meyers
Secretary of the University