A meeting of the Executive Committee was convened at 2:20 p.m. on Friday, March 19, 1993, in the Tea Room of the Faculty Club. Trustees attending were Susan W. Catherwood, Gloria T. Chisum, Robert A. Fox, Sheldon Hackney (ex officio), Stephen J. Heyman, Natalie I. Koether, Donald N. Langenberg, John R. Reardon, James S. Riepe, Sara S. Senior, Alvin V. Shoemaker (chairman) and Myles H. Tanenbaum. Others attending included Michael Aiken, Virginia B. Clark, Carol E. Farnsworth, Karen Gaines, Stephen Golding, John W. Gould, Shelley Z. Green, Janet Hale, David Hildebrand, Phyllis Holtzman, Samuel M. Hughes, Linda S. Hyatt, Jeremy Kant, Trudy J. Kuehner, Alice Long, Stephen P. Steinberg, Barbara R. Stevens, Duncan Van Dusen and Dilys Winegrad.

I. Call to Order

Chairman Shoemaker called the meeting to order. The minutes of the December 11, 1992, meeting were approved as written by the secretary.

II. Chairman's Report

1. Action. A Resolution on the Amendment of the By-laws of the Trustee Board of the Medical Center to Expand the Medical Center Trustee Board Executive Committee was approved as follows:

   Intention:

   In order to broaden the input and counsel available to the Medical Center Trustee Board and the Medical Center Trustee Board Executive Committee, the Medical Center proposes to amend Section 4.4(b) of the By-Laws of the Trustee Board of the University of Pennsylvania Medical Center to increase representation on the Executive Committee. The text of the section now reads:

   There shall be a maximum of ten members on the Executive Committee. Membership on the Executive Committee shall include four ex officio members: the Chairman of the Medical Center Board, the Provost, the Senior Vice President of the University, and the EVP/Dean. There shall be a maximum of six (6) additional voting members, at least three of whom shall be associate trustees.

   The Medical Center proposes to amend the text of Section 4.4(b) to read as follows:
There shall be a maximum of fourteen (14) members on the Executive Committee. Membership on the Executive Committee shall include four ex officio members: the Chairman of the Medical Center Board, the President of the University (or delegate), the Provost, and the EVP/Dean, all with vote. There shall be a maximum of ten (10) additional voting members, at least six (6) of whom shall be trustees of the University, and up to four (4) of whom shall be associate trustees.

RESOLVED, that revised Section 4.4(b) of the By-Laws of the Trustee Board of the University of Pennsylvania Medical Center, which was approved by the Trustee Board of the Medical Center on February 8, 1993, be and hereby is approved.

III. Report of the President

A. Comments

President Hackney began by expressing the University's deep sadness over the loss of Prof. Robert E. Davies (1919-93), who had died of a heart attack while in Scotland over the Spring Break en route to a mountain climbing site. Prof. Davies' contributions to the academic community and the University were innumerable: active in a number of scientific areas, he was a Benjamin Franklin and University Professor and a Lindback Award winner. Throughout his 30 years at the University he consistently and energetically championed the causes of academic freedom, free expression, and equality of opportunity for women and minorities, becoming the University's walking memory of these efforts. Prof. Davies will be greatly missed. A memorial service will be held at 4:00 pm on Wednesday, March 24, in the Faculty Club.

Commonwealth Appropriation. President Hackney reported that the University's Commonwealth Appropriation for fiscal 1994 had not yet been finalized (nor, he hoped, was the fiscal 1993 appropriation yet final). The University continues its efforts for restoration of its appropriation for both years, and President Hackney is modestly optimistic that if the movement in the state legislature toward supplemental appropriations is successful, Penn will be among the institutions receiving these.

Cost-Containment Oversight Committee. President Hackney reported that he had appointed a 12-member Cost-Containment Oversight Committee, chaired by the Provost and Executive Vice President. The Committee's multi-year project will be to monitor the full range of Penn's efforts to reduce administrative costs. It will also advise the administration and deans on issues and administrative processes that should be examined in their reengineering efforts. A full statement of the Committee's charge will appear in next week's Almanac, along with a list of its members, who President Hackney reported make up a very strong committee.

Open Expression Guidelines. The University's Guidelines on Open Expression have been the subject of a great deal of discussion in University Council this year, President Hackney reported, and he has considered and accepted the Council's recommendations on noise level standards and on the taking of photographs of violators of the Guidelines. The revised Open Expression Guidelines were published in the March 18 issue of the Almanac and are effective as of that date. President Hackney noted that these guidelines were one of Prof. Davies last
accomplishments at the University: he had chaired the Committee on Open Expression that had seen the guidelines through. At the time of his death Prof. Davies was also the chair of the Just Cause Task Force, whose recommendations will come forward in the next academic year.

1. **Action.** President Hackney reported that the search for a new Executive Vice President had produced a strong set of candidates. He was pleased to enthusiastically recommend to the Trustees for appointment in this position Ms. Janet Hale, who possesses over 10 years experience in positions of increasing responsibility in the federal government in the Departments of Housing and Urban Development, Transportation, and, most recently, as Associate Director of the Office of Management and Budget. In that position she was responsible for budget and policy development, regulatory reform and financial management for the Departments of Treasury, Transportation, Commerce, Justice and 25 smaller agencies the budgets of which exceed $70 billion. She would assume her duties on March 29th if approved by the Trustees. Upon motion duly made and seconded, it was:

RESOLVED, that Janet Hale be appointed Executive Vice President of the University, effective March 29, 1993.

The trustees warmly welcomed Ms. Hale, who was present at the meeting.

2. **Action.** President Hackney then introduced a Resolution on the Appointment of Virginia B. Clark as Vice President for Development and Alumni Relations. He noted that Ms. Clark was well known to the trustees. She has served the University in positions of increasing responsibility for many years, primarily at the Wharton School, where she became Associate Dean for External Affairs, and since July 1, 1992, in the University's central development office, as Associate Vice President for Development and Alumni Relations. She would assume her new position on July 1, 1993, the date on which Frederick C. Nahm, Senior Vice President for Development and Planning, will leave the University to become president of Knox College. Upon motion duly made and seconded, it was:

RESOLVED, that Virginia B. Clark be appointed Vice President for Development and Alumni Relations, effective July 1, 1993.

The Chairman congratulated Ms. Clark, who was present at the meeting, on behalf of the trustees.

C. **Academic Report - Provost Aiken**

1. **Comments**

a. **Task Force on Just Cause Revision.** Provost Aiken noted that the Task Force on Just Cause Revision had been at work for some six-eight months under the chairmanship of Prof. Davies, who had done a superb job of leading it. With his untimely death it has been necessary to appoint a new chairman. The Provost has asked Prof. Morris Mendelson, who worked closely with Prof. Davies, to assume the chairmanship, and he has agreed to do so. It is expected that the committee will have a report for the Faculty Senate later in the Spring, which
the faculty would act upon (by preference vote) in Fall 1993. The Provost added that he was optimistic the committee, which enjoys the active leadership of Prof. Mendelson and Prof. David Hildebrand, would produce a satisfactory set of revisions.

b. Deanship of School of Social Work. The search for a Dean of the School of Social Work is proceeding well. The last round of visits by the final candidates is underway, and the deanship should be filled shortly.

2. Action. The Resolution on Appointments, Leaves, and Promotions provided at pages 4 through 41 of the meeting book was approved upon motion duly made and seconded.

D. Financial Report - Dr. Gould

Dr. Gould presented a report on the finances of the University, the Hospital and the Clinical Practices as of February 28, 1993. He noted that the fiscal year 1993 operating budget reflected a planned, trustee-approved deficit of $19.55 million as a result of the elimination of the Commonwealth appropriation. The University’s performance projection assumes that the appropriation will not be reinstated but nevertheless shows the University to be on budget after the approved, budgeted discretionary allocations to the Research Fund of $1,300,000 and to the Capital Campaign of $600,000, and after the budgeted, mandated Graduate Hospital deficit amortization of $97,000. Dr. Gould added that the University believes that actual unrestricted performance may improve over the projections by the end of the fiscal year.

On the unrestricted side, positive factors are graduate tuition, summer and special tuition, special program and fee revenues, indirect cost recovery and savings in salary and utility expense. Negative factors are other income (primarily sales revenue), non-guaranteed student aid and General University Tuition, and several other expense categories.

As to unrestricted performance at the schools and centers, the School of Veterinary Medicine is projected with a net deficit of $800,000, the Graduate School of Fine Arts with a net deficit of $275,000, and the Schools of Dental Medicine and Nursing with net deficits of $250,000 each. The Graduate School of Education and the School of Social Work are projected with net surpluses of $900,000 and $250,000, respectively. All other schools and centers are projected at breakeven performance.

On the restricted side, endowment, gift and grant and contract fund expenditures increased by 3.0%, 11.5% and 5.1%, respectively. The amount available at February 28, 1993, for grant and contract expenditures is 9.6% more than at February 29, 1992. The months of expendable awards are 4.3% more than at February 29, 1992.

Statements for the Hospital of the University and the Clinical Practices of the University are for the five months ended January 31, 1993. HUP's excess of revenue over expenses was $66.09 million, or $39.32 million better than budget. CPUP's excess of revenue over expenses was $4.63 million, or $2.4 million better than budget.

IV. Trustee Committee Reports
A. Budget and Finance - Mr. Fox

1. Action. Mr. Fox noted that the Resolution on Tuition and Fees for academic year 1993-94 called for a 5.9% undergraduate increase, representing the University’s desire to keep the rate of increase as low as possible. Upon motion duly made and seconded, the following resolution was approved:

Intention:

The administration proposes to establish the following tuition and fees for academic year 1993-94.

For undergraduates, the tuition and mandatory fees will total $17,838, including a general fee of $1,486, a technology fee of $250 and tuition of $16,102; for graduate students, tuition will be $17,530 and the general fee will be $1,132, totalling $18,662; for professional school students, the general fee will be $892.

RESOLVED, that for academic year 1993-94, the undergraduate tuition and mandatory fees rate will be $17,838; that the tuition and general fees for graduate students will be $18,662; that the professional general fee will be $892; and that the tuition for professional students will be determined administratively to reflect budget requirements of the various schools; and that part-time tuition and fees rates will be determined administratively and will increase proportionately.

2. Action. A Resolution on Kings Court Exterior Renovations, Phase IV, was approved as follows:

Intention:

University Life proposes to proceed with Phase IV, the final phase, of the exterior renovations of Kings Court. The work will include installing new windows, masonry repair, painting, and related work to the east elevation of the building. This project will be included in the proposed Capital Budget for Fiscal Year 1994. The cost of this project is estimated to be $717,000 and will be funded by University Life Residence System Operating and Reserve Funds.

RESOLVED, that the Kings Court Exterior Renovations Phase IV, estimated to cost $717,000, be and the same hereby are approved and that the Executive Vice President or other appropriate officers of the University be and they hereby are authorized to take such action, proceed with such construction, execute such contracts, and incur such expenses and obligations -- not, however, substantially in excess of the estimated cost of such 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.

3. Action. A Resolution on Furniture Replacement for Kings Court was approved as follows:
Intention:

University Life proposes to replace worn and broken furniture in Kings Court Residence Hall. This project was included in the Capital Budget for Fiscal Year 1992. The cost associated with this furniture replacement is estimated to be $264,000 and will be funded by University Life Residence System Operating and Reserve Funds.

RESOLVED, that the furniture replacement for Kings Court Residence Hall, estimated to cost $264,000, be and the same hereby is approved and that the Executive Vice President or other appropriate officers of the University be and they hereby are authorized to take such action, proceed with such furniture purchases, execute such contracts, and incur such expenses and obligations --not, however, substantially in excess of the estimated cost of such replacement 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 Residential Maintenance Showcasing of English House, Kings Court, Harrison House and Quad East was approved as follows:

Intention:

University Life proposes a residential maintenance showcasing of English House, Kings Court, Harrison House and Quad East. This project will include painting and restoration/replacement of carpets, drapes, and related items. The project is part of Capital Budget for Fiscal Year 1993. The costs associated with this project are estimated at $500,000 and will be funded by University Life Residence System Reserve Funds.

RESOLVED, that the planned residential maintenance showcasing of English House, Kings Court, Harrison House and Quad East, estimated to cost $500,000, be and the same hereby is approved and that the Executive Vice President or other appropriate officers of the University be and they hereby are authorized to take such action, proceed with such maintenance, execute such contracts, and incur such expenses and obligations -- not, however, substantially in excess of the estimated cost of such showcasing as presented to the Budget and Finance Committee -- as may in their judgment be necessary or desirable to accomplish the purposes of this resolution.

5. Action. A Resolution on Renovations to the Second Floor of the John Morgan Building for the Department of Pathology and Laboratory Medicine was approved as follows:

Intention:

The School of Medicine proposes to renovate approximately 1,303 net square feet on the second floor of the John Morgan Building to provide appropriate biomedical research laboratories for the Department of Pathology and Laboratory
Medicine. This project is included in the Capital Budge for Fiscal Year 1993. The total project cost, based on bids, is estimated at $538,837, and will be funded by the School of Medicine.

RESOLVED, that renovations to the second floor of the John Morgan Building for the Department of Pathology and Laboratory Medicine, estimated to cost $538,837, be and the same hereby are approved and that the Executive Vice President or other appropriate officers of the University be and they hereby are authorized to take such action, proceed with such renovations, execute such contracts and incur such expenses and obligations -- not, however, substantially in excess of the estimated cost of such 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.

6. A Resolution on the Installation of Central HVAC Systems on the West Wing, Second Floor of the John Morgan Building was approved as follows:

Intention:
The School of Medicine proposes to install a central HVAC system on the west wing, second floor on the John Morgan Building to provide improved heating, ventilating and air conditioning systems to the biomedical research program of the Department of Pathology and Laboratory Medicine. This project is included in the Capital Budget for Fiscal Year 1993. The total project cost is estimated to be $300,457 and will be funded by the School of Medicine.

RESOLVED, that the installation of the central HVAC system on the west wing, second floor of the John Morgan Building estimated to cost $300,457 be and the same hereby is approved and that the Executive Vice President or other appropriate officers of the University be and they hereby are authorized to take such action, proceed with such design services, execute such contracts, and incur such expenses and obligations -- not, however, substantially in excess of the estimated cost of such installation as presented to the Budget and Finance Committee -- as may in their judgment be necessary or desirable to accomplish the purposes of this resolution.

7. Action. A Resolution on Renovations to the Basement of the John Morgan Building was approved as follows:

Intention:
The School of Medicine proposes to relocate and renovate space for its Computer Facility and the Department of Biochemistry and Biophysics Photo/Illustration shop to consolidate biomedical research programs of the Department of Pathology and Laboratory Medicine. The project consists of the renovation of 1,311 net square feet in the basement of the John Morgan Building. This project is included in the Capital Budget for 1993. The total project cost is estimated to be $285,511 and will be funded by the School of Medicine.
RESOLVED, that the renovations to the basement of the John Morgan Building for the School of Medicine Computer Facility and the Department of Biochemistry and Biophysics Photo/Illustration shop, estimated to cost $285,511, be and the same hereby are approved and that the Executive 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 of such 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.

8. A Resolution on Additional Planning and Design Activities for the Institute for Advanced Science and Technology, Phase I, was approved as follows.

Intention:

On October 10, 1991 the Trustees approved the expenditure of $3,646,000 for planning and design fees associated with the first phase of the Institute for Advanced Science and Technology (IAST). The expenditure of an additional $1,133,000 for planning and design fees was approved by the Trustees on October 30, 1992.

Further planning and design activities related to Phase I of the IAST, including the preparation of an Environmental Impact Statement and completion of the bidding documents, require an additional $947,000. These additional expenditures will bring the total estimated IAST planning and design fees to approximately $5,726,000. The cost of these additional fees is included in the Capital Budget for Fiscal Year 1993 and will be paid from various project funding sources.

RESOLVED, that additional planning and design activities associated with the Institute of Advanced Science and Technology, Phase I, estimated to cost $947,000, be and the same hereby are approved and that the Executive Vice President or other appropriate officers of the University, be and they hereby are authorized to proceed with such activities execute such contracts and incur such expenses and objectives as presented to the Budget and Finance Committee -- not, however, substantially in excess of the estimated cost of such activities as presented to the Budget and Finance Committee -- as may in their judgment, be necessary or desirable to accomplish such construction.

9. Action. A Resolution on the Sale of Property Located in Livingston, New York was approved as follows:

Intention:
In December 1990, the University acquired a residential property in Livingston, New York pursuant to a bargain sale arrangement with a donor/seller. The University now plans to sell this property for $150,000.

RESOLVED, that the Trustees of the University of Pennsylvania hereby approve the sale and conveyance of such property for a price of $150,000 and hereby direct and authorize the Executive Vice President 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, affirm, 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.

10. Action. A Resolution on the Sale of 129 Bethlehem Pike, Philadelphia, Pennsylvania was approved as follows:

Intenion:

In June 1977, the University received a gift of the property located at 129 Bethlehem Pike, Philadelphia, Pennsylvania under the will of Eli Kirk Price, III, to be used by the Morris Arboretum. The University now plans to sell this property for $300,000, with the proceeds to be used to benefit the Morris Arboretum. This sale is contingent upon the approval of the Orphan's Court Division of the Court of Common Pleas of Philadelphia County.

RESOLVED, that the Trustees of the University of Pennsylvania hereby approve the sale and conveyance of such property for a price of $300,000 and hereby direct and authorize the Executive Vice President 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, affirm, 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 - Mr. Shoemaker

Mr. Shoemaker, presenting the investment report in Mr. Neff's absence, reported that as of March 11, 1993, the value of the University's Associated Investment Fund (AIF) reached $990 million. Therefore the University's total endowment easily exceeds $1 billion, as the AIF averages just under 90% of Penn's total endowment.

Equity Fund. For the calendar year to date, the Equity Fund had a total return of 9.2%, exceeding both the Standard & Poor's (4.7%) and the Dow (5.3%) indices. Since June 30, 1992, the Fund had a total return of 15%, again outperforming the S&P (13.4%) and Dow (6.5%) indices.
Fixed Income Fund. From June 30, 1992 through February 28, 1993, the total return of the Fixed Income Fund (9.8%) has exceeded that of the Lehman Bros. Government/Corporate and Salamon bond indices (9.5% and 8.5%, respectively). Since December 31, 1979, the Fixed Income Fund has maintained outstanding performance, and Mr. Shoemaker noted that the Investment Board looked forward to the Fund's maintaining that performance through the end of the fiscal year.

V. Overseer and Other Boards

A. Action. A Resolution on the Appointment of Ellen Cooper Sandler to the Board of Overseers of the Graduate School of Education was approved as follows:

RESOLVED, that Ellen Cooper Sandler be appointed to the Board of Overseers of the Graduate School of Education for a three-year term effective March 19, 1993.

There being no further business to come before the meeting, it was adjourned.

Respectfully submitted,

Barbara R. Stevens
Vice President and
Secretary of the University