Minutes of
Stated Meeting of the
Trustees of the University of Pennsylvania

June 21, 1996

A stated meeting of the Trustees of the University of Pennsylvania was held at 2:40 p.m. Friday, June 21, 1996 in Alumni Hall of the Faculty Club. Trustees present were Edward Anderson, Samuel Ballam, Lynda Barness, Judith Roth Berkowitz, Gordon Bodek, Richard Brown, Christopher H. Browne, Susan W. Catherwood, Richard Censits, Gloria T. Chisum, L. John Clark, Robert A. Fox, Bruce Graham, Mary Ann Greenawalt, Charles Heimbold, Norman P. Hetrick, Stephen Heyman, John Hover, Elsie S. Howard, Jon Huntsman, Jr, Reginald Jones, Edward Kane, Pedie Killebrew, Edwin Krawitz, Carl Kaysen, Thomas Lang, A. Bruce Mainwaring, Paul Miller, John Neff, Russell Palmer, David Pottruck, Margorie Rendell, James S. Riepe, Judith Rodin (ex officio), Adele Schaeffer, William Schawbel, Alvin V. Shoemaker, David W. Sweet, Myles H. Tanenbaum, P. Roy Vagelos, and Raymond Welsh.

Also present were E. Scott Aronow, Jennifer Baldino, Stanley Chodorow, Virginia B. Clark, Debra Fickler, John A. Fry, John Gillespie, Stephen Golding, Constance C. Goodman, Frederic Guyott, Shelley Z. Green, George W. Hain, Barbara Heyman, Jason Horger, William N. Kelley, Jaclyn LaPlaca, Amy Lipman, Marguerite Miller, Ed Resovsky, Allison Rose, Lisa Sandell, Lee Stetson, Barbara R. Stevens, Duncan W. Van Dusen, and Dilys Winegrad.

I. Call to Order - Dr. Vagelos

   A. The Rev. Frederic Guyott III offered the invocation for the meeting.

   B. The minutes of the meeting of January 19, 1996 were approved as distributed.

II. Chair’s Report - Dr. Vagelos

   Dr. Vagelos noted that it has been a great year for Penn, and he thanked President Judith Rodin on behalf of the trustees.

   Dr. Vagelos commented that Penn is reviewing the Trustee organization as a follow-up to the Trustee Ad Hoc Governance task force recommendations last spring. In particular, he stated that Trustee committees are being examined to ensure that they are focused and non-duplicative of effort. He reported two primary changes. First, the work of the Committee on University Responsibility will be folded into the work of other committees i.e. affirmative action issues will be in the purview of the Academic Policy Committee and proxy issues will be reviewed by a subcommittee of the Executive Committee chaired by Natalie Koether. Second, the charge of the Trustee Long Range Planning Council will be assumed by the Executive Committee. Dr. Vagelos noted that there may be additional changes to the committee structure in the future.
The chair reported that James Wade has recently resigned from the Board of Trustees due to business commitments elsewhere. Dr. Vagelos also reported that the terms of Stephen Heyman and John Mulroney were to conclude after 10 years of service to the University. He thanked Mr. Mulroney (in absentia) for his ongoing work with the SEAS and its board of overseers as well as for his leadership in pushing forward the IAST when it was introduced seven years ago. On behalf of the Trustees, Dr. Vagelos thanked Mr. Heyman for his dedication to the University and for his extraordinary commitment that has marked his service. The following Resolutions of Appreciation were introduced and approved with a warm round of applause.

Action........1. A Resolution of Appreciation for Stephen J. Heyman was approved as follows:

As one of the University of Pennsylvania's leading alumni in the Midwest, Stephen J. Heyman shows his devotion to his alma mater in many ways. During a decade of outstanding leadership as an Alumni Trustee and then as a Term Trustee, he has been a diligent member of the Executive Committee, the Development Committee, the External Affairs Committee, and the Long-Range Planning Council. As Chair of the University Responsibility Committee, he focused on Penn's relationships with its federal, state, and city communities, especially West Philadelphia, and on issues of affirmative action for faculty, staff, and students at Penn. During a time of transition in Penn's leadership, he made valuable contributions to the Consultative Committee on Presidential Search.

Demonstrating his broad interests in education and social services, he has given generously of his time, talents, and support across the University. He has served the School of Arts and Sciences as an Overseer since 1987 and bestowed on it the Bess W. Heyman Professorship in Demography. Recently he joined the Board of Overseers of the Nursing School. A graduate of the Wharton Undergraduate Program, he shows his commitment to the Wharton School as the donor of the Stephen J. Heyman Professorship and as a member of the Wharton Graduate Executive Board. Equally loyal to the Class of 1959, he gave generously to his Class's 25th Reunion Gift Fund and worked hard for the 35th Reunion Gift Committee.

Whether in Tulsa, where he chairs his region's Secondary School Committee for Undergraduate Admissions; in Dallas, where he enthusiastically supports Penn events; in New York, where he is a Founder of The Penn Club; or on campus, where his generosity is pervasive--he is an engaged, energetic, and enthusiastic booster of Penn life and learning.

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 gratitude to Stephen J. Heyman, for his deep and abiding care for the University in all its communities, and for the leadership and support he so willingly directs toward its continued excellence and well-being. With affection and gratitude, we look forward to his ongoing guidance and counsel in the years ahead.

Action........2. A Resolution of Appreciation for John P. Mulroney was approved as follows:
A native Philadelphian who heads an international corporation, a scientist and an engineer known for imagination and creativity, a leader who practices teamwork, John P. Mulroney continues to give the University of Pennsylvania the benefit of his broad range of talents and experience.

As a Penn undergraduate, he was elected both to the National Engineering Honor Society Sigma Tau and the Hexagon Senior Society for extracurricular excellence. With a Master's from Penn in chemical engineering, he went on to fulfill the high promise of his student days through worldwide leadership in science and business and an energetic commitment to civic, cultural, and educational organizations, foremost among them, his alma mater. Returning to Penn as a Trustee, he has volunteered his expertise over a two-term period to the Development Committee, the Facilities and Campus Planning Committee, and the University Responsibility Committee. On the Campaign Steering Committee he more than earned his Adidas for "traveling the extra mile" that helped the University exceed all its goals.

A model member of the Board of Overseers of the School of Engineering and Applied Science since 1983, he guided it successfully for eight years as its chair. In 1987, the Alumni Society of SEAS gave him its highest accolade, The Robert D. Yarnall Award. He has further strengthened the School as co-chair of the Physical Science and Engineering Project Committee, as a member of the Dean of Engineering and Applied Science Review Committee, and as a major benefactor of SEAS and the Department of Chemical Engineering. An eloquent spokesman for Penn's emerging Institute for Advanced Science and Technology, he has helped forge important links between IAST and the business community.

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 gratitude to John P. Mulroney, for bringing his gifts for both practice and theory and his high regard for people to his service as a Penn Trustee. We look forward with admiration and appreciation to his continued leadership and comradeship at the University in the years ahead.

B. Nominating Committee Report - Mr. Miller

Mr. Miller asked Mrs. Howard to describe briefly the reasons for the proposed amendment of Article 2.2(d) of the Statutes. Mrs. Howard stated that one year ago, Mr. James Riepe recommended that the trustees initiate a "smoothing" process to create a more equal distribution of the number of alumni trustees elected from year to year. The amended statute would allow for the election of three alumni trustees for each of the next three years followed by three or two alumni trustees each subsequent year. Mrs. Howard reported that on Wednesday evening, the General Alumni Society Executive Board voted to change the GAS bylaws to reflect the proposed change to the trustees' bylaws. She asked that the Board support the resolution.

Action........3. A Resolution Amending Article 2.2(d) of Statutes on Alumni Trustees was approved as follows:

Intention:
The Nominating Committee proposes that two additional "at-large" alumni trustees be elected for five year terms commencing in 1998, for a total of 16 alumni Trustees for the years 1998, 1999, and 2000. This proposed revision of the bylaws will allow for a smoother election process as alumni trustees will be elected annually with a class size of either two or three.

RESOLVED, that Article 2.2(d)(3) be amended to read as follows:

(d) Alumni Trustees: up to fourteen, except for up to sixteen in number for the years 1998, 1999, and 2000, to include:

(1) President of the General Alumni Society during his or her term in office.

(2) Regional Alumni Trustees: one from each region, up to eight trustees in number, elected by the alumni in accordance with rules established by the General Alumni Society with the concurrence of the Trustees, to serve for terms of five years, from among those persons who have received degrees from the University. A regional alumni trustee may not succeed himself or herself in office, but may be elected in another class.

(3) Alumni Trustees At-Large: up to five in number, except for up to seven trustees in number for the years 1998, 1999, and 2000, elected by the alumni in accordance with the rules established by the General Alumni Society with the concurrence of the Trustees to serve for terms of five years, from among those persons who have received degrees from the University. An alumni trustee at-large may not succeed himself or herself in office, but may be elected in another class.

Action........4. A Resolution on Reelection of P. Roy Vagelos as Chair of the Board of Trustees was approved as follows:

RESOLVED, that P. Roy Vagelos be reelected chair of the Trustees of the University of Pennsylvania for a one-year term, effective July 1, 1996.

Action........5. A Resolution on Reelection of Susan W. Catherwood and Gloria Twine Chisum as Vice Chairs of the Board of Trustees was approved as follows:

RESOLVED, that Susan W. Catherwood and Gloria T. Chisum be reelected vice chairs of the Trustees of the University of Pennsylvania for one-year terms, effective July 1, 1996.

Action........6. A Resolution on Election of Executive Committee was approved as follows:

RESOLVED, that the following Trustees be elected members of the Executive Committee for one-year terms effective July 1, 1996: Susan W. Catherwood, Gloria Twine Chisum, Robert A. Fox, Elsie Sterling Howard, Natalie I. Koether, Donald N. Langenberg, Paul F.

Action........7. A Resolution on Election of Gilbert Casellas as a Term Trustee was approved as follows:

RESOLVED, that Gilbert Casellas be appointed a Term Trustee for a five-year term, effective June 21, 1996.

Action........8. A Resolution on Election of Arnold Levine as a Term Trustee was approved as follows:

RESOLVED, that Arnold Levine be appointed a Term Trustee for a five-year term, effective June 21, 1996.

Mr. Miller commented that the Nominating Committee currently has an outstanding list of potential new trustees; however, new candidates are always welcome, and he asked the Board to forward any suggestions for trustee candidates to the Secretary.

III. President’s Report - Dr. Rodin

A. Comments

President Rodin agreed that it has been an excellent year for the University, and she thanked the Trustees for their support.

President Rodin announced that fellow trustee Leonard Lauder has given an additional $10 million to the Joseph H. Lauder Institute of Management & International Studies. The total gift of $20 million makes it the largest endowment of any international management program of its kind anywhere in the world. She explained that the gift will enable the Institute to set new standards in global management education by further developing international studies, foreign language, and cross-cultural aspects of the curriculum while advancing the Agenda for Excellence. On behalf of the students and faculty who will benefit from the foresight and benevolence of Leonard Lauder, President Rodin offered her deepest appreciation.

The president commented that she has briefed the trustees on the strategic planning process, and she noted that a full draft of the process as prepared by the Academic Planning and Budget Committee will be available for Trustee comment in the Fall.

President Rodin stated that Penn recently began a formal self-study of the athletics program for the NCAA. The study is newly required of all NCAA Division I institutions every five years for certification. She explained that the purpose of the program is to ensure integrity in the institution’s athletics operations encompassing four specific areas: academic and financial integrity, rules compliance, and commitment to equity in athletics programs. Internal committees
are analyzing Penn's athletics program and will submit reports to the president and provost in mid-December. President Rodin remarked that she intends to have a final draft of the report, including suggestions for improvement, for the trustees' review at the January 1997 meeting. Finally, a peer review team will visit Penn in April and will report back to the NCAA Committee on Athletics Certification. The president commented that Penn hopes to and expects to find areas for improvement and fully expects to be certified.

President Rodin announced the appointment of Penn alumnus John Prendergast as Editor of the Pennsylvania Gazette; he will begin at Penn in July. Mr. Prendergast is currently managing editor of Civil Engineering, the monthly magazine of the American Society of Civil Engineers. The president remarked that under the interim editorial leadership of Marshall Ledger, the Gazette staff has performed exceptionally and upheld the quality we all expect of our alumni magazine. She reported that the Council for the Advancement and Support of Education awarded a trio of medals to the Gazette in the alumni publications competition: a December feature written by Penn alumnus David Bradley won a gold for best article of the year, a silver for illustration, and a bronze for design.

President Rodin was pleased to recommend the appointment of Dr. Gary Hack, who has been selected as the next dean of the Graduate School of Fine Arts, effective July 1. Dr. Hack is currently a professor of urban design at MIT, and he is considered to be among the foremost urban designers in the world. A gifted teacher and reflective practitioner, Dr. Hack has a distinguished record of international accomplishments including the West Side Highway and Development Plan in New York, the Urban Design Plan for the North Central Expressway in Dallas, and a host of major projects in the Boston area. He is currently designing master plans for Tokyo, Taipei, and Bangkok.

Action.........I. A Resolution on Appointment of Gary Hack as Dean of the Graduate School of Fine Arts was approved as follows:

RESOLVED, that Gary Hack be appointed as Dean of the Graduate School of Fine Arts, effective July 1, 1996.

B. Academic Report - Dr. Chodorow

Provost Stanley Chodorow reported that Penn is in the process of developing a mediation center as part of the new Student Judicial System which has been approved by all four undergraduate schools. Doug Frankel, Director of Clinical Programs and conductor of the mediation training program at the Law School, is assisting with the development of the center.

The provost announced that the Vice Provost for Information Systems and Computing search committee has been formed and will be led by SEAS dean Greg Farrington. In addition, the searches for the Vice Provost for Research and the University Chaplain will conclude shortly.

Provost Chodorow reported on several faculty honors. Houston Baker, Director of the Center for the Study of Black Literature and Culture and an Albert M. Greenfield fellow, has been designated a Distinguished Fulbright Fellow, one of only 25 in the country. Ruth Patrick, Adjunct Professor of Biology, has been accorded a National Medal of Science. Phillip Tobias from the
Action........2. Provost Chodorow presented for approval the Resolution on Appointments, Leaves and Promotions provided at pages 10-34 of the meeting book. The resolution was unanimously approved.

Action........3. The provost presented a Resolution to Approve Museum Policies and Operating Procedures. He explained that the accreditation agency for museum requires that a museum's board of managers or directors approve the normal operating procedures. In prior years, the University Museum's Board of Managers approved these procedures, but their authority has been passed on to the Board of Trustees. As the Museum prepares for reaccreditation, it is necessary for the Trustees to approve the Museum Policies and Operating Procedures. Provost Chodorow stated that he has read through the Policies and Operating Procedures, found them to be in order, and recommended that they be approved. The following resolution was accordingly approved, with Thomas Lang abstaining from the vote.

Intention:

In order to manage its collections, the University of Pennsylvania Museum of Archaeology and Anthropology ("Museum") has implemented various policies and operating procedures, including those relating to acquisitions; deaccessions; collections access, use and documentation; loans; traveling exhibitions; object identification; conservation; and security. The Director and the former Board of Managers of the Museum have approved these policies and procedures. In connection with the review of the Museum for reaccreditation by the American Association of Museums, the Trustees are also required to approve such policies and procedures.

RESOLVED, that the Trustees hereby approve the Museum's policies and operating procedures with respect to management of its collections.

C. Financial Report - Mr. Fry

Mr. John Fry presented a financial report on the projections of the financial status of the University's unrestricted budget and key statistical data on the performance of Penn's restricted endowed and quasi-endowed funds, gift funds, and grant and contract funds as of May 31, 1996. The report also covers the operating services performance of the Health Services component of the University of Pennsylvania Health System for the ten months ended April 30, 1996.

Regarding the University Unrestricted budget, Mr. Fry reported that at the end of the eleven months of the fiscal year, a surplus of $25,000 is projected for the General University unrestricted operations. Collectively, the schools and centers are projected with a deficit of $2.3 million for the School of Arts and Sciences, Intercollegiate Athletics, and the Annenberg Center. The Graduate School of Education is projecting a surplus, and all other schools and centers are projected to break even.

On the University restricted accounts, restricted expenditures for the eleven month period
increased by 5.8% as compared with the same period last year. Endowment fund, gift fund, and grant and contract fund expenditures increased by 12.2%, 21.6%, and 3.4% respectively. The current balance available for grant and contract expenditures of $207 million is 8.5% higher than at this same time last year; projected on a straight line expenditure basis, the balance represents 8.5 month of expendable awards, which is about 5% higher than the eight month backlog available at this time last year.

Mr. Fry reported that for the ten months ended April 30, 1996, the Health Services generated an excess of revenue over expenses of $68.4 million. Physician Practices reported a deficit of $2.3 million, while the Hospitals had an excess of revenue over expenses of $70.7 million.

D. Health System Report - Dr. Kelley

Dr. William N. Kelley stated that with the approval at this meeting of BRB III, Phase I, the groundbreaking for the project will begin around July. Other important projects to be considered for approval at this meeting include Hill Clinical Services, representing a joint venture in primary care with the Chestnut Hill Health System, and Penn-Friends, a joint venture with Friend's Hospital in the behavioral health area. Both programs are important to Penn's expanding health system.

Dr. Kelley reported that the Health System development campaign has surpassed the $330 million mark toward the $600 million goal.

E. Admissions Report - Dean Stetson

Dean Willis J. Stetson reported that Penn continues to move forward on a number of fronts. Applications increased 5% to an all-time high of almost 16,000. The admission rate dropped to 29%, and the incoming class represents all 50 states and 55 countries. Students rank in the top 3% of their classes, one percentage point better than last year's class. SAT scores have increased from 1350 to 1357. The yield increased 2% as was anticipated, and the class size came in on target at 2,350--a decrease from 2,384 the previous year. Thirty-three percent of the incoming class are minorities or students of color, including 23% Asian and Asian-American, 6% black (from the U.S. and abroad), and about 4% Hispanic.

The dean attributed this year's success to a superb effort by alumni, the General Alumni Society and its Secondary Schools Committee, faculty, students, and administrative support personnel.

The president thanked the dean for assembling the wonderful incoming class, and she commended his staff for their efforts.

IV. Committee Reports

A. Academic Policy and Student Life - Dr. Chisum

Dr. Gloria Chisum reported on the two areas that were discussed at the joint meeting of
the Academic Policy and Student Life Committees.

First, a discussion of the 21st Century Greek Report covered the student-generated planning efforts of the three Greek umbrella organizations, representing 35 fraternities and 12 sororities and comprising 33% of the undergraduate student body, in response to the 21st Century Undergraduate Project. The presidents of the InterFraternity and Panhellenic Councils discussed the planning effort. The Bi-cultural Inter-Greek Council (or Big-C) is also an active participant in the work of the 21st Century Greek Report. Although the President of the Big-C was unable to attend the meeting because of prior commitments, Dr. Valarie Swain-Cade McCoullum, Vice Provost for University Life, is a member of a Big-C sorority, and she joined in the presentation both as a representative of the Big-C and as a partner to the work of all three campus Greek organizations. The planning to date falls into three categories: academic achievement, member support, and community service. Faculty interaction is a key component of the plan, as are required GPAs and hours of community service. All of the Greek organizations except for one are on record as supporting the planning effort.

Second, a discussion of graduate students encompassed their role in teaching, research, and residential life on campus. Ms. Kristine Rabberman, a teaching assistant; Mr. James Peterson, a residential advisor; and Professor Larry Palmer, the chair of the neuroscience graduate group in the Medical School, described the three roles of graduate students. Graduate students are often benchmarks used in evaluating graduate programs. After the presentation, the committees discussed the importance of University support of graduate students both socially and professionally. The University must consider the fact that the graduate student experience is very different from that of undergraduates when addressing the needs of graduate students.

Both of the above issues are of particular interest to the Academic Policy and Student Life Committees and will be reviewed periodically.

B. Audit Committee - Mr. Riepe

Mr. James Riepe reported that the Audit Committee covered a range of items at its meeting including a report from Managing Director of Internal Audit, Rick Whitfield, on his restructuring plan for the staff of Internal Audit. The committee was optimistic about the initiatives put forth in Mr. Whitfield's proposal. Mr. Whitfield also reviewed the activities of the 1996 Fiscal Year as well as his tentative work plan for Fiscal Year 1997. The committee will review the work plan again in the Fall. Mr. Riepe stated that the committee also heard a preliminary report from Coopers & Lybrand on the 1996 Fiscal Year; there were no items of concern regarding the preliminary report. The Audit Committee will be regularly following up on the implementation of increased internal controls throughout the University. The committee is looking forward to the July implementation of FinMIS and its significant effect on improving the financial controls at Penn.

C. Budget and Finance - Mr. Fox

Mr. Robert Fox presented sixteen resolutions to the Board for approval.
Action.............1. A Resolution on the Operating Budget for the University of Pennsylvania for Fiscal Year 1997 was approved as follows:

Intention:

The Trustee Budget and Finance Committee has reviewed the operating budget proposed for the University of Pennsylvania for Fiscal Year 1997 and recommends its approval.

RESOLVED, that the operating budget for the University of Pennsylvania for Fiscal Year 1997 recommended by the Trustee Budget and Finance Committee be and the same hereby is approved.

Action.............2. A Resolution on the Capital Budget for the University of Pennsylvania for Fiscal Year 1997 was approved as follows:

Intention:

The Trustee Budget and Finance Committee has reviewed and recommends for approval the Capital Budget proposed for the University of Pennsylvania for Fiscal Year 1997, representing estimated project costs of $492,208,000, as follows:

- Capital Renewal: $23,263,000
- Central Utilities: $15,880,000
- Code Compliance: $8,915,000
- Equipment Purchase: $5,018,000
- Information Systems: $62,797,000
- New Construction: $204,582,000
- Renovation: $171,003,000
- Other (Planning): $750,000

Individual projects within the Capital Budget costing $1,000,000 or more will be presented for approval on a project by project basis.

RESOLVED, that the Capital Budget for the University of Pennsylvania for Fiscal Year 1997, representing estimated project costs of $492,208,000, recommended by the Trustee Budget and Finance Committee be and the same hereby is approved.

Action.............3. A Resolution on the Operating Budget for the University of Pennsylvania Health System - Health Services Component for Fiscal Year 1997 for Fiscal Year 1997 was approved as follows:

Intention:

The Trustee Budget and Finance Committee has reviewed the operating budgets proposed for the University of Pennsylvania Health System - Health Services Component: the Clinical Practices of the University of Pennsylvania, Clinical Care Associates, Franklin Physician Services, Inc., the Hospital of the University of Pennsylvania, and the
Presbyterian Medical Center for Fiscal Year 1997, and recommends their approval. These operating budgets were previously approved by the Health System Trustee Board Executive Committee.

RESOLVED, that the operating budgets for the University of Pennsylvania Health System - Health Services Component for Fiscal Year 1997 recommended by the Trustee Budget and Finance Committee be and the same hereby are approved.

Action............4. A Resolution on Capital Budget Authorizations for the University of Pennsylvania Health System - Health Services Component for Fiscal Year 1997 for Fiscal Year 1997 was approved as follows:

Intention:

The Trustee Budget and Finance Committee has reviewed the capital budget authorizations proposed for the University of Pennsylvania Health System - Health Services Component: the Clinical Practices of the University of Pennsylvania, Clinical Care Associates, Franklin Physician Services, Inc., the Hospital of the University of Pennsylvania, and the Presbyterian Medical Center for Fiscal Year 1997, at an estimated cost of $72,060,000, and recommends their approval. These capital budget authorizations were previously approved by the Health System Trustee Board Executive Committee.

RESOLVED, that these itemized capital budget expenditures, estimated to cost $72,060,000, for the University of Pennsylvania Health System - Health Services Component for Fiscal Year 1997 recommended by the Trustee Budget and Finance Committee be and the same hereby are approved.

Action............5. A Resolution on Alternative Clinical Care Associates New Jersey Practice Acquisition Strategy was approved as follows:

Intention:

Management of Clinical Care Associates of the University of Pennsylvania Health System (“CCA”) proposes to cause CCA to facilitate the creation of and to affiliate with a professional corporation in New Jersey that will acquire physician practices (where it is reasonably expected that a facility license can be obtained), employ physicians and engage in the practice of medicine.

RESOLVED, that, subject to the required CCA review and approval process for practice acquisitions, CCA is hereby authorized to negotiate, execute, deliver and perform such agreements and documents, consents, certificates and instruments as may be necessary, appropriate or desirable to the creation of and affiliation with a professional corporation in New Jersey that can acquire physician practices, employ physicians, engage in the practice of medicine and otherwise work collaboratively with CCA in the implementation of CCA’s mission; and

FURTHER RESOLVED, that the Senior Executive, the Executive Director, the Senior
Medical Director, and the Director of Physician Recruitment and Network Development and each of them is hereby authorized, in the name and on behalf of CCA, to take such further action and to negotiate, execute, deliver and perform such agreements and documents, consents, certificates and instruments as such officer may determine to be necessary, appropriate or desirable to carry out the purposes of the foregoing resolution, such determination to be conclusively evidenced by the taking of such action or the execution of such documents.

**Action...............6.** A Resolution on Penn-Friends Affiliation and Joint Venture was approved as follows:

**Intention:**

The University of Pennsylvania Health System ("UPHS") desires to preserve and enhance its programs and services in psychiatry and to foster behavioral health education, research and patient care through a regional integrated delivery system.

To provide a broad range of settings for teaching and research and to balance the cost of services on managed care risk contracts, UPHS wishes to partner with a strong, efficient behavioral health organization with an excellent reputation for such services.

Friends Hospital ("Friends") operates a free standing 192-bed psychiatric hospital located in Northeast Philadelphia, with inpatient residential, partial hospital and ambulatory services, and drug and alcohol treatment programs meeting UPHS' criteria. Friends desires to develop a compatible integrated behavioral health network, including an alignment with a leading regional academic health system such as UPHS, in order to participate in managed care risk contracting opportunities and to integrate innovative research in its behavioral health services.

UPHS and Friends entered into a Letter of Intent dated July 20, 1995 pursuant to which they engaged in an exclusive business planning effort in connection with the development of a behavioral health care joint venture. They have now developed the business plan of the joint venture and desire to cause the formation of a Pennsylvania non-profit corporation with UPHS and Friends as its members pursuant to the terms of an agreement referred to herein as the "Preincorporation Agreement."

UPHS and Friends desire that the non-profit corporation, which they plan to name the Penn-Friends Behavioral Health System ("Penn-Friends"), serve as the foundation for the parties' development of a comprehensive integrated delivery system for behavioral health services in a nine county regional service area in and surrounding Philadelphia.

UPHS and Friends plan that Penn-Friends will engage in managed care risk contracting, the development of an employee assistance program, potential management agreements with other behavioral health facilities and other opportunities of mutual benefit.

In addition, UPHS and Friends desire to enter into a long-term affiliation with each
other pursuant to an agreement (the "Master Affiliation Agreement") supporting their commitments to education, research and quality patient care through the development of cooperative service arrangements and related affiliations.

UPHS, through its Department of Psychiatry at the University of Pennsylvania School of Medicine ("Department of Psychiatry") desires to enhance its academic mission and enter into a comprehensive academic affiliation agreement with Friends ("Academic Affiliation Agreement") whereby:

1. Friends will become a principal site for medical student, resident and fellowship education in behavioral health;

2. Resources at Friends will supplement and in certain cases replace teaching activities previously available through other institutions; and

3. Clinical populations and settings not available in the current curriculum will become available to the Department of Psychiatry for education and research purposes through Friends, including in-home services, ambulatory care, partial hospital, intensive out-patient services, acute and long-term residential services and various specialty programs.

RESOLVED, that UPHS is hereby authorized to negotiate, execute, deliver and perform the Preincorporation Agreement, the Master Affiliation Agreement, the Academic Affiliation Agreement and other agreements contemplated therein regarding the affiliation with Friends and the creation of Penn-Friends, in each case with such additional terms and changes and subject to such conditions as the Chief Executive Officer of the Health System and Dean of the School of Medicine ("CEO/Dean") and the Senior Vice President for Network Programs ("SVP for Network Programs") and each of them considers appropriate and in the best interest of UPHS consistent with the intent and purpose of this resolution;

FURTHER RESOLVED, that the capital amount to be authorized for the Penn-Friends transaction contemplated hereunder will be no more than $250,000 in the aggregate, with an initial capital contribution in an amount to be determined by the CEO/Dean, based on the joint recommendation of the Senior Vice President/Chief Financial Officer and SVP for Network Programs, and with additional capital amounts to be contributed periodically as deemed necessary or appropriate by the CEO/Dean, based upon the joint recommendation of the Senior Vice President/Chief Financial Officer and SVP for Network Programs, up to the aforementioned aggregate capital amount; and

FURTHER RESOLVED, that the CEO/Dean and the SVP for Network Programs and each of them is hereby authorized, in the name and on behalf of UPHS, to take such further action and to negotiate, execute, deliver and perform such agreements and
Action.........7. A Resolution on Creation of, and University of Pennsylvania Health System Investment in, Hill Clinical Services was approved as follows:

Intention:

Management of the University of Pennsylvania Health System ("UPHS") recommends approval of (i) UPHS' participation in a venture with Chestnut Hill HealthCare ("CHHC") and CHHC affiliated physicians involving the creation of Hill Clinical Services ("HCS") and (ii) UPHS' investment in HCS in an amount within the approved UPHS budget. The Health System Trustee Board Executive Committee has previously approved the participation in the creation of, and investment in, HCS.

RESOLVED, that, subject to the approval of the Chief Executive Officer of the Health System and Dean of the School of Medicine ("CEO/Dean"), UPHS' participation in the creation of, and investment in, HCS is hereby authorized and approved; and

FURTHER RESOLVED, that the CEO/Dean and the Senior Vice President for Network Programs and each of them is hereby authorized, in the name and on behalf of UPHS, to take such further action and to negotiate, execute, deliver and perform such agreements and additional documents, consents, certificates and instruments as such officer may determine to be necessary, appropriate or desirable to carry out the purposes of the foregoing resolutions, such determination to be conclusively evidenced by the taking of such action or the execution of such documents.

Action.........8. A Resolution on the Establishment of a Home Health Agency by the School of Nursing was approved as follows:

Intention:

Penn Nursing Network ("PNN"), the academic nursing practice of the University of Pennsylvania's School of Nursing, provides best practice models of community-based, family-focused healthcare services to people of all ages in a variety of settings. Advanced practice nursing services include nurse midwifery, perinatal/newborn, well-child care, pre-teen and adolescent care, family planning, women's health, primary care for children and adults, continence, gerontologic consultation, and comprehensive rehabilitation for older adults. As the academic practice of a major research school of nursing, the PNN serves uniquely to demonstrate a practice highly integrated with education and research. To more fully extend its services to consumers, PNN wishes to establish a home health agency, known as Home Health Services ("HHS"), to enable it to provide a range of specialized and generalized health care services in the home.

In order to achieve and maintain licensure and certification of HHS through the
Commonwealth of Pennsylvania, the regulations require that a governing body assume full legal authority and responsibility for the operation of the home health agency and for overseeing its management and fiscal affairs. Because the home health agency 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. However, the Trustees will delegate management and operation of the HHS to the HHS' Executive Committee, subject to periodic review by the Trustees.

RESOLVED, that the Trustees approve and adopt the Bylaws of the Penn Nursing Network Home Health Services ("HHS") which have been reviewed and approved by the Budget and Finance Committee.

FURTHER RESOLVED, that the Executive Committee of the HHS is hereby authorized, on behalf of the Trustees, to establish and implement policies regarding the management and operation of the HHS, to assure its 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 HHS.

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

Action...............9. A Resolution on the Real Estate Acquisition Process was approved as follows:

Intention:

From time to time, the University acquires real estate in the section of the City of Philadelphia known and referred to as West Philadelphia to complement and in connection with the implementation of the University's master land use plan. At times, the acquisition process is delayed because of the schedule of meetings of the Trustees or the Executive Committee. Because of the need to act expeditiously in real estate matters and to facilitate the acquisition of strategic real estate in West Philadelphia, the Administration recommends that the Trustees adopt a resolution authorizing the University's acquisition of real estate in West Philadelphia at a purchase price not to exceed $15,000,000 with respect to each specific parcel acquired, and to establish a Real Estate Acquisition Group to implement the details thereof. The members of the Group are to consist of the Chairman of the Board of Trustees, the Chairman of the Budget and Finance Committee and the Chairman of the Facilities and Campus Planning Committee, and the Executive Vice President, the Vice President for Finance and the Treasurer of the University.

RESOLVED, that the Trustees hereby authorize and approve the acquisition by the University of any real property located in the section of the City of Philadelphia known and referred to as West Philadelphia at a purchase price not to exceed $15,000,000 for each specific parcel acquired in accordance with this resolution and hereby create a body to be called the Real Estate Acquisition Group (the "Group") to which it grants the power to acquire such real estate on behalf of the University and to approve the terms and details of such acquisition;
FURTHER RESOLVED, that any officer or officers of the University, including those who are members of the Group, are hereby authorized to execute, deliver and enter into real estate purchase contracts, straw party agreements or other types of contracts on terms acceptable to the Group and not inconsistent with this resolution, and to take any other action and do such things as the officer or officers shall deem to be appropriate in connection with the acquisition of such real property;

FURTHER RESOLVED, that to the extent the acquisition of real property by the University is in accordance with the terms of this resolution, there shall be no requirement that the Budget and Finance Committee review proposals for and recommend action to the Trustees in connection therewith;

FURTHER RESOLVED, that the members of the Group shall consist of those individuals who hold any of the following offices: the Chairman of the Trustees, the Chairman of the Budget and Finance Committee and the Chairman of the Facilities and Campus Planning Committee, and the Executive Vice President, the Vice President for Finance and the Treasurer of the University;

FURTHER RESOLVED, that this resolution shall supersede and replace all inconsistent resolutions; and

FURTHER RESOLVED, that this resolution shall be deemed to be in addition to the powers granted by the Trustees in its standing resolution adopted June 20, 1980, as amended including by a resolution adopted January 20, 1995 (the "standing resolution") and such standing resolution thereby and hereby amended is hereby ratified and confirmed in all other respects.

Action............10. A Resolution on the University's Guaranty of up to $50 Million in Student Loans was approved as follows:

Intention:

In 1992, the Trustees approved the creation of a contingent liability of up to $35 million for the purpose of guaranteeing loans granted to undergraduate, graduate and professional students. The program has been important in providing funds for undergraduate financial aid packages and permitting graduate and professional schools to have a loan program available for competitive situations.

Since 1992, the University has guaranteed over $6 million of loans granted to students. To date, the program has produced loan losses amounting to only 2%, much less than the originally anticipated 10% to 15%. Furthermore, adequate reserves have been established to protect the University from operating losses.

The Administration intends to expand upon this successful program and create a new program aimed at reducing the cost of credit, streamlining the administrative process and enhancing the University's competitiveness in attracting students. The plan requires
that the University increase its contingent liability, manage the servicing process and use its negotiating ability to produce a lower cost program. The projected annual loan volume of approximately $7 million will generate a contingent liability of approximately $80 million after 13.5 years. To offset loss expectations, the University will accumulate a loan reserve more than sufficient to cover any loan losses. The Administration recommends that the Trustees authorize an increase in the contingent liability to permit student loan guaranties of up to $50 million. The Administration further recommends that the Trustees review the program after four years and approve additional amounts, if needed, at that time.

RESOLVED, that the Executive Vice President, Vice President for Finance, Associate Vice President for Finance and the Treasurer be and any one of them is hereby authorized and empowered to approve the form, conditions and terms of the guaranty agreements of up to $50 million for student loans, and to execute and deliver on behalf of the University any such documents, such execution and delivery to be conclusive evidence of approval thereof by the officer executing them.

**Action:**..............11. A Resolution on the Construction of the Biomedical Research Building III, Phase I, for the School of Medicine was approved as follows:

**Intention:**

In March, 1996, the Trustees approved the construction of Biomedical Research Building II, a fourteen story facility, to provide modern facilities for the continued growth of the School's research programs. The scope of that project included the fit-out of five floors of laboratory and support space.

The School of Medicine now proposes to fit-out three additional floors of laboratory space as Phase I of Biomedical Research Building III. This phase also includes mechanical infrastructure and the construction of the east wing auditorium, seminar rooms, bridges, a shelled vivarium and a faculty lounge. After this phase, three laboratory floors and the fit-out of the shelled portion of the vivarium will remain to be completed. The project is estimated to cost $27,605,000 based on bids, and will be funded by the School of Medicine.

RESOLVED, that the construction of Biomedical Research Building III, Phase I, estimated to cost $27,605,000 million, 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 work, execute such contracts, and incur such expenses and obligations -- not, however, in excess of 110% of the estimated 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.

**Action:**..............12. A Resolution on the Renovation of the Property at 3432-36 Sansom Street was approved as follows:

**Intention:**
The University proposes to renovate the property at 3432-36 Sansom Street (the "Property") for occupancy by a tenant proposing to operate a restaurant. The work will include the complete interior renovation of the basement, first floor and mezzanine of the three buildings comprising the Property, the construction of a glass enclosed and roofed dining terrace, new and upgraded utility service and sprinkling of the entire Property. This project is estimated to cost $1,610,000. The cost of the project will be paid from the University's general revenues and recovered from future rent payments.

The University has entered into a Lease Agreement for the restaurant space in the Property with a tenant who proposes to operate a restaurant under the name "Restaurant La Terrasse" and who shall be obligated to provide, at the tenant's own cost, kitchen equipment, interior furnishing, decoration, signage and other amenities necessary to operate the restaurant.

RESOLVED, that the renovation to the property at 3432-36 Sansom Street, estimated to cost $1,610,000, 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 renovation, execute such contracts, and incur such expenses and obligations -- not, however, in excess of 110% of the estimated 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.

Action.............13. A Resolution on the Renovation of Charles Addams Fine Arts Hall for the Graduate School of Fine Arts was approved as follows:

Intention:

The University proposes to create fine arts studios and related facilities in the former Asbury Church building at 3317 Chestnut Street, known as the Charles Addams Fine Arts Hall. The project includes repairing the building's stone shell, replacing the roof system, installing new electrical, mechanical and fire protection systems, making the building ADA accessible, and constructing a third floor. As part of this project, the studio facilities at 100 South 33rd Street will be upgraded. The project is estimated to cost $6,870,000 based on bids, and will be funded by gifts and a University loan.

RESOLVED, that the renovation of Charles Addams Fine Arts Hall and related work, estimated to cost $6,870,000, 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 work, execute such contracts, and incur such expenses and obligations -- not, however, in excess of 110% of the estimated 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.
Action.............14. A Resolution on the Installation of Chilled Water Distribution Piping was approved as follows:

Intention:

The University proposes to install two 30 inch chilled water lines in the 38th Street roadbed between the Module 6 Utility Plant, located at 38th and Walnut Streets to the site of the Biomedical Research Building II/III on Curie Boulevard. The lines will cross Walnut and Spruce Streets and connect with the chilled water lines at Spruce Street and Hamilton Walk. The chilled water will be used to cool BRB II/III, provide reliable and flexible operation of the utility distribution system and service the cooling needs of new facilities in the vicinity of 38th Street. The project is estimated to cost $5,353,000 based on bids, and will be funded by central University resources.

RESOLVED, that the installation of chilled water distribution piping, estimated to cost $5,353,000 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 work, execute such contracts, and incur such expenses and obligations -- not, however, in excess of 110% of the estimated 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.

Action.............15. A Resolution on Position Discontinuation and Staff Transition Plan was approved as follows:

Intention:

The University's Position Discontinuation and Staff Transition ("PDST") Policy (the "Policy") was designed and implemented, effective August 15, 1995, to provide transitional support for employees whose jobs are discontinued.

RESOLVED, that the Trustees hereby approve the adoption of the Position Discontinuation and Staff Transition Plan (the "Plan") which is in support of the Policy, effective August 15, 1995, and revised effective January 1, 1996; and

FURTHER RESOLVED, that the Trustees hereby confirm the appointment of the Vice President for Human Resources, to administer the Plan pursuant to the terms and conditions of the Plan; and

FURTHER RESOLVED, that the appropriate officers of the University are hereby authorized and directed to take such actions and execute and deliver such documents as they, in consultation with legal counsel, may deem appropriate, necessary or convenient to effect this resolution; and are hereby authorized to make such further modifications to the Plan as they deem necessary or appropriate to comply with applicable legal requirements, facilitate administration or fulfill the purposes of the Plan.
Action.............16. A Resolution on the University's Guaranty of Worker's Compensation Obligations of Subsidiary Corporations was approved as follows:

Intention:

Pursuant to a resolution of the Trustees adopted in September, 1994, the University's Workers' Compensation Insurance is provided on a self-insurance basis with a Letter of Credit as security for the payment of workers' compensation claims. This self-insurance program is being expanded to cover the employees of various subsidiaries of the University, including University City Associates, Inc., Clinical Care Associates, Inc., Franklin Physician Services, Inc. and others. As a condition of expanding the self-insurance program to cover the University's subsidiaries, the Commonwealth of Pennsylvania requires that the University guarantee the workers' compensation liabilities of University subsidiaries covered by the self-insurance program.

RESOLVED, that the Executive Vice President or any other appropriate officer of the University be, and they hereby are, authorized from time to time in the name and on behalf of the University to execute and deliver instruments whereby the University shall guarantee the payment by any one or more of the subsidiaries of the University (including within the term "subsidiaries of the University" any and all companies or corporations which corporations are controlled directly or indirectly by the University) of all compensation payable to employees, dependents or others entitled thereto, or legal representatives thereof, under the Workers' Compensation Act, as amended, such guaranty to be in such form as the duly constituted public authorities of the Commonwealth of Pennsylvania shall require and the officers executing same shall approve.

D. Development - Mr. Shoemaker

Mr. Alvin Shoemaker noted that the highlights of the year in fundraising thus far have been three gifts of $10 million, bringing the total to $160 million, 13% ahead of last year's total at this time. Mr. Lauder's gift to the Lauder Institute, Roy and Diana Vagelos' gift toward the IAST, and William and Louise Meiklejohn's gift to undergraduate scholarships at Wharton have all met a clear and critical need. Mr. Shoemaker also reported that Annual Giving Programs are projected to reach $18 million, with the Penn Fund closing at $7 million; $40 million was added in new gifts for endowment, bringing the total endowment almost to the $2 billion mark; $3.4 million was raised for the Perelman Quadrangle; and a record $18 million was raised toward undergraduate financial aid. Mr. Shoemaker remarked that these recent gifts and surpassed goals bode well for the future as Penn begins its Agenda for Excellence.

E. External Affairs - Mr. Bodek

Mr. Gordon Bodek, reporting on behalf of Mr. Lauder, the chair, announced that Mr. Kenneth Wildes has been appointed as the new director of University Communications, effective July 1. The committee discussed the continuing challenge to elevate Penn's image even further as a national and international institution and to define clearly communication goals and targets. Trustee committee members stressed the importance of positive institutional stories in addition to
the many mentions which Penn faculty already receive. Mr. Bodek noted that the recommendation was made to explore the idea of developing strong and creative advertising in selected national press as a new approach to increasing Penn's visibility. Federal and commonwealth funding issues were also discussed and the possible development of an aquaculture site at the former Navy shipyards involving the Vet School, Wharton, and SEAS was highlighted.

Mr. Bodek noted that Mr. Lauder announced that the search for the new station manager of WXPN is underway and that the need for more formal and increased opportunities for student interns will be part of the charge to the new manager. Mr. Bodek remarked that the committee looks forward to meeting with the new WXPN manager and the new Pennsylvania Gazette editor, Mr. Prendergast, soon after their arrivals on campus.

F. Facilities and Campus Planning - Mr. Tanenbaum

Mr. Myles Tanenbaum reported that the committee met for four hours on Wednesday evening to review recent and planned facilities acquisitions and discuss planning priorities. The meeting afforded the trustee committee members the opportunity to discuss their ideas and concerns; however, the subjects under consideration are a work-in-progress, and much more thought and professional input is needed before providing the Trustees with an articulate presentation of the program. Mr. Tanenbaum hoped that segments of the program and/or an overview providing context of the program could be presented at the October trustees meeting.

G. Internationalization - Mr. Palmer

Mr. Russell Palmer reported that the Internationalization Committee reviewed the Provost's statement on implementing the international goal of Penn's Agenda for Excellence, heard a report on the Second Annual Provost's Conference on International Education and Research, heard interim reports on the schools' programs in international education and research, and followed-up on the 1992 Report of the Trustee Internationalization Committee. Mr. Palmer observed that there is some room for improvement in certain areas; for example, some programs are lacking funding and very few international trustees have been added to the Board recently. Overall, the committee concluded that great progress has been made toward internationalizing Penn.

H. Investment Board - Mr. Neff

Prior to hearing Mr. Neff's report, Dr. Vagelos reported briefly on the history of the management of the endowment. In 1980, Mr. Paul Miller asked Mr. Neff to manage the equity portion of the endowment; Mr. Neff agreed to manage the equity portion of the $200 million endowment without charging any fees. Shortly thereafter, Mr. Miller recruited Mr. Richard Worley to manage the fixed income portion of the endowment at no cost to the University. In 1991, Mr. Worley recruited Mr. Steve Esser to manage a high yield component of the endowment, also at no cost. Similarly, Mr. Tanenbaum was invited to manage real estate investments in 1992. Since Mr. Tanenbaum has been involved in the management of real estate, total commitments to real estate have risen from $14 million to over $175 million. Under this
structure, Penn's endowment has grown from $200 million to nearly $2 billion with a total annual return of nearly 16%, far outperforming other standards. Dr. Vagelos commended the outstanding job done by all of Penn's investment managers, and he noted that their willingness to manage without fees has saved the University over $70 million. The chair thanked Messrs. Neff, Worley, Esser, and Tanenbaum for their enormous contributions and saluted Mr. Miller for organizing the tremendous effort. The Board expressed their gratitude to these individuals with a warm round of applause.

Mr. Neff reported that Penn is in the process of transferring his responsibility to outside advisors, and he asked Mr. Miller to report on the progress of the transition. Mr. Miller noted that Mr. Neff has agreed to continue to manage the Equity Fund until the end of calendar year 1996. In early 1995, the Investment Board began to discuss what management philosophy Penn should take; Mr. Miller described it as a "value-oriented" philosophy as opposed to a "growth-oriented" philosophy. A number of individuals were interviewed at that point, and Penn hired Sanford C. Bernstein & Co. on a trial basis to manage $75 million on a global basis. Since then, Penn has augmented Sanford Bernstein with an additional $200 million in a domestic value account. Penn has also hired a Chicago firm, Brinson Partners, to manage $200 million. As such, these two firms manage the "core" of the equity portfolio. Anxious to move some money into the international arena, Penn hired two international managers for a total of $150 million in equities: GMO in Boston and Silchester International Advisors in London. Finally, as of yesterday, Penn hired two "less diversified" managers, Iridian Asset Management and Southeastern Asset Management, who will handle $150 million in total. Mr. Miller stated that Penn is on target for moving the management of its money to the outside by the end of the year. On the fixed income side, Mr. Worley and Mr. Esser have expressed willingness to continue managing on a pro bono basis for at least two more years, and he hopes that the Investment Board will review their performance and recommend that they continue in their capacity. Mr. Miller added that the Investment Board is cognizant of the fact that Mr. Worley serves as a trustee, and he noted the importance of maintaining an independent eye on performance.

Mr. Neff asked the members of the Board to turn to the Investment tab at the back of the meeting book, and he noted the present asset allocation. The domestic and international equity allocation is currently at 54% as compared to 58% in 1979. He noted that the high yield, or junk bond, portion of the portfolio is currently at 12%; although this is a riskier investment, the current return tends to be 300 to 350 basis points better providing a total return of 15.5% for Penn from inception to May 31, 1996 (approximately 40 basis points better than the standard and 400 basis points better than if invested in straight bonds). Mr. Neff also noted that Penn has performed well on the common stock returns at 19.3% since December 31, 1979 versus 16.9% for the Dow Jones Industrial Average and 16% for the Standard & Poors 500. Mr. Neff stated that the return of 16-16.9% is not sustainable over the long haul.

Mr. Neff also drew attention to current market values of the AIF at almost $1.5 billion and the total endowment nearing the $2 billion mark.

Action.............1. A Resolution on Appointment of the Investment Board was approved as follows:
RESOLVED, that the following persons be elected as members of the Investment Board of the Trustees of the University of Pennsylvania for a term of one year, effective July 1, 1996 and until their successors are elected or appointed and qualified: Christopher H. Browne, Carol B. Einiger, Joseph B. Glossberg, Richard A. Hopkins, Paul F. Miller, Jr., John B. Neff, James S. Riepe, Myles H. Tanenbaum, and Richard B. Worley. John B. Neff will serve as Chairman of the Investment Board.

I. Alumni Report - Mrs. Howard

Mrs. Howard stated that she is looking forward to the Pennsylvania Gazette's continued success under the stewardship of its new editor. She hopes that the magazine will grow as an enhanced vehicle for communicating timely information to alumni about the University. The General Alumni Society ratified multiple changes to its bylaws which will be published in the Gazette. Mrs. Howard announced that six Alumni Awards of Merit would be awarded at a gala dinner on November 1st as part of an enhanced homecoming weekend. Finally, in accordance with concerns expressed at the meeting, Mrs. Howard asserted that the Alumni Nominations Committee will proactively seek stellar international candidates for future trustee positions.

V. Appointments to Overseer and Other Boards

Action......A. A Resolution for Filling Vacancy in the Membership of the Trustee Board of Clinical Care Associates and Appointing Dr. Edward W. Holmes to the CCA Board was approved as follows:

Intention:

Section 4.06 of the Bylaws of the Clinical Care Associates of the University of Pennsylvania Health System ("CCA") requires that the Chairman of the University Trustee Board appoint members to the Board of Trustees of CCA to fill vacancies in the Board membership after consultation with the Chairman of the Health System Executive Committee, the President of the University, and the Chief Executive Officer ("CEO") of the Health System, with the concurrence of the University Trustee Board. With the impending departure of Dr. Michael T. Mennuti from the Board with the conclusion of his tenure as Chair of the Clinical Practices Executive Committee, there is a single vacancy on the Board of Trustees of CCA.

The Chairman of the Health System Executive Committee has identified Dr. Edward W. Holmes, Chair of the Department of Medicine and Chair-Designate of the Clinical Practices Executive Committee, as a superb candidate for the Board of Trustees of CCA, and has consulted with the CEO of the Health System about the possibility of Dr. Holmes’ serving as a member of the CCA Board, and believes that the Health System would benefit greatly from having Dr. Holmes assume this position. In this capacity as a member of the CCA Board, he would serve with the already existing Board members as follows:

Robert E. Cawthorn (Chairman)
Robert J. Butera, Esquire
Joel W. Eisner, M.D.
RESOLVED, that Dr. Edward W. Holmes be appointed as a member of the Board of Trustees of Clinical Care Associates to fill a vacancy in such Board, effective July 1, 1996.

Action......B. A Resolution for Approval of the Membership of the Trustee Board of the Clinical Care Associates of the University of Pennsylvania Health System was approved as follows:

Intention:

Whereas, section 4.02 of the Clinical Care Associates of the University of Pennsylvania Health System ("CCA") Bylaws provides for review and approval of the membership of the Trustee Board of CCA by the Health System Executive Committee and the University of Pennsylvania Board of Trustees;

RESOLVED, that the University of Pennsylvania Board of Trustees approves the membership of the Trustee Board of Clinical Care Associates of the University of Pennsylvania Health System consisting of the following members:

Robert J. Butera, Esq.
Robert E. Cawthorn (Chairman)
Joel W. Eisner, M.D.
Edward W. Holmes, M.D.
Mark A. Kelley, M.D. (Ex-officio)
William N. Kelley, M.D. (Ex-officio)
John C.S. Kepner, Esq. (Ex-officio)
Anthony S. Minisi, Esq.
Paul H. Rogers, M.D.
John P. Wynne, Jr. (Ex-officio)

Action......C. A Resolution on the Appointment of Sara Senior as Chair of the Board of Overseers of the University of Pennsylvania Museum of Archaeology and Anthropology was approved as follows:

RESOLVED, that Sara S. Senior be reappointed Chair of the Board of Overseers of the University of Pennsylvania Museum of Anthropology and Archaeology for a three-year term beginning July 1, 1996.

Action......D. A Resolution on the Appointment of Gregory Maslow and Jay Weitzman to the
Board of Overseers of the University of Pennsylvania Museum of Archaeology and Anthropology was approved as follows:

RESOLVED, that Gregory Maslow and Jay Weitzman be appointed to the Board of Overseers of the University of Pennsylvania Museum of Anthropology and Archaeology for three-year terms, effective June 21, 1996.

**Action......E.** A Resolution on the Reappointment of Robert Bass and Criswell Gonzalez to the Board of Overseers of the University of Pennsylvania Museum of Archaeology and Anthropology was approved as follows:

RESOLVED, that Robert Bass and Criswell Gonzalez be reappointed to the Board of Overseers of the University of Pennsylvania Museum of Anthropology and Archaeology for three-year terms, effective June 21, 1996.

**Action......F.** A Resolution on the Appointment of Michael Wert to the Board of Overseers of the School of Nursing was approved as follows:

RESOLVED, that Michael Wert be appointed to the Board of Overseers of the School of Nursing for a three-year term, effective June 21, 1996.

**Action......G.** A Resolution on the Appointment of James Dunning, John Shoemaker and Mark Werner to the Athletics Advisory Board was approved as follows:

RESOLVED, that James Dunning, John Shoemaker, and Mark Werner be appointed to the Athletics Advisory Board for three-year terms, effective June 21, 1996.

There being no further business to come before the board, the meeting was adjourned at 3:30 p.m.

Respectfully submitted,

Barbara R. Stevens  
Vice President and Secretary of the University