
I. Call to Order

A. Invocation. Rev. Stanley Johnson offered the invocation for the meeting.

B. Minutes. The Minutes of the Trustees’ Stated Meeting held June 18, 1993 were approved as written by the Secretary.

II. Chairman's Report

A. Comments

1. Action. The Chairman read the following Memorial Resolution for Eliot Stellar, November 1, 1919 - October 12, 1993:

Eliot Stellar, Provost Emeritus and Joseph Leidy University Professor Emeritus of Neurological Sciences, contributed greatly to the culture and quality of the University of Pennsylvania, and his loss will truly be deeply felt. A brilliant scholar and a pioneer in the field of behavioral physiology, he came to Penn from Johns Hopkins University in 1954 and helped to establish the interdisciplinary Institute of Neurological Sciences, which became a model for many other institutions. His gifts as a teacher are legendary. He always had time for his students and colleagues, nurturing students’ creativity and taking warm interest in younger colleagues’ work. He engendered such affection and respect that at a week-long colloquium at the Institute of Neurological Sciences held in 1980, a full day was devoted to celebrating Dr. Stellar’s influence on his former students and colleagues, who read papers on research that he had inspired. Earlier this year he was awarded the Gold Medal for Life Achievement in Psychological Science by the
American Psychological Foundation.

Dr. Stellar performed yeoman service as co-chair of the Development Commission early in Martin Meyerson’s presidency so admirably that he was appointed provost of the University, in which role he served from 1973 to 1978. Seeing knowledge as a global heritage, he brought to that role an international orientation, a “One University” point of view and great skills as a consensus builder.

Upon completion of his term as provost, he undertook the rigorous process of reestablishing himself in his field, assisted by colleagues eager to have him back. As further testimony to both his willingness to serve and his colleagues’ high regard for him, he accepted his colleagues’ invitation to chair the Department of Cell and Developmental Biology even after assuming emeritus status. A leader outside the University as well, he chaired the Human Rights Committee of the National Academy of Sciences, to which he was elected in 1968, and served as president of the American Philosophical Society, presiding over that organization’s 250th anniversary celebration last year.

RESOLVED, that the Trustees of the University of Pennsylvania, on behalf of themselves, the overseers, administration, faculty, students and alumni of the University, express their deep sorrow over the loss of their friend Eliot Stellar, who defined the term “University citizen,” and in recording this official minute in memory of Dr. Stellar, they ask the Secretary of the University to convey to Dr. Stellar’s family their affection for Dr. Stellar, their enduring gratitude and their profound sense of loss over his death.

2. **Action.** The trustees approved the following Resolution Appointing Robert E. Cawthorn to the Trustee Board of Clinical Care Associates, it being noted by the Chairman that the Trustees’ approval would be recorded as an Executive Committee action:

Section 4.04 of the Bylaws of the Clinical Care Associates of the University of Pennsylvania Health System ("CCA") requires that the Chairman of the University’s Board of Trustees appoint members to the Board of Trustees of CCA, after consultation with the Chairman of the Health System Executive Committee, the President of the University, and the Chief Executive Officer of the Health System, with the concurrence of the University’s Board of Trustees.

The Chairman of the University’s Board of Trustees, after consultation with the aforementioned individuals, intends to appoint Mr. Robert E. Cawthorn to the Board of Trustees of CCA. The Chairman of the Health System Executive Committee, in accordance with section 4.03 of the CCA bylaws, intends to appoint Mr. Cawthorn as Chairman of the CCA Board.

RESOLVED, that the Trustees approve the appointment of Robert E. Cawthorn as a member of the Board of Trustees of Clinical Care Associates.

**B. Report of Nominating Committee - Mr. Shoemaker**
The following resolutions were approved upon motion duly made and seconded:

RESOLVED, that Ronald O. Perelman be re-elected as a Term Trustee for a five-year term beginning October 15, 1993.

RESOLVED, that Myles H. Tanenbaum be re-elected as a Term Trustee for a five-year term beginning October 15, 1993.

RESOLVED, that George A. Weiss be elected a Term Trustee, effective October 15, 1993.

III. President's Report - Dr. Fagin, Interim President

A. Comments

Dr. Fagin reported that, because so much of all that has happened at Penn since last June was well known to the trustees, she would mention only a few highlights:

Freshman Orientation. The Freshman Reading Project, which used as its text this year Mary Shelley's *Frankenstein*, went extraordinarily well. Both the students and the faculty participating were extremely enthusiastic about the program, and great things were accomplished from the standpoint of looking at the book in a modern context. High marks were also given to the "Into the Streets" Community Service Program, which brought over 1,500 incoming students into the surrounding communities on Saturday, September 11th, during their first week on campus. Students participated in projects such as cleaning up graffiti and vacant lots, making repairs to substandard housing, painting and repairing community centers and social service facilities.

"People’s Park". The Office of Community Relations has organized a joint effort with the Penn Police, the University City Hospitality Coalition and an external agency, Horizon House, to provide on-site case management services to the homeless in People’s Park at 40th and Walnut Streets and at other locations on campus. These services include counseling and relocation of the homeless through Horizon House to residential and service facilities. Aimed at clearing People’s Park of residential occupancy, the project is seen as a possible model for other parts of the city and has already had some impact on the Mayor’s recently presented plan to deal with homelessness elsewhere in the City. The University can be very proud of the way this situation is being handled.

Town Meeting. Drs. Fagin and Lazerson hosted Penn’s first-ever electronic Town Meeting on October 4th: Dr. Fagin reported that she has requested feedback from all members of the community on this experiment; and the comments received so far have been very enthusiastic. Another meeting is planned for November.

Commission on Strengthening the Community. The Commission, chaired by Gloria
Chisum, has begun its work. Student and staff representatives have been added to the Commission and subcommittees have been formed which include additional students and staff.

**Racial Harassment Policy.** Given the experiences of the past three years and the importance of giving the Commission maximal scope in developing its recommendations, Dr. Fagin has asked the Penn community whether it feels that the time has come to suspend Penn's current Racial Harassment Policy. The proposed suspension of the policy has been presented in the *Almanac*, and the issue was vigorously and constructively debated in University Council earlier this week. Dr. Fagin has received many letters and e-mails messages on all sides of the issue. She is still encouraging people to let her hear their views even though the deadline for comments has passed. One of the things evident from the responses is that the campus sharply divided on this issue. Further, Dr. Fagin reported, the University has received notice that the EEOC is considering a proposal which calls for dealing with racial harassment as part of its code for employers. The issue has received considerable attention, and the University will be devoting considerable attention to it in the weeks ahead.

**Penn's Way Campaign.** The Penn’s Way charitable campaign for this year has begun, again to be led by Dean Farrington of SEAS, who has accepted the chairmanship of the Campaign for a second year. Dr. Fagin noted that the Campaign is an important expression of Penn’s links to the larger community.

**President’s Forum on the Environment.** The October 22nd President’s Forum will highlight Penn’s new Institute for Environmental Studies. Entitled “The Earth: Where’s the Common Ground?”, the Forum will examine successful partnerships between government, businesses, philanthropy, and academe and among a wide spectrum of academic disciplines from engineering to biochemistry to business to veterinary medicine. It will celebrate the 100th anniversary of Chemical Engineering at Penn and the establishment of the University’s Institute for Environmental Studies. The keynote speaker will be Anne Hudson Shields, Deputy Solicitor of the Department of the Interior.

**Media.** William F. Buckley’s *Firing Line* TV program will come to campus on December 3rd to tape a two-hour debate on freedom of speech issues which will be broadcast nationally on December 13th. Dr. Fagin reported that it is expected that George Will will be one of the participants. The University hopes to be able to follow the taping with an additional hour-long Pappas Forum to allow for student participation in the event. The Pappas Fund is partially supporting the *Firing Line* program.

**B. Academic Report - Dr. Lazerson, Interim Provost**

1. Comments

   **Searches.** Dr. Lazerson reported that there are currently underway five major administrative searches: the provost and president searches are proceeding apace, as are searches for a new director of the University Museum, a director of the Office of Affirmative Action, and an Athletic Director. In addition, searches will begin shortly for deans for the School of Veterinary Medicine and the Graduate School of Education.
ROTC. Dr. Lazerson is completing the process of appointing a committee to examine the current arrangements under which ROTC operates at Penn and to consider possible alternatives to those arrangements. The Committee should be in place by the end of next week, and Dr. Lazerson hopes that a report can be readied by early spring.

Visiting Committee on Undergraduate Education. The Visiting Committee, chaired by Bryn Mawr College President Pat McPherson, was on campus for two and a half days last week. The Committee was full of praise for Penn’s students and for the many hard-working faculty and staff, but they had a number of serious concerns about the delivery of undergraduate education on the campus. The University will be discussing these as a community over the next few months.

Faculty Honors. Dr. Lazerson was pleased to report that the University has obtained two federally-funded grants totaling $1.8 million through the Patricia Roberts Harris program of the U.S. Department of Education; the grant is for master’s level and Ph.D. support for minorities and women. Penn’s receiving the grants is due to the effort of Janice Madden, Vice Provost for Graduate Education; Patricia Wilson, Assistant Vice Provost for Graduate Education; and Valarie Swain-Cade McCoullum, Associate Vice President for Minority Permanence.

Finally, as had recently been announced, President Clinton has named Dr. Mary Frances Berry, the Geraldine R. Segal Professor of American Social Thought in the Department of History, to chair the U.S. Commission on Civil Rights. A member of the Commission since 1980, she will become the first woman to hold that post. The University is very proud of Dr. Berry’s achievements.

2. Action. A Resolution on Appointments, Leaves, and Promotions provided at pp. 6-22 of the meeting book was approved.

C. Financial Report - Ms. Hale

Ms. Hale presented a report on the finances of the University, the Hospital and the Clinical Practices as of September 30, 1993. As of that date, the University is projecting an unrestricted University loss of $2 million due to a General University loan to the School of Veterinary Medicine for which resources will be identified. This is after the budgeted, discretionary allocations to the Research Fund of $1.3 million and to the capital campaign of $830,000, and after the budgeted, mandated Graduate Hospital deficit amortization of $97,000. Projections are preliminary and based more on historical trend data than on year-to-date performance. The University will receive the preliminary Fall course enrollment report later in October.

On the unrestricted side, positive factors are graduate tuition, summer and special tuition, special program and fee revenue, indirect cost recovery, investment income and savings in salary, direct centers’ current expense and utility expense. Negative factors continue to be sales revenue, graduate student aid expense, General University tuition, unfunded University loan to School of Veterinary Medicine and several other expense categories.

As to unrestricted performance at the schools and centers, the School of Veterinary Medicine
is projected with a deficit of $250,000, the Graduate School of Fine Arts with a deficit of $225,000, and the Annenberg Center with a deficit of $200,000. The Graduate School of Education is projected with a surplus of $100,000 and the School of Social Work with a net surplus of $150,000. All other schools and centers are projected at breakeven performance.

On the restricted side, gift and grant and contract fund expenditures increased by 6.9% and 6.5%, respectively. Endowment Fund expenditures decreased by 0.2%. The amount available at September 30, 1993, for grant and contract expenditures is 7.5% more than at September 30, 1992.

Statements for the Hospital of the University and the Clinical Practices of the University are for the two months ended August 31, 1993. HUP’s excess of revenue over expenses was $13.1 million better than budget and CPUP’s was $631,000 better than budget for that period.

IV. Committee Reports

A. Academic Policy - Dr. Amodei

Dr. Amodei reported that the Academic Policy had held a very interesting meeting the day before chaired by Dr. Langenberg, who was unable to be present for the Stated Meeting. The meeting considered two major topics: (1) the proposed closing of three departments in the School of Arts and Sciences; and (2) Universities and Technology.

SAS Department Closings. The Committee received a report on the School of Arts and Sciences’ proposal to (1) close the departments of American Civilization, Regional Sciences and Religious Studies; (2) merge the Astronomy Department into the Physics Department; and (3) place the Department of Slavic Studies into academic receivership. The report was introduced by Provost Lazerson, who emphasized that these are the first in what is likely to be a series of recommendations that will come from a University-wide strategic planning process that has been going on for about two years. Dean Rosemary Stevens described in detail both the process and rationale behind the proposal. The process by which the School arrived at this recommendation took 18 months and involved 100 of the 475 faculty in the School. Analyzing its strengths and weaknesses, the School has sought to develop recommendations that would maintain those departments that are believed to be outstanding and consolidate those considered to be below the critical mass required for excellence. Where it is recommended that a department be closed, the faculty and staff will be reassigned and degree programs and course offerings will not be affected. The goal is to create as little disruption as possible while improving the School’s quality and efficiency. Dr. Amodei reported that the trustees were supportive of the process that led to this proposal. The School’s final recommendation should be made in two-three weeks.

Technology. The balance of the Committee’s meeting was devoted to discussion of “Computers and Telecommunications - A Revolution in Education,” a subject Dr. Amodei described as being of critical importance to the University’s future. Dean Farrington of the School of Engineering and Applied Science gave a presentation that addressed the exciting possibilities for Penn given its enormous technological know-how and interdisciplinary strengths. He also addressed the potential consequences of not taking advantage of the opportunities now
open.

Dean Farrington then described recent advances in information processing, storage and delivery (telecommunications) and how these advances will change how we access educational material. Dr. Amodei reported that Dean Farrington presented a wealth of ideas, conjectures and information demonstrating that the impact of current technological developments on how universities function and how and where faculty teach and students learn will be equivalent to that of the invention of the printing press. Penn started this revolution 50 years ago with the invention and development of ENIAC, and with its strength in engineering, science and other disciplines, it is superbly positioned to assume leadership in this field. However, if it does not take advantage of current opportunities it will not keep ahead of pack. The Committee also received a report from Mr. Mainwaring on the Museum’s efforts in this area, which it found to be a good example the progress individual schools and centers could make in this area.

Dr. Amodei recommended that Dean Farrington’s paper, “New Opportunities for Universities in the Age of Computer and Information Technology,” be mailed to all trustees so that they could all appreciate the importance of this subject. He urged that close attention be paid to maintaining Penn’s edge in this area.

B. Audit - Mr. Riepe

Mr. Riepe reported that at its meeting held on October 4th the Committee reviewed June 30, 1993 fiscal year-end financials for the University, the Hospital of the University of Pennsylvania and the Clinical Practices of the University. Coopers & Lybrand gave the University an unqualified opinion on these statements. The Committee also reviewed control items with both C&L and internal auditors, and Mr. Riepe was pleased to report that no material issues arose out of that review that require attention from this Board.

C. Budget and Finance - Mrs. Catherwood

Chairman Shoemaker noted that the minutes would reflect votes on these resolutions as Executive Committee actions.

1. Action. A Resolution on Additional Renovations to the Second Floor of the John Morgan Building for the Department of Pathology and Laboratory Medicine, Departmental Master Plan Phase I, School of Medicine was approved as follows:

In June 1993, the Trustees approved renovations to approximately 2,720 net square feet of space on the second floor of the John Morgan Building to provide modern research facilities as Phase I of the departmental master plan for the Department of Pathology and Laboratory Medicine. This project was estimated to cost $1,139,482. Based on an expanded project scope, bids now indicate that the project will cost $1,866,033. Accordingly, the University is requesting that the Trustees approve an additional $726,551 for this project. The additional project costs will be funded by the School of Medicine.
RESOLVED, that additional renovations to the second floor of the John Morgan Building for the Department of Pathology and Laboratory Medicine, estimated to cost $726,551, 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.

2. Action. A Resolution on Renovations to the Second Floor of 3600 Market Street for the Department of Anesthesia, School of Medicine, was approved as follows:

The School of Medicine proposes to renovate approximately 2,681 gross square feet of the second floor of 3600 Market Street to provide billing offices for the Department of Anesthesia. This project is estimated to cost $318,200 and will be funded by the School of Medicine.

RESOLVED, that the renovations to the second floor of 3600 Market Street for the Department of Anesthesia, estimated to cost $318,200, 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.

3. Action. A Resolution on the Purchase of a Controlled Access System, School of Medicine, was approved as follows:

The School of Medicine proposes to purchase and install a controlled access system to provide increased security in its facilities. This project is estimated to cost $350,000 and will be funded by the School of Medicine.

RESOLVED, that the purchase and installation of a controlled access system, estimated to cost $350,000, 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 actions, proceed with such purchase and installation, execute such contracts, and incur such expenses and obligations -- not, however, substantially in excess of the estimated cost of such purchase and 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.

4. Action. A Resolution on the Purchase and Installation of a 4.0 Tesla Magnet in the Swing Space Building for the Department of Radiology, School of Medicine, was approved as follows:
The School of Medicine proposes to purchase and install a 4.0 tesla magnet in the Swing Space Building to provide state-of-the-art research equipment for the Department of Radiology. This project is estimated to cost $4,025,000 and will be funded by the School of Medicine.

RESOLVED, that the purchase and installation of a 4.0 tesla magnet in the Swing Space Building for the Department of Radiology, estimated to cost $4,025,000, 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 actions, proceed with such purchase and installation, execute such contracts, and incur such expenses and obligations -- not, however, substantially in excess of the estimated cost of such purchase and 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.

5. Action. A Resolution on the Purchase and Installation of X-ray Equipment for the Department of Chemistry, School of Arts and Sciences, was approved as follows:

The School of Arts and Sciences proposes to purchase x-ray equipment for the Department of Chemistry to support its research program in synthetic chemistry. This equipment will replace two outmoded diffractometers and supporting computers. The new instrumentation is estimated to cost $438,000 and will be funded by the School of Arts and Sciences.

RESOLVED, that the purchase of x-ray equipment for the Department of Chemistry, estimated to cost $438,000, 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 actions, proceed with such purchase, execute such contracts, and incur such expenses and obligations -- not, however, substantially in excess of the estimated cost of such purchase 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. Action. A Resolution on the Establishment of a Collaborative Assessment and Rehabilitation for Elders Program of The School of Nursing which had been presented by Dean Norma Lang at the morning’s meeting was approved as follows:

The Collaborative Assessment and Rehabilitation for Elders (CARE) Program grew out of a 1989-90 interdisciplinary project to develop a program, similar to the British day hospital, that would fill a gap in existing services for older adults, reduce fragmentation of services, reduce hospital lengths of stay, and prevent unnecessary institutionalization. The CARE Program, under the auspices of the School of Nursing, aims to demonstrate the effectiveness of collaborative interdisciplinary practice in the service of frail older adults. In addition, the Program seeks to provide a rich environment for education of a variety of health practitioner students, and for research and evaluation of elder care services.
The CARE Program will be certified as a Comprehensive Outpatient Rehabilitation Facility (CORF) and thus be eligible for Medicare reimbursement. Under the Medicare reimbursement regulations, a CORF must have a governing body which assumes full legal responsibility for establishing and implementing policies regarding the management and operation of the CORF and for assuring the CORF’s compliance with all applicable laws and regulations. Because the CORF will be a division within the School of Nursing and not a separate legal entity, the Trustees of the University will be the governing body of the CORF. However, the Trustees wish to delegate management and operation of the CARE Program to the Program’s Executive Committee, subject to periodic review of the Program by the Trustees.

RESOLVED, that the Trustees approve the Bylaws of the CARE Program, which have been reviewed and approved by the Budget and Finance Committee.

FURTHER RESOLVED, that the Executive Committee of the CARE Program is hereby authorized, on behalf of the Trustees, to establish and implement policies regarding the management and operation of the Program, to assure the Program’s compliance with all applicable laws and regulations, and to take such actions as in the judgment of the Executive Committee are necessary or desirable to accomplish the purposes of the Program.

FURTHER RESOLVED, that the Executive Committee of the CARE Program shall present periodic reports to the Budget and Finance Committee of the Trustees on the status of the Program.

D. Development - Mr. Shoemaker

Mr. Shoemaker reported that as of September 30th, the Campaign for Penn stood at $1.177 billion. Since the number of chairs raised since the Campaign started has also been used as a benchmark, he also reported that that number was now 128. The Committee has set for itself a goal of raising $1.3 billion dollars by December 1994, the official end of the Campaign. If successful, Penn will set a new record among higher education institutions.

Mr. Shoemaker reported that the focus now is to meet subgoals for endowed professorships, undergraduate financial aid, minority permanence, and undergraduate education. While much work remains, he reported the Committee was confident that these goals, as well as the overall goal for the next 14 months, could be met. He concluded by noting that despite recent changes in leadership, development activities continue to be going strong. Penn ranked No. 2 among the Ivies last year in actual receipts and continues to rank No. 1 in the number of alumni gifts. He called this a great base from which to go forward and thanked the trustees for their assistance in achieving these goals.

E. University Museum - Mr. Mainwaring

1. Action. Mr. Mainwaring introduced a Resolution on the Change of Name of the
The University Museum wishes to change its official name from “The University Museum of Archeology and Anthropology of the University of Pennsylvania” to the “University of Pennsylvania Museum of Archeology and Anthropology.” The new name will both be more succinct and more clearly identify the Museum as part of the University. The Director of the Museum has consulted with tenured curators, the Associate Director and the Coordinator of Museum Services, all of whom concur that this name change will benefit both the Museum and the University.

RESOLVED, that the name of the University Museum be changed from “The University Museum of Archeology and Anthropology of the University of Pennsylvania” to the “University of Pennsylvania Museum of Archeology and Anthropology,” effective July 1, 1994.

F. External Affairs - Mr. Lauder

Mr. Lauder reported that the External Affairs Committee had engaged in lively discussion at their meeting that morning. The first speaker was Dr. Fagin, who spoke about her views on dealing with the University’s image and her recent encounters with members of the press. The Committee supports her plans to be proactive in dealing with matters of Penn’s image with press throughout the United States.

The Committee then heard a panel discussion in which David Boldt, editor of the editorial page of the Philadelphia Inquirer, along with undergraduate and graduate students, discussed “Penn - Image and Reality.” Mr. Boldt provided insight into how the outside press views Penn and the happenings here. The students then directed the discussion into an area the Committee had not intended to discuss but nonetheless became engaged in: diversity on campus. The students’ key question was, “Why don’t we practice diversity in freshman housing policies--i.e., why do the freshman dormitories encourage segregation when students want the opportunity to be together?” While this subject is not within the Committee’s purview, once it was on the table lively discussion ensued.

The second item on the agenda was a presentation on the Medical Center’s new image campaign. In preparation for various HMOs moving into the Philadelphia area and for announcement of the result of President’s health care bill, the Medical Center has embarked on a public relations and advertising campaign aimed at encouraging people to come to Penn for their secondary care and specialist needs. Mr. Lauder commended their campaign as extraordinary.

G. Facilities and Campus Planning - Mr. Tanenbaum

Mr. Tanenbaum, presenting the Facilities and Campus Planning Committee’s report for Mr. Crow, began by thanking the trustees for reelecting him for another term. He then reported
that at its meeting the day before the Committee had reviewed two items: 1) plans for 3609-11 Locust Walk and 2) Penn Space.

**3609-11 Locust Walk.** The Committee undertook what was essentially a design review of the conversion of two townhouses at 3609-11 Locust Walk to provide housing for 55 students on the Walk, in furtherance of the University’s commitment to diversification of Locust Walk. The architect was present to discuss the plans, so that if the project were to proceed with funding, the Committee would already have performed its review.

**Penn Space.** The Committee reviewed a new booklet prepared by staff that specifies procedures governing development and renovation of University structures. The Committee found the booklet excellent, and Mr. Tanenbaum observed that it would be welcomed by building sponsors, contractors, and those providing services on campus and should prove very helpful to administrators.

Finally, Mr. Tanenbaum expressed his appreciation for the trustees’ support over the past two days as the Law School’s new Nicole E. Tanenbaum Hall was dedicated.

**H. Internationalization - Mr. Palmer**

Mr. Palmer reported that the Committee on Internationalization had met the day before. They welcomed Mr. Levy as a new member of the Committee and then continued to review various aspects of Penn’s three-year internationalization plan. They heard a detailed report from Ms. Carol Farnsworth on the University’s strategic plan for international communications, the first such plan the University has had. The Committee was pleased with the report and only hoped that the University could set its sights even higher in this area. The Committee also received updates on internationalization in the academic area from Dr. Joyce Randolph and in the development area from Ms. Virginia Clark. They also heard from two more deans, Deans Farrington and Gerrity, on international programs in their schools. The Committee has now heard from all but one dean and is enheartened by their far-reaching efforts. The Committee continues to feel that internationalization is an area in which Penn can distinguish itself from peer institutions. It is far ahead of most peers in this regard and has both momentum and the commitment of University administration on its side. There is much to do, but the rewards will be great.

**I. Student Life - Dr. Chisum**

Dr. Chisum reported that at its meeting the day before the Student Life Committee had devoted its entire agenda to a student panel discussion on two issues of great importance to the campus, free speech and civility. The panel was organized and moderated by Mr. Seth Hamalian, chairman of the Undergraduate Assembly, who recruited four very articulate students who gave the Committee a good flavor of the dimensions of the discussion taking place on campus. The Committee had the opportunity for discussion and a question-and-answer session, which the Committee found informative and enlightening. Mr. Shoemaker commended the Committee for organizing this outstanding program.
J. University Responsibility - Mr. Heyman

Mr. Heyman reported that the University Responsibility Committee had met the prior day and received reports from Dr. Ira Harkavy, Director of the University’s Center for Community Partnerships, on the Center’s work, and from Drs. Walter Wales and Janice Madden on the University’s efforts to increase minority representation among its faculty and graduate students.

Center for Community Partnerships. Dr. Harkavy described how the Center for Community Partnerships has worked since its founding a year and a half ago toward increasing Penn’s community activities in ways that help improve the quality of life in Philadelphia and enhance the University’s overall mission of advancing knowledge. He described the growing pressures being exerted on universities by urban problems and how Penn is taking a national lead in rising to this challenge. The Center is helping schools throughout the University to develop new courses and seminars designed to encourage students’ inclination and ability to serve their communities. The Committee applauds the creative ways the Center is helping Penn pursue its academic mission while building community within the University and Philadelphia and trying to solve some of the problems of the larger society.

Report on Minority Faculty and Graduate Students. Deputy Provost Walter Wales reported on Penn’s recruitment and retention of minority faculty in the past academic year, exclusive of the School of Medicine. Fourteen percent of faculty hired last year are minorities. Gains in hiring African-American faculty were offset, however, by departures, so that the net gain is only one. The Committee discussed ways to increase minority faculty retention and urged the University to continue its efforts in this regard.

Dr. Wales reported that women represented 40% of 1992-93 new faculty hires across the schools.

With respect to graduate students, Dr. Madden reported on the $1.8 million grant from the U.S. Department of Education which Dr. Lazerson had described in his report, which will fund 25 minority graduate students over five years. This is evidence of Penn’s recent efforts to improve the experience minority students have here while pursuing their graduate studies.

Divestment Policy. Finally, the Committee heard Mr. Heyman’s report as Chairman on the University’s South African investment policy. The University has for many years been concerned with the propriety of making investments in companies doing business in South Africa. In 1986, after substantial review and deliberation, the Committee recommended the policy that led to the divestment from the University’s portfolio of investments in companies doing business in that country. The trustees explicitly reserved the right to revise this policy as warranted by future conditions and charged the Committee with monitoring developments toward the dismantling of apartheid in South Africa, which the committee has done on a periodic basis. The Committee is extremely encouraged by recent developments that suggest that the Republic of South Africa is finally making considerable progress towards dismantling the system of apartheid. Indeed, African National Congress leader Nelson Mandela has now asked the international community to lift economic sanctions against South Africa and has called for reinvestment in that country, as have the UN and our own country. The Committee expects many companies to accept this
invitation and hopes this reinvestment will play a constructive role in a peaceful transition from apartheid. Mr. Heyman believes the University Responsibility Committee should respond to these dramatic recent developments. After appropriate consultation, the Committee will recommend to the trustees the removal of the University’s restrictions on investing in companies doing business in South Africa.

K. Health System - Mrs. Catherwood

Mrs. Catherwood presented an overview of the School of Medicine’s entering Class of 1997. Forty-four percent of the class’s 151 members are women, 15% are underrepresented minorities (including 11% African-American) and an additional 22% are of Asian ancestry. Thirty-four percent of the class are Pennsylvania residents, and 26 states are represented.

Fifty-nine undergraduate colleges are represented, with the largest representation from Penn (28). Eleven students are from Harvard, 8 from each of Princeton and Yale, and 6 from Brown. Sixty-seven percent of the class were science majors, and 39 different majors are represented overall.

Fifteen students plan to pursue a combined M.D./Ph.D. degree. The mean GPA for the class is 3.68/4.0, which is the highest since the graduating class of 1987. While the School of Medicine does not use GPA scores as a sole indication of quality, these measures do give some notion of the continuing distinction of our students. In all, Mrs. Catherwood concluded, the entering students are an extremely talented group, and quite diverse as well.

L. Investment Board - Mr. Neff

Mr. Neff referred to the Investment Report presented in the meeting book, which showed that at September 30, 1993, the Associated Investments Fund (AIF) totaled $1.072 billion. The AIF has increased eight-fold since December 31, 1979, with an approximately $100 million net cash inflow over that period. The investment markets have therefore had a sizable influence on this appreciation. He noted that the cash position has grown to 16% of the portfolio, an unusually large percentage, although most of this amount is being set aside for dedicated purposes. Included in the 33% fixed income securities participation shown in the report was a 4% allocation to the high-yield, or “junk bond”, sector. This allocation will be increasing to 10% during the next month because, over the past several years, this sector of the marketplace appears to have been more undervalued as compared to the bond and stock markets.

The “Other” category consists of the AIF’s real estate, venture capital and distressed obligations partnership holdings, and represents a 3% allocation. This category’s participation will be growing in order to take advantage of opportunities in the distressed real estate area. Mr. Neff indicated that alternative investments could represent 10% of the AIF in the future.

As to performance, Mr. Neff reported that AIF Common Stocks had a total return of 9.6% versus 2.6% for the S&P 500 from June 30, 1993 through September 30, 1993. For the calendar year to date, common stocks have returned 22.5% versus 7.6% for the S&P 500. Since December 31, 1979, common stocks have had an annualized total return performance of 19.3% as
compared to 15.6% for the S&P 500. Mr. Neff commented that this current 370 basis point advantage is slightly below the 400 basis point edge that the Fund targets, but this spread has improved significantly after two poor years in 1989-90. He also remarked that the fixed income indices have outperformed the equity indices thus far this year, and that the Fixed Income Fund has outperformed its two benchmark indices by 110 and 160 basis points, respectively, since December 31, 1992. Since December 31, 1979, the Fund has maintained a 110 basis point advantage. Mr. Neff noted that over the next 14 years there probably would be nothing like the 16.4% annualized total return performance that the AIF has achieved since December 31, 1979.

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