Minutes of the Stated Meeting
of the
Executive Committee of the Trustees of the University of Pennsylvania
20 April 1990

A meeting of the Executive Committee was held on Friday, 20 April 1990, in the Tea Room of the Faculty Club. Trustees attending were: Richard P. Brown, Jr.; Susan W. Catherwood; Richard J. Censits; Gloria Twine Chisum; G. Morris Dorrance, Jr.; Robert A. Fox; Sheldon Hackney (ex officio); Alvin V. Shoemaker (chairman); and Saul P. Steinberg. Others present were: Michael Aiken; Richard Clelland; Robert Davies; William Epstein; Karen Gaines; John Gould; Mary Ann Meyers; Kim Morrisson; Antonia Oberthaler; Elizabeth O'Brien; Rick Nahm; Peter Ross; Duncan Van Dusen; and Marna Whittington.

I. Call to Order
Chairman Shoemaker called the meeting to order and the minutes of the 23 March meeting were approved as written by the secretary.

II. Report of the Chairman
Mr. Shoemaker had no report.

III. Report of the President
A. President Hackney reported that the most discussed issue on campus at present was his recent announcement of a task force to recommend steps to be taken to add to the mix of student housing on Locust Walk. He said he wanted to emphasize three points: 1) his belief that the presence of student residents at the core of the campus is important to the quality of life at Penn; 2) that there is a need to add to that presence so that it is reflective of the diversity of our campus; and 3) that adding to the mix can, must, and will be accomplished in the most equitable way possible. Dr. Hackney noted that Vice Provost for University Life Kim Morrisson and Professor David Pope had agreed to chair the task force, which he stressed would be broadly representative of all of the parties that have an interest in this issue.

The president went on to observe that the University was moving into the final phase of preparations for its 250th anniversary celebration. He announced that the recently appointed Czechoslovak ambassador to the United States, Rita Klimova, will be the final speaker in the series of three 250th Anniversary plenary sessions. "The remaining program for Peak Week includes an impressive and rigorous schedule of colloquia and faculty/alumni/student exchanges," Dr. Hackney said. He added that there would be a range of celebrative activities leading up to the Saturday night Penn Ultimate featuring Bill Cosby, Dolly Parton, and Kenny Rogers. "We have succeeded, I believe, in putting together a schedule that will be intellectually challenging and appropriately festive," the president said. He further noted that the University's birthday observance would be kicked off by Commencement on Monday, May 14th, at which the nation's First Lady, Barbara Bush, would deliver the address.

B. Action. A Resolution on the Appointment of Gregory C. Farrington was approved as follows: Resolved, that Gregory C. Farrington be appointed dean of the School of Engineering and Applied Science for a seven-year term, effective 1 July 1990.

C. Action. A Resolution on the Appointment of Thomas P. Gerrity as Dean of the Wharton School was approved as follows: Resolved, that Thomas P. Gerrity be appointed dean of the Wharton School for a seven-year term, effective 1 July 1990.

D. Academic Report
1. The provost, Dr. Michael Aiken, reported that Lee Copeland would be retiring as dean of the Graduate School of Fine Arts on 30 June 1991. He said that Ann Spirn, professor and chair of the Department of Landscape Architecture and Regional Planning, would chair a search committee to help identify Dean Copeland's successor.
Dr. Aiken went on to note that the administration had updated last year's analysis of faculty hiring patterns. The study contains information:
- about the number of assistant professors, by gender and race, hired by each department between fall 1982 and 1989,
- the number of assistant professors in each discipline, by gender and race, that Penn would have employed had it hired people in direct proportion to their numbers in a national pool; and
- the total number of people by discipline in the national pool.

Turning to faculty honors, the provost announced the selection of the following eight winners of 1990 Lindback Awards for Excellence in Teaching: Donald Berry, chemistry; SAS; Willy DeCraemer, sociology; SAS; Paul Tiffany, management, Wharton; Jan Van der Spiegel, electrical engineering, SEAS; Linda Phillips Brown, Nursing; Carol Deutsch, physiology, Medicine; John Hirshfeld, Medicine; and Gerald Lazarus, dermatology, Medicine. He also noted that Diana Robertson, a senior fellow in legal studies, was accorded the Provost's Award, which was established two years ago to honor distinguished teaching by nonstanding faculty.

Dr. Aiken also mentioned that Carroll Smith-Rosenberg, a professor of history, and Jeffrey Cotton, a lecturer in music, had won Guggenheim Fellowships. He added that Houston Baker, the Albert M. Greenfield Professor of Human Relations and a professor of English, had been chosen to receive the Governor's Award for the Humanities, one of three given each year by the Governor of Pennsylvania.

The provost then called the attention of the Trustees to proposals for promotion to tenure of Urs Giger, holder of a D.V.M. from the University of Zurich, Switzerland, whose research in medical genetics (hematology and animal diseases of genetic origin) has earned him an international reputation and impressive support from NIH and private foundations, and David Leatherbarrow, holder of a Ph.D. in art from the University of Essex, who played a key role in the development of the history/theory program in architecture.

Action. A Resolution on Appointments, Leaves, and Promotions was approved as found on pages 1 through 18 in the meetingbook.

E. Financial Report
Senior Vice President Whittington reported that as of 31 March 1990, the administration continues to project a general University surplus of $25,000 for the fiscal year ending 30 June 1990 after approved, budgeted, discretionary allocations to the Undergraduate Development Fund, the Research Fund, and the campaign and after the budgeted, mandated Graduate Hospital deficit amortization. "On the unrestricted side," she said, "the positive factors are graduate tuition, special program and fee revenue, indirect cost recoveries, and temporary investment fund income. The negative factors are summer and special tuition, general University tuition, and current expense, and non-guaranteed student aid expenses. But she emphasized that all schools and centers are expected to show a break-even performance. "On the restricted side," the senior vice president continued, "grant endowment and gift and contract expenditures increased by 37.7 percent, 5.8, and 7.4 percent, respectively. The amount available for grant and contract expenditures was 2.3 percent greater on 31 March 1990 than on 31 March 1989," she said.

Dr. Whittington also reported that for the first seven months of the fiscal year the Hospital had an excess of revenues over expenditures of $10,501,000 which is $2,991,000 better than budget. Dr. Whittington went on to observe that the Clinical Practices continue to report on a quarterly basis, so there is no new information on their financial performance from what was reported to the Trustees at the January meeting: an excess of revenues over expenses of $2,862,000 and a net increase in the Education and Development Fund balance of $359,000.

IV. Trustee Committee Reports
A. Budget and Finance
Mr. Fox reported that the committee had discussed and approved 4 resolutions, which it recommended to the Trustees.
1. Action. A Resolution on the Installation of Central HVAC for the Basement West Wing, John Morgan Building, School of Medicine was approved as follows:

Intention:

As part of its commitment to Perry Molinoff, M.D., chairman of the Department of Pharmacology, the School of Medicine proposes to install a central HVAC system in the west wing basement of the John Morgan Building to provide improved heating, ventilation, and air conditioning to the recently renovated laboratories of the Department of Pharmacology.

The administration requests approval to proceed with construction of the project in April 1990. The project is estimated to cost $384,337 and will be funded by the School of Medicine. The project is included in the Capital Budget for Fiscal Year 1990.

RESOLVED, that the installation of central HVAC in the west wing basement of the John Morgan Building, estimated to cost $384,337 be and the same hereby is approved and that the Senior Vice President or other appropriate officers of the University be and they hereby are authorized to take such actions, proceed with such installation, execute such contracts, and incur such expenses and obligations — not, however, substantially in excess of the estimated cost of such installation presented to the Budget and Finance Committee — as may in their judgment be necessary or desirable to accomplish the purposes of this resolution.

2. Action. A Resolution on the Renovation of the Second Floor, Tower A, Richards Building for the Department of Physiology, School of Medicine was approved as follows:

Intention:

As part of its commitment to Paul DeWeer, M.D., chairman-designate of the Department of Physiology, the School of Medicine proposes to renovate research laboratories on the second floor, Tower A, of the Richards Building for Robert Forster, M.D.

The administration requests approval to proceed with construction of the project in April 1990. The project is estimated to cost $390,227 and will be funded by the School of Medicine. The project is included in the Capital Budget for Fiscal Year 1990.

RESOLVED, that the renovation of research laboratories on the second floor of the Richards Building, Tower A, estimated to cost $390,227, be and the same hereby is approved and that the Senior Vice President or other appropriate officers of the University be and they hereby are authorized to take such actions, proceed with such renovations, execute such contracts, and incur such expenses and obligations — not, however, substantially in excess of the estimated cost presented to the Budget and Finance Committee — as may in their judgment be necessary or desirable to accomplish the purposes of this resolution.

3. Action. A Resolution on the Furness Building Renovation Remainder of 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, Scott Brown and Associates, Inc., Architects has been commissioned to implement this important project. The Trustees have previously approved funds and construction has been completed for Phase IA - Exterior Envelope, and Phase IB - Bookstack Building and related work.
The construction of Phase IIA work, approved by the Trustees on December 15, 1989 and estimated to cost $5,049,810, is underway and is scheduled to be completed in November 1990. The scope of the approved work includes: the replacement of all plumbing, electrical and mechanical systems; demolition of the reading room slab; installation of air-conditioning for the reading room; installation of a sprinkler system; and provision of furnishings for the reading room.

The remainder of Phase IIA has now been bid and the cost of the work is estimated at $2,116,553. This will cover the architectural finishes for the reading room and tower as well as millwork, moving costs, data communication, and related items. Funds will come from fund-raising and deferred maintenance funds. The project is included in the Capital Budget for Fiscal Year 1990.

RESOLVED, that the construction of the remainder of Phase IIA in the renovation of the Furness Building, estimated to cost $2,116,553, 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 take such actions, proceed with such construction and renovations, execute such contracts, and incur such expenses and obligations -- not, however, substantially in excess of the estimated cost of such construction and renovations as presented to the Budget and Finance Committee -- as may in their judgment be necessary or desirable to accomplish the purposes of this resolution.

4. Action. A Resolution on the Purchase of a Computer System for the Office of Development and University Relations was approved as follows:

Intention:

The Office of Development and University Relations, with agreement of the Vice Provost for Computing and his staff, proposes to install a mini-computer with database software in its offices.

The new system will significantly increase the department's capability and will replace a system designed in 1982 that no longer meets current needs. These new capabilities will provide the department with a flexible tool to effectively manage the high level of activity engendered by the Campaign for Penn and will form a foundation for post-campaign development programs.

The system will consist of a Sequent multi-processor mini-computer and relational database software. The computer hardware cost is $310,000, which represents a 62% discount to the University. The software, to be chosen in consultation with the Office of the Vice Provost for Computing, will cost no more than $160,000. The system will adhere to the University's information resource management policies. The total system cost of $470,000 will be covered by budgeted funds from the Office of Development and University Relations.

In order to take advantage of the hardware discount, a commitment was necessary by April 13, 1990.

RESOLVED, that the purchase of the above-described computer system for the Office of the Development and University Relations for a cost of $470,000, 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 take such actions, execute such contracts and incur such expenses and obligations -- not, however, substantially in excess of the cost as presented to the Budget and Finance Committee -- as may in their judgment be necessary or desirable to accomplish the purposes of this resolution.

FURTHER RESOLVED, that the actions of the above officers on or before the date of this resolution in effecting the above-described purchase are hereby ratified, affirmed and approved.

B. Medical Center Board
Mr. Brown noted with satisfaction that, as Dr. Whittington had previously reported, the Medical Center's eight month's performance showed an excess of revenues over expenses of more than $10 million. He said management believes the Center will probably be in a break-even position for the last four months of FY'90. "Next year we are going to be worrying about the usual things, such as decline in both federal and state reimbursement," the chairman added, "but I think it is fair to say that under Dr. Kelley and Mr. Pittinger things are on the up-and-up."

C. Investment Board
In the absence of Mr. Neff, Mr. Shoemaker reported the observations of the Investment Board chairman that since the last meeting, the Associated Investments Fund (AIF) had been "battered a bit in banks and S&Ls as there is continued consternation about bad loans, particularly in the commercial and construction real estate area. Despite this situation, fundamentals continue reassuring in our major holdings in these areas," Mr. Shoemaker quoted Mr. Neff as saying, and there is every hope that "'right' will win out eventually."

The chairman of the Trustees added that he hopes 'right' wins out by the end of FY'90. "It's been a tough year for the AIF," he said, "but I think it's been tough for a lot of people, and maybe we'll do a little better before the end of it. We started out the calendar year at $706 million and we are presently at $684 million, so we've actually fallen back a little bit," he noted, "but our long-term performance continues to be excellent."

Adjourned.

Respectfully submitted,

Mary Ann Meyers
Secretary of the University