Minutes of the Stated Meeting
of the
Executive Committee of the Trustees of the University of Pennsylvania
7 April 1989

A meeting of the Executive Committee was held on Friday, 7 April 1989 in the University Club in New York City. Trustees attending were: Susan W. Catherwood; Gloria Twine Chisum; G. Morris Dorrance, Jr.; Robert A. Fox; Carl Kaysen; Alvin V. Shoemaker (chairman); and Saul P. Steinberg. Others present included: Michael Aiken; Sheldon Hackney; Mary Ann Meyers; Rick Nahm; and Marna Whittington.

I. Call to Order
The chairman called the meeting to order and the minutes of the 3 March 1989 meeting were approved as written by the secretary.

II. Report of the Chairman
Mr. Shoemaker observed that as of 1 April, a total of more than $260 million had been pledged as part of the nucleus phase of the campaign. He reminded the Trustees that a final decision to undertake a campaign pegged at $800 million would be based on the University's success in raising $275 million by October, and he went on to suggest that it was likely that the October goal would be exceeded by the end of May.

The chairman asked Mr. Nahm how many endowed chairs were included in the nucleus-phase totals. The vice president for development said there were 55 endowed professorships, not including one recently "topped off" by the president. Dr. Hackney noted that 55 chairs is more than all the professorships endowed in the Campaign for the Eighties. "We're off to a very fast start," he said. The chairman agreed, and he went on to point out that the dean of the Wharton School had obtained another chair as recently as the preceding Monday. "We're up to a total of 50 chairs in Wharton," Mr. Steinberg observed, noting that there were no more than 17 during the School's first 100 years of existence. Mr. Nahm said the University had received a verbal commitment for its first chair in engineering during the campaign.

Mr. Shoemaker went on to report that a meeting at the home of Trustee Michael Tarnopol was planned for next month to kick off the fund-raising campaign for the planned New York Clubhouse. He also observed that a meeting with Trustee Ronald D. Perelman was scheduled to begin the sub-committee work related to planning a University center.

II. Report of the President
Dr. Hackney observed that the Committee that he appointed last November to design an expansion of Penn programs aimed at fostering an appreciation of diversity on campus would deliver its interim report next week to University Council. He noted that the committee was expected to
propose a new program, in a retreat format, for first-year students and that he would report the results of the Council discussion at the May Executive Committee meeting. Dr. Hackney went on to mention that two weeks ago a group of ten fraternities and sororities—some composed primarily of black students and others composed primarily of white students—had conducted four days of lectures, skits, and other creative programs on racial awareness, tolerance, and sensitivity. "It was a truly outstanding program," the president said, "and it received extensive coverage in the campus and Philadelphia news media. For many of us at Penn," he continued, "the students' efforts, called "Colors," typifies what is happening on campus far more than some of the rhetoric that too often tends to dominate the headlines."

Dr. Hackney further reported that as the Trustees knew, he was in the process of reorganizing the Medical Center. He said that the positions of dean of the Medical School and executive vice president of the Medical Center will be combined once again and that Ed Stemmler, "who served so ably as dean until he asked to be relieved of the deanship last year," has stepped aside as executive vice president and will return to full-time teaching. "I expect that the search for a new dean/executive vice president will move forward without delay," Dr. Hackney noted.

Turning to athletics, the president reported that the men's heavyweight crew had travelled last week to compete in the San Diego Classic where, rowing in a borrowed boat, it finished first and brought back nine shirts. He said the men's baseball team was off to an equally strong start with no defeats four games into the Eastern Intercollegiate Baseball League schedule. "We hope for a repeat of last year's championship," Dr. Hackney said.

B. Academic Report

1. Dr. Aiken reported that searches for deans of the Annenberg School of Communications and the Law School were continuing. He said that the Joint Committee of the Trustees of the Annenberg School and the University of Pennsylvania was expected to meet with a final candidate later this month and that a number of distinguished candidates have been identified and have expressed interest in the Law dean position. The provost further noted that Allen Green, who has been a faculty member of W.E.B. DuBois College House since 1986 and a lecturer in the history department, was named the first director of the Black Resource Center, which is scheduled to open this summer.

He went on to observe that a Task Force on Retirement has been established to examine the effects of the upcoming expiration of the exemption for college and university faculty from compliance with the Federal regulation prohibiting mandatory retirement of employees. Dr. Aiken said that Peter Cassileth, a professor of hematology in the School of Medicine, had agreed to chair the committee, which will consider "how the University may best make a smooth transition into the new era."

Turning to faculty honors, the provost reported that Lindback Teaching
Awards had been won by the following faculty members: Karin Calvert, American civilization; Renee Fox, sociology; Bruce Kuklick, history; Alexander Nehamas, philosophy; Deborah Gillette, pathology and pathobiology; Yale Goldman, physiology; Marilyn Hess, pharmacology; and Michael Laposata, pathology and laboratory medicine. He also noted that Clelia Mallory, chemistry, and Linda Walsh, nursing, had won the Provost Award for distinguished teaching in the ranks of the non-tenured faculty.

Dr. Aiken further observed that four members of the faculty, John Vohs, chemical engineering; Kyle Vanderlick, chemical engineering; Nader Engheta, electrical engineering, and Larry Gladney, physics, have been accorded Presidential Young Investigator Awards. He pointed out that three recent recipients of Penn Ph.D.s in chemical engineering, now on the faculties at Cornell, Michigan, and Minnesota, also were named as Presidential Young Investigators. Dr. Aiken reported that a junior jointly enrolled in the College and the Wharton School, Alexandra Ovary, is the first Penn student to have been named a recipient of the Time College Achievement Award. He further observed that the undergraduate program in Design of the Environment, offered by the Graduate School of Fine Arts, has been awarded the American Institute of Architects Education Honor, one of three national awards in education in the field of architecture. The program was selected because of the "original way it has integrated studies in liberal arts and the design of the environment," the provost said.

He then called the attention of the Trustees to the proposal for promotion to tenure as an associate professor of education of Teresa Pica. Dr. Aiken said that it "fits the Graduate School of Education's thrust to create a center of excellence in languages and education" as Dr. Pica's Ph.D is in educational linguistics. He noted that six years since her appointment to the Education faculty, she has emerged as a leading scholar in education and second language acquisition.

2. Action. A Resolution on Appointments, Leaves, and Promotions was approved as found on pages 1 through 9 in the meetingbook.

C. Financial Report

Dr. Whittington reported that as of 28 February, the administration was continuing to project a University surplus of $250,000 after the approved and budgeted allocations. She said the positive factors in the University's unrestricted performance are special program and fee revenues, indirect cost recoveries, and temporary investment fund income. The negative factors, according to the senior vice president, are graduate tuition, summer and special tuition, gift and sales revenues, and general University tuition. She said that deficits were projected for the School of Engineering and Applied Science and the Annenberg Center. "On the restricted side," Dr. Whittington continued, "endowment, gift, and grant and contract expenditures increased by 6.2 percent, 12.5 percent, and 10.4 percent, respectively, over the first seven months of FY'88. The amount available for grant and contract expenditures was 8.5 percent.
greater on 29 January 1989 than on 29 January 1988," she said. Dr. Whittington went on to report that for the first seven months of the fiscal year, the Hospital of the University of Pennsylvania had a deficit of revenues over expenses of $1.1 million, which was $1.1 million better than budget. She said that there was no new information on the financial performance of the Clinical Practices since her report last month.

IV. Report of Trustees Committees

A. Budget and Finance

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 Authorizing a Loan to University City Associates, Inc was approved as follows:

INTENTION:

The administration proposes lending up to $1,500,000 to University City Associates for acquisition and renovation needs outlined in UCA's 1989 capital budget. Funds will be advanced at the prime rate, floating, as announced by Mellon Bank (East) N.A.. The loan will be repaid when permanent bank financing is obtained. This proposal provides for maximum flexibility to UCA at reduced cost while preserving a competitive return to the University.

RESOLVED, that the University is hereby authorized and empowered to lend University City Associates, Inc. ("UCA") such funds as UCA requires for acquisition and renovation needs as outlined in its 1989 capital budget, on such terms and in such amounts, up to $1,500,000, as the Senior Vice President, Treasurer or other appropriate University officer may deem necessary or appropriate in her, his or their judgment. The Senior Vice President, 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 accomplish the purposes of this resolution.

2. Action. A Resolution on the Furness Building Renovation - Phase IIA was approved as follows:

Intention:

The University is committed to completing the restoration of the Furness Building as funds become available. The firm of Venturi Rauch and Scott Brown, Architects has been commissioned to implement this important project. The Trustees have previously approved funds for the construction of Phase IA-Exterior Envelope, and Phase IB-Bookstack Building and related work. Construction of Phase IA has been substantially completed and construction of Phase IB is scheduled to be completed in May, 1989.

The architects have completed the design development drawings for all of Phase II, which will be implemented in two stages. Phase IIA includes the interior renovation/restore of the reading room with air-conditioning, the complete replacement of the heating, plumbing and electrical systems of the entire building, and the completion of the life safety work and fire suppression system. Phase IIB consists of the interior restoration of the remainder of the spaces including seminar/classroom and architectural archives spaces as well as the Duhring Wing renovation.

The administration now proposes to complete the bidding documents for both Phases IIA and IIB. The Trustees previously approved the expenditure of $607,900 for the design development documents. Completion of the bidding documents will require an additional $353,000. Funds will come from fund-raising and deferred maintenance funds for Fiscal Year 1989.
and 1990. The projected project cost for Phase IIA is currently estimated at $6.7 million and is included in the Capital Budget for Fiscal Year 1990 with construction scheduled to commence in July, 1989. After the bidding documents are prepared and evaluated, approval for the actual project cost will be requested. Phase IIB will follow when funds become available.

RESOLVED, that the completion of bidding documents for Phase IIA and IIB of the renovation of the Furness Building, estimated to cost $353,000, be and the same hereby is approved and that the Senior Vice President, Treasurer or other appropriate officers of the University be and they hereby are authorized to proceed and execute such contracts and incur such expenses and obligations - not, however, substantially in excess of the estimated cost of completing such bidding documents - as may in their judgment be necessary or desirable to accomplish the purposes of this Resolution.

3. Action. A Resolution on the Sale of Undeveloped Land in Wayne County, Pennsylvania was approved as follows:

INTENTION:

The University's Center for Italian Studies received a parcel of undeveloped land in Wayne County, Pennsylvania (Final map, Section II, Northern Area, Lot 115, Fountain Drive) as a gift in December 1982. The administration now proposes to sell this undeveloped land to Total Land Concepts, Inc. for a total purchase price of $4,000.

RESOLVED, that the Trustees of the University of Pennsylvania hereby approve the sale and conveyance of the said land and hereby direct and authorize the Senior Vice President, 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.

B. Investment Report

In the absence of John Neff, Mr. Shoemaker reported that as of 31 March, the total market value of the Associated Investments Fund was $638 million. "We dipped a little in February, but it looks like we've made some of that back up in March," he said. "The numbers are going in the right direction. The total endowment is probably a little over $700 million."

V. Overseers 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 Richard L. Fisher be appointed to the Board of Overseers of the School of Arts and Sciences for a three-year term, effective 7 April 1989.

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 Paul G. Stern be appointed to the Board of Overseers of the School of Engineering and Applied Science for a three-year term, effective 7 April 1989.

C. Action. A Resolution on Appointments to the Board of Overseers of the Graduate School of Education was approved as follows:
RESOLVED, that Madlyn K. Abramson and Larry Cuban be appointed to the Board of Overseers of the Graduate School of Education for three-year terms, effective 7 April 1989.

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

RESOLVED, that George Poste be appointed to the Board of Overseers of the School of Veterinary Medicine for a three-year term, effective 7 April 1989.

E. Action. A Resolution on an Appointment to the Board of Advisors of the Annenberg Center was approved as follows:

RESOLVED, that John W. Quaintance be appointed to the Board of Advisors of the Annenberg Center for a three-year term, effective 7 April 1989.

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

RESOLVED, that Edward W. Madeira, Jr. and Jeffrey J. Rhodes be appointed to the Athletic Advisory Board for three-year terms, effective 7 April 1989.

Adjourned.

Respectfully submitted,

Mary Ann Meyers
Secretary of the University