Minutes of the Stated Meeting
of the
Executive Committee of the Trustees of the University of Pennsylvania
9 December 1988

A meeting of the Executive Committee was held on Friday, 9 December 1988 in the Tea Room of the Faculty Club. Trustees attending included: Richard P. Brown, Jr.; Susan W. Catherwood; Gloria Twine Chisum; Robert A. Fox; C.F. Fretz; Sheldon Hackney; Carl Kaysen; Paul F. Miller, Jr.; John B. Neff; James A. Pappas; Alvin V. Shoemaker; and Saul P. Steinberg. Others present included: Alfred Beers; Richard Clelland; William Epstein; George Koval; Scott Lederman; Robert Lorndale; Mary Ann Meyers; Kim Morrison; Rick Nahm; Antonia Oberthaler; and Marna Whittington.

I. Call to Order
The chairman called the meeting to order and the minutes of 9 September 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 introduced a Resolution on the Election of Marna C. Whittington as Senior Vice President with the observation that Dr. Whittington has served Penn in "an outstanding fashion" since 1984 as vice president for finance. "In that capacity she has directed the fiscal operations of the University and the Hospital, and has been responsible for the Treasurer's office and the offices of the Comptroller, Student Financial Aid, Risk Management, and Research Administration," the president noted. "Prior to joining us," he continued, "Dr. Whittington served with Governor DuPont as Secretary of Finance for the State of Delaware, and earlier she was Deputy Secretary of Education for the Commonwealth of Pennsylvania. Having concluded a nation-wide search, I am more convinced than ever that Penn is fortunate to be able to call on someone of Dr. Whittington's experience—someone who knows the University and who has earned the respect of other colleagues and the faculty and students with whom she has worked for four years."

Action. The resolution was approved as follows:
RESOLVED, that Marna C. Whittington be elected Senior Vice President, effective 9 December 1988.

B. The president went on to comment upon the formation of the President's Committee on University Life. He said that Professor Drew Faust had agreed to chair this effort to examine campus life outside the classroom setting. He then noted that due to a few badly misguided individuals who defaced University walls with racist and anti-Semitic slurs, life outside the classroom has been very much the "hot" topic these
past few weeks. "As a result of this deplorable graffiti," he said, "the University Council has been engaged in a lively debate over what steps to take in response. It is certain that we will be expanding our current education programs," the president added.

He further observed that a committee of the University Council recently had issued its report and recommendations on the University's response to the new state laws on underage drinking. The committee, which was composed of faculty, students, and staff, suggested some "fine tuning of the administration's present policy," Dr. Hackney said, "but—with the exception of a dissent on the issue of kegs—was largely supportive of the steps we have taken." The report and the dissent will be discussed at next week's meeting of the Council, he told the trustees, and he promised to keep them informed of the University's progress in formulating a permanent policy.

The president then observed that University athletes deserved congratulations for their outstanding showing this fall. He reported that the women's field hockey team went all the way to the final four in the nation and that the varsity football team earned a tie for the Ivy League crown with a 9-1 record.

C. Action. A Resolution on Commencement and Authorization for Conferring Honorary Degrees was approved as follows:

RESOLVED, that a mandamus be issued by the Corporation to the president, provost, and professors for the conferring of degrees on 22 May 1989 and at any special convocations called during the year 1989.
RESOLVED, that the Executive Committee be authorized to select candidates for receipt of honorary degrees at the May Public Commencement and other convocations that may be scheduled during the year 1989.

After some discussion about the title "associate trustee," and the suggestion by Mr. Miller that further consideration be given to other possible designations for members of regional alumni boards, a Resolution on the Board of Associate Alumni Trustees of the University of Pennsylvania (Southern California) was approved as follows:

Intention:
In June of 1985, the Trustees approved the creation of the University of Pennsylvania Board of Associate Alumni Trustees (Northeast Region). The administration intended to review the concept at the end of five years to determine if it should be extended to other regions. But even before the lapse of that period of time, the administration reached the conclusion that the newly organized group of volunteers had strengthened the University's outreach to regional alumni.

The administration proposes, therefore, the establishment of a Southern California volunteer group named the Board of Associate Alumni Trustees (Southern California). The function of the organization would be to assist the University in enhancing communications and sponsoring various activities in Southern California with particular emphasis on the Los Angeles and San Diego areas. The group would focus upon admissions, alumni relations, athletic recruitment, public relations, and development efforts. Members would serve varying terms of five, three, and one years at the personal invitation of the chairman of the Trustees and the president of the University, after election by the Southern California Board’s board of directors. Membership should consist of no less than 20 and no more than 100 undergraduate and graduate alumni. Members of the Southern California Regional Board would be designated Associate Trustees of the University, with all the privileges and responsibilities of that
The president, provost, and other senior administrators would meet periodically with the Southern California Board. In addition, appropriate events would be held on campus and efforts would be made to consult with board members. The administration believes that as a regional organization of persons of recognized accomplishments, demonstrated leadership capacity and community prestige, the University of Pennsylvania Board of Associate Trustees (Southern California) can help the University establish a strong and visible presence in California as well as gain the favor and respect of alumni and friends.

RESOLVED, that the Trustees of the University of Pennsylvania approve the creation of the University of Pennsylvania Board of Southern California Associate Alumni Trustees and that they hereby authorize the President to make all necessary provisions for the effective execution of the Southern California Board’s mission.

E. Academic Report

In the absence of Provost Michael Aiken, Deputy Provost Clelland reported on academic administrative searches. He noted that searches for deans of the School of Medicine and the School of Dental Medicine were continuing, but that because the original search committee for a dean of the Annenberg School had been unsuccessful in its efforts, President Hackney and Provost Aiken had decided to disband the committee and establish a new one. The deputy provost went on to say that David Stonehill, vice provost for computing, has been named by the Executive Office of the President of the United States to lead its Information Resources Management Division. He noted that the provost hopes to name an acting vice provost for computing shortly, as well as to establish a search committee to recommend candidates to fill the position on a permanent basis.

Turning to new academic programs, the deputy provost reported that after a review lasting more than two years and upon the recommendation of the Graduate Council of the Faculties, the provost had agreed to establish a Graduate Group in Social Welfare effective 1 January 1989. It will report to the Faculty of the School of Social Work for academic matters and to Dean Michael Austin for administrative affairs, according to Dr. Clelland, and the Graduate Council will review its progress at the end of the 1993-94 academic year.

He went on to note that the Energy Center in the Graduate School of Fine Arts and the Institut Francais de Petrole in Paris signed an agreement last month to create a collaborative training program in Energy Management and Policy. "The 16-month dual degree program will train high-level professionals in the energy field and focus on scientific, economic, social, and political aspects of energy management," Dr. Clelland said. "Classes will be conducted in English, with students spending eight months at Penn and eight months at the Institut."

The deputy provost also observed that in the Wharton School, a Center for Advanced Studies in Management has been established and is being directed by Jerry Wind, a professor of marketing who is the former director of the Lauder Institute. "The center will focus on the future of management research and education and already has received a grant in
support of its work from the Xerox Foundation," according to Dr. Clelland.

He went on to observe that the National Science Foundation has renewed its funding of the Laboratory for the Research for the Structure of Matter for three years and rated the management of the LRSM, the operation of its executive committee, and Penn’s support for the program as excellent.

Dr. Clelland mentioned that the School of Engineering is one of 10 schools across the country to receive NSF funding in a new program that seeks to improve the quality of undergraduate engineering education. "The program at Penn will focus on the development of a curriculum in civil engineering systems and is being guided by John Keenan, professor of civil engineering," the deputy provost added.

On the subject of faculty honors, he reported that three of the 40 members elected this year to the Institute of Medicine are from Penn. They include: John M. Eisenberg, Sol Katz Professor of Medicine and chief of medicine at the Hospital of the University of Pennsylvania; Jonathan E. Rhoads, professor of surgery; and Albert J. Stunkard, professor of psychiatry. Dr. Clelland also noted that Morris Viteles, emeritus professor of psychology and former dean of the Graduate School of Education, has received the Gold Medal for Lifetime Achievement for Psychological Professionals, which is given by the American Psychological Association, and that Dean Joseph Bordogna of the School of Engineering and Applied Science has been appointed by President Reagan to a three-year term as a member of the President’s Committee on the National Medal of Science.

1. Action. Dr. Clelland then introduced a Resolution on the Establishment of a New Faculty Category of Visiting Executive Professor in the Wharton School.

Intention:

The Wharton School has proposed the establishment of five non-tenured full professorships in its associated faculty carrying the title "Visiting Executive Professor." Its proposal has been supported by the Senate Executive Committee and approved by the provost. Appointments will carry terms up to five years. In no case, however, shall any individual serve as a Visiting Executive Professor for more than five years.

Frequently the Wharton School is in a position to attract outstanding business or governmental leaders for several years. These would be very senior business persons who will have spent most or all of their careers in the business world and/or in government services. They will have achieved prominence in their organizations typically being chief executives or chief operating officers or principals in their companies or high cabinet officers, legislators, executive or judicial officers in government. This situation develops when individuals are either in a transition between major leadership positions or near conclusion of a professional leadership career and desire an active few years to transmit their knowledge and experience gained prior to coming to the University of Pennsylvania. In the latter case, individuals will often be between 55 and 65 years of age and can look forward to a period of active productive teaching of the significant management knowledge they have acquired over their lifetime in business or government. In the former case, mid-career business or governmental leaders are frequently looking for an appropriate environment to collect their thoughts, write a book or papers, interact with students and faculty and build the base for their next career move. These persons would usually be between 40 and 50 years of age and would look forward to one to five years of activity at Wharton before starting another demanding executive career in business or government.

Visiting Executive Professors would be expected not only to impart
considerable knowledge and experience to our students but also to function as excellent representatives and role models for careers in industry and government. In addition to teaching, they will be available for counseling of students, interaction with business people and government leaders, and certain executive education activities.

The appointment of a Visiting Executive Professor will include approval by the department, the Wharton Personnel Committee, and the Provost’s Staff Conference. The review shall include consideration of the contributions a candidate for Visiting Executive Professor could make to the intellectual and scholarly life of the school and the University.

No later than five years from now, the provost will review the position of Visiting Executive Professor. This process will include seeking the advice of the Faculty Senate.

RESOLVED, that effective 9 December 1988, the faculty category of Visiting Executive Professor shall be and hereby is established in the associated faculty of the Wharton School subject to the conditions stated in the preceding paragraphs.

Turning to faculty appointments, leaves, and promotions, he called attention to three faculty members who are being recommended for tenure: Eugene S. Flamma, a world renowned clinical neurosurgeon, especially in the treatment of intercranial aneurysms and subarachnoid hemorrhage, who has been actively involved in basic research, proposed as the Charles Harrison Frazier Professor of Medicine; Terry D. Reisine, an associate professor of pharmacology, who received his Ph.D in 1979 and after working in the laboratories of a number of distinguished investigators was recruited to Penn where he has been noted for his teaching and research in the fields of biochemical and molecular pharmacology, proposed for conversion to tenure; and Robert F. Stambaugh, one of the top two or three econometricians in financial economics who after teaching at Penn early in his career moved on to the University of Chicago, proposed as a professor of finance.

Action. The resolution on Appointments, Leaves, and Promotions was approved as found on pages 1 through 13 of the meetingbook.

F. Financial Report

Dr. Whittington reported that as of 31 October, the administration was continuing to project a general University surplus of $25,000. The senior vice president 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 non-guaranteed student aid. She pointed out that the negative factors on the unrestricted side are shortfalls in graduate tuition, summer and special tuition, special program and fee revenues, and some current expense items. “On the restricted side,” Dr. Whittington continued, “endowment, gift, and grant and contract expenditures increased by 5.0 percent, 10.7 percent, and 5.1 percent, respectively, over the first quarter of last year. The amount available for grant and contract expenditures is 8.6 percent greater than on 31 October 1987,” she said, “and thus equates to about 3.4 percent more months of expendable awards. She reported that for the first three months of the fiscal year, the
Hospital of the University of Pennsylvania had an excess of revenues over expenses of $220,000, which is $1.7 million greater than budget, and she added that there was good news on October and November admissions. Dr. Whittington went on to observe that for the first quarter of the year, Clinical Practices of the University of Pennsylvania had an excess of revenues over expenses of $1.7 million, which was $965,000 better than budget. CPUP's Education and Development Fund Balances increased, net, by $2.1 million for the period, she reported.

IV. Trustee Committee Reports

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

1. Action. A Resolution on the Completion of Shelled Space at 3401 Walnut Street for the Cognitive Sciences Program and the Computer Science Department in the School of Engineering and Applied Science was approved as follows:

Intention:

The School of Engineering and Applied Science lacks sufficient quarters for its departments and programs within its present facilities. Specifically, the computer science department lacks space to take on additional funded research. The administration proposes to complete shelled space at 3401 Walnut to accommodate the needs of Computer Science and those of the SEAS program in cognitive sciences, creating faculty and staff offices, computer lab area, robotics lab areas, and a seminar room. The estimated cost of this project is $1.65 million and will be paid by the School of Engineering and Applied Science from bond proceeds on hand. This project is proposed for the Fiscal Year 1989 Capital Budget. At this time, the administration requests approval to begin the design work by authorizing architectural/engineering fees in the amount of $165,000. The administration will submit the remainder of the estimated costs of this project after this initial phase has been completed, in approximately 14 weeks.

RESOLVED, that the fees for designing the completion of shelled space at 3401 Walnut for cognitive sciences program and computer science department in the School of Engineering and Applied Science, estimated to cost $165,000; 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 design work and execute such contracts and incur such expenses - not however substantially in excess of the estimated cost of such design work presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such design work.

2. Action. A Resolution on the Renovation of Laboratory Space in the Towne Building for the Chemical Engineering Advanced Technology Research Laboratories in the School of Engineering and Applied Science was approved as follows:

Intention:

Currently, the chemical engineering laboratories for the School of Engineering and Applied Science lack sufficient flexibility for the School's emerging needs in biotechnology, microelectronics, and novel materials. The administration proposes to renovate this space, providing chemical engineering research labs and support facilities, a computer room, offices, and a seminar room. The estimated cost of this project is $1.5 million and will be paid by the School of Engineering and Applied Science from bond proceeds. This project has been awarded $225,000 from the Research Facilities Development Fund. The project was in the Fiscal Year 1988 Capital Budget and is proposed for the Fiscal Year 1989 Capital Budget. At this time, the administration requests approval to begin the design work by authorizing architectural/engineering fees in the amount of.
$132,000. The administration will submit the remainder of the estimated costs of the project after completion of this initial phase. Construction has been tentatively scheduled to begin early in 1989.

RESOLVED, that the fees for designing the renovation of laboratory space in the Towne Building for the Chemical Engineering Advanced Technologies Research Laboratories for the School of Engineering and Applied Science, estimated to cost $132,000, 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 design work and execute such contracts and incur such expenses - not however substantially in excess of the estimated cost of such design work presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such design work.

3. Action. A Resolution on the Purchase of a Positron Scanner for the Department of Radiology in the School of Medicine was approved as follows:

Intention:

The administration proposes to purchase for $600,000 a positron tomograph for clinical imaging use in the School of Medicine’s Department of Radiology. The equipment is being custom built by UGM Metals, Inc. at a cost below the list price of $950,000. The research model for this device was developed at the University of Pennsylvania by a faculty member who is also a principal in UGM Metals, Inc.

Prior to the placement of a purchase order with the company, the University will assist UGM Metals in obtaining financing to begin manufacturing the equipment. It is anticipated that an assignment of the sales contract will collateralize the loan, although it may be necessary for the University to provide a direct guarantee.

RESOLVED, that the purchase of a positron tomograph from UGM Metals at a cost of $600,000, 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 purchase and execute such contracts and incur such expenses and obligations - not, however, substantially in excess of the estimated cost of such purchase presented to the Budget and Finance Committee - as may in their judgment be necessary or desirable to accomplish such purchase, including an assignment of the sales contract and a guarantee of a loan to UGM Metals from a financial institution for purposes of financing the equipment manufacture.

B. Medical Center

Mr. Brown reported that for the four months ending on 31 October, adult admissions were 8,312 or 322 greater than the budget of 8,190. He said that total net patient service revenue was $88,688,000, which is $2,169,000 above budget. Mr. Brown further noted that the total operating expenses for the four months were $92,758,000 or $463,000 below budget, while other operating revenue and non-operating revenue combined were $4,485,000 or $69,000 below budget. Salaries and wages were $251,000 in excess of budget and materials and supplies were $431,000 below the budget for the four months, thus, the Hospital had an excess of revenues over expenses of $415,000 for the period, the chairman of the Medical Center told the Trustees. He added that adult admissions for the month of November were 2,150 compared with a budget of 2,038 and with November 1987 admissions of 2,063.

C. Investment Board

Mr. Neff observed that since 30 June, the Standard and Poors 500
Stock Average had increased only 1.6 percent on a total return basis. "Associated Investments Fund (AIF) stocks have done a little better at a 3.3 percent increase (total return) for the period," he said. "The Dow Jones Industrial Average is mired in a 1,900 to 2,200 trading range," he noted, "and it will probably stay there for sometime as the market sorts out the actions of the new administration, particularly those dealing with the national budgetary deficit."

Mr. Neff went on to say that the AIF had broadened its "somewhat narrow diversification" with new investments in EDP, chemicals, paper, and even semiconductors. "We're not losing our head," he said, "but occasionally the market presents new price opportunities and we try to respond." Observing that the total market value of the AIF as of 30 November was nearly $614 million, he concluded by noting that the Fund is "plugging along okay in an indifferent market."

V. Overseer and Other Boards

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

RESOLVED, that Leonard Goldberg be appointed to the Board of Overseers of the School of Arts and Sciences for a three-year term, effective 9 December 1988.

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 Raymond W. Smith be appointed to the Board of Overseers of the School of Engineering and Applied Science for a three-year term, effective 9 December 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 James W. Hovey be appointed to the Board of Overseers of the Graduate School of Fine Arts for a three-year term, effective 9 December 1988.

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

RESOLVED, that Edward H. Snider be appointed to the Board of Overseers of the Wharton School for a three-year term, effective 9 December 1988.

E. Action. A Resolution on Appointments to the Athletic Advisory Board was approved as follows:

RESOLVED, that John C. Goodchild, Jr., Gerald H. McGinley, and Bruce E. Moore be appointed to the Athletic Advisory Board for three-year terms, effective 9 December 1988.

Adjourned.

Respectfully submitted,

Mary Ann Meyers
Secretary of the University