Tuition Up 5.9% . . . Salary Pool Increase 2.5%

With the FY 1994 budget still in a preliminary stage—and a $6 million gap to close even assuming a planned deficit of $18.5 million for the Vet School—the Executive Board of Trustees locked up the tuition element Friday by voting...

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

A table showing breakdowns of tuition, general and other fees appears below. On page 10, as part of a five-page presentation of the preliminary budget for FY1994, are tables comparing Penn and other Ivy tuitions and tracing the history of tuition and fees at Penn.

One new item in student costs is a Wiring Project Charge of $70, as Penn prepares to wire the residence halls for access to PennNet and cable television over the coming several summers. (See footnote to table below; the project known as ResNet is to be described more fully in a future issue.)

Salaries: At an open meeting for faculty and staff on Wednesday, Provost Michael Aiken announced that the increase to the central salary pool for faculty and staff will be 2.5%, indicating a potential range in raises of 2% to 4%—but with a dollar cap of $2000 for administrators, so that funds can be available to relieve the lowest-paid positions.

For faculty, the deans have access to the pool increase of 2.5% plus the Provost’s discretionary fund reserved to cover promotions, equity and competitive issues in the schools, but with a proviso that for raises above 4%, deans lose access to the Provost’s fund. (For more on salaries, see page 9.)

As noted in The Daily Pennsylvanian’s Friday correction, the figure they gave Thursday—6.5%—was not correct.

Other budgetary decisions, detailed in pages 6 through 10, include continuing need-blind admissions, honoring the new Mayor’s Scholarship agreement, maintaining development staff at campaign levels to sustain fund-raising efforts into the future, and investing in Project Cornerstone as a campus-wide upgrade of technology for more cost-effective operations.

Commonwealth Funding: In his presentation Friday to the Trustees Committee on Finance, Paul Cribbins of Commonwealth Relations discussed the uncertainties still attending Penn’s allocation in the current (FY1993) budget. Supplementary bills are now under discussion in Harrisburg and three of the four legislative

(continued next page)
Restructuring the University III:

Charge of the Cost-Containment Oversight Committee

Last month in Almanac (February 23), I announced the appointment of a joint faculty-administration committee to oversee our continuing efforts to reduce the University’s administrative cost base by 15% over the next few years. This effort will involve achieving greater efficiency in our administrative processes and reducing the overhead cost of all of the University’s academic and support functions. The goal is to achieve higher quality at lower cost, but the effort should not require sudden or unplanned cuts in faculty or staff positions. It is, however, a difficult and complex task in which all parts of the University will be involved: administrative units, faculty, academic programs and departments, and deans throughout the University’s 12 schools, as well as all of Penn’s non-academic resource centers, administrative areas, and support functions. As I indicated earlier this semester (Almanac, January 12), it is also a challenge that Penn must meet in the years ahead regardless of whether the University’s Commonwealth appropriation is restored, whether there is a general improvement in the economy, or whether the University administration in Washington brings with it a greater appreciation of the important role of American higher education.

The Cost-Containment Oversight Committee is charged to advise the President and the President’s Advisory Group (composed of the deans and senior administrators) on issues and administrative processes that we should examine in our re-engineering efforts. The Committee will also monitor the progress of the full range of our continuing efforts to reduce administrative costs. Among these are the Total Quality Management Teams (now numbering more than 20) at work in many administrative areas and several of the schools; process re-engineering teams (each headed by a dean and a senior administrator) that will be reworking such fundamental administrative pro-cesses as procurement, personnel and payroll, and budgeting; Project Cornerstone (a modernization of management information systems which I will discuss in a future issue) and the use of new technologies to improve efficiency and productivity; and efforts to identify new sources of revenue (e.g., revenue-producing use of facilities during the summer months).

The Committee will be co-chaired by the Provost and Executive Vice President who are administratively responsible for our cost-containment efforts. As co-chairs, it will be their responsibility to ensure a continuing dialogue between the President’s Advisory Group and the Cost-Containment Oversight Committee and to arrange for the two groups to meet together as needed. The Committee shall have a fixed term of two years, expiring at the end of the Spring Term 1995, at which time the need for the continuation of the Committee will be reexamined.

Caucuses that influence the outcome have already adopted positions that favor some form of relief for Penn and other state-aided institutions this fiscal year, but the fourth is undecided.

Actions: The trustees approved and welcomed the appointments of Janet Hale as Executive Vice President, effective immediately, and Virginia B. Clark as Vice President for Development and Alumni Relations, effective July 1.

They also approved funding for renovations and improvements in the John Morgan Building: exterior improvements at King’s Court; and, in a planned “residential maintenance showcasing,” interior improvements for King’s Court, English House, Harrison House and Quad East. Other resolutions approved sales of properties including one bequeathed by Elt Kirk, III, to benefit the Morris Arboretum.

In the absence of John Neff of the Investment Committee, Trustees Chair Alvin Shoemaker reported Penn’s portfolio again outperforming the major indices: Penn’s AIF Equity Fund, for example, appreciated 8.4% against the Dow-Jones 5.3% and Standard & Poor’s 4.7%.

Council: Action on Pluralism Committee, Electronic Ethics

At the March 17 meeting of the University Council, tributes to the late Dr. Robert E. Davies were made by all five of the leaders who give initial reports at each session (the President, Provost, Senate Chair, and chairs of GAPSA and UA), and President Sheldon Hackney went on to announce the adoption of the changes Dr. Davies had spearheaded for the Guidelines on Open Expression (Almanac March 16). The Provost noted that Dr. Morris Mendelson has agreed to take the chair of the Just Cause Task Force whose work is still in progress.

Also in the President’s report: Commissioner John Kuprevich is forming a search committee for the victim support post held until last term by Ruth Wells, and (in response to query) the Senate has sent him its names for the Provost’s Search Committee but its appointment awaits its own selections shortly. Dr. Hackney reviewed progress on recent issues that came before Council:

Bike Policy: On Step 1 (increasing bike racks), the number is up from 910 to 3090. Step 2 (registration of bikes to reduce theft and help in recovery) is beginning, with 750 registered so far. He asked Council to advise when to tackle Step 3, limiting use of certain pedestrian ways to the appearance of “third class citizenship” for staff on snow days such as Monday, March 15, when classes were canceled but the University was open. Adequacy of the 898-MELT message (which the Provost said was supposed to have made clear the forgiveness of staff absence if

The Cost-Containment Oversight Committee

Michael Aiken, Provost (co-chair)
Marshall E. Blume, Howard Butcher Professor of Finance
Claire M. Fagin, Professor and Dean Emeritus of Nursing
Gregory Farrington, Dean, School of Engineering & Applied Science
Raymond Fonseca, Dean, School of Dental Medicine
Thomas Gerrity, Dean, The Wharton School
Steve Golding, Executive Director, Resource Planning and Budget
John Wells Gould, Acting Executive Vice President (co-chair)
Patrick Harker, Professor of Decision Sciences
Marvin Lazerson, Dean, Graduate School of Education
Rick Nahm, Senior Vice President for Planning and Development
Lee D. Peachey, Professor of Biology

— Sheldon Hackney, President
Incidents in February

This is the February monthly report from the Judicial Inquiry Office which will appear in The Daily Pennsylvanian, Almanac, The Graduate Perspective and The Vision and is to inform the University community at large of the types of complaints brought to this office in any given month during the academic year. The information is presented in aggregated format, by complaint type. The number of complaints is indicated by Year to Date (YTD) as well as for the immediately previous month. The number of withdrawn or dropped complaints are noted, as well as those for which an informal settlement was negotiated, and for which the investigation is still pending.

It is important to recognize that there are certain artifacts in the data as presented. First, with any given complaint, there may be more than one respondent and different outcomes/ charges per respondent. Therefore, while the current total number of complaints is 86, the total number of respondents is 119. Secondly, with any given complaint, there may be multiple charges per complaint or per respondent. Thus, while the current total number of complaints is 86, the total number of potential charges is 144. Thirdly, during the process of an investigation of a complaint, additional respondents and/or charges may be added. So, while the current number of respondents is 119 and the current number of potential charges is 144, both of those numbers may change as any investigation progresses and draws to a close. And lastly, as an investigation comes to a close, a complaint may be dropped/withdrawn due to lack of evidence to support the complaint, the complaint type may change, or the complainant may withdraw his/her complaint. Therefore, while there are currently 41 potential charges pending, this number does not indicate that all these charges will result in settlements, nor does it indicate that if a settlement is achieved the charges will be the same as the original complaint.

If anyone has any specific questions regarding the data presented in the chart, please contact the Judicial Inquiry Office at 898-5651. We will gladly answer your questions to the best of our ability.

— Catherine C. Schiffer
Interim Judicial Inquiry Officer

### OFFICE OF THE JIO

#### Judicial Inquiry Office Incident Report for February, 1993

<table>
<thead>
<tr>
<th>Type of Complaint</th>
<th>YTD¹</th>
<th>Number Reported²</th>
<th>Number Withdrawn³</th>
<th>Number Settled⁴</th>
<th>Number Pending⁵</th>
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<td>Other violations</td>
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<td>41</td>
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</table>

¹ YTD stands for Year to Date. These figures indicate the number of complaints which have been reported to the JIO from September 1, 1992 through February 28, 1993.

² Number Reported refers to the number of cases which came to the attention of the Office of the JIO during this month only. Cases come to the attention of this office by one of three main sources: a copy of a University of Pennsylvania Police report is forwarded to us, a copy of an incident report is forwarded to us from one of the University residences, or a complainant comes directly to this office to file a complaint.

³ Number Withdrawn refers to those complaints for which either the complainant has decided to withdraw the complaint or the Office of the JIO determines through its investigation that there is not enough evidence to determine guilt. There is, therefore, no action in the case.

⁴ Number Settled refers to those complaints for which an informal settlement has been reached through the Office of the JIO. An informal settlement indicates an admission of guilt of the complaint and sanctions have been determined and imposed by the JIO.

⁵ Number Pending refers to those complaints for which the investigations were not completed at the time of this report. This occurs due to 1) time when complaint was received in the Office of JIO (i.e., late in the month), 2) discovery of need for further investigation, 3) difficulty in contacting people involved in complaint, 4) scheduling problems.

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**Anniversary of a Sit-In: April 2-3**

As part of the 20th-anniversary celebration of “Women Making a Difference at Penn,” members of the April 1973 “Stop-Rape” sit-in will return to campus to join current faculty, staff and students for two events:

**Friday, April 2:** Robin Morgan, the author and Ms. magazine editor who spoke here on the eve of the 1973 rally that turned into a sit-in, will speak at 7:30 p.m. in Meyerson Hall/B1 and sign her latest book at a reception that follows. The event is free and requires no registration.

**Saturday, April 3:** In an all-day program, all three of Penn’s Victim Support specialists (Yvonne Haskins, Jayne Rich and Ruth Wells) and other 1973 protesters who designed the innovative campus post, will return to talk about the past and future. Registration forms are available at the Women’s Center, Ext. 8-8611; fees are $10 or $5 for students and retirees, but donations will fund participants in need.
Readability of Sanctions

Both Professor Ross and Professor Klide (Speaking Out March 2) could evidently read the “Proposed Procedures Governing Sanctions Taken Against Members of the Faculty” (Almanac Supplement, February 9). Of course, we have to remember that both Ross and Klide are used to this kind of thing: Ross “made major contributions” to the document he is objecting to and Klide is chair, VCAF R. But the faculty-member-in-the-street (Professor FITS), can he/she read it? My feeling is that FITS can’t.

In the document in question, the text must have been written by a lawyer. It’s mostly legalese. We even have a tribunal. Wasn’t there a tribunal at Nuremberg? Is plagiarism a war-criminal? And then we have flow sheets to help us (pages of them), with arrows and lines going all over the place, and boxes and not-quite boxes that those arrows and lines end in. So, FITS would need a lawyer and a consultant, each charging about $400 an hour, to help him/her read the procedures. And then how would we know they had read it right?

FITS would have to turn to another lawyer and consultant. ad infinitum. Only a very rich person could afford these procedures.

I am sure the task force committee worked very hard to come up with these new procedures. But the cure they have come up with is worse than the disease.

— Daniel R. Vining, Jr.
Associate Professor of Regional Science

From Caution to Outright Alarm

The proposal on sanctions (Almanac February 9) has many defects of which I list 12 for now:

(1) removal of the 12 Schools' disciplinary autonomy with a consequent reorganization of the entire university;
(2) immense increase in the powers of the president, including powers now reserved to the Trustees, and power to review procedures and return cases to tribunals;
(3) having the three Chairs select tribunals and their chairs to try cases, and then join with the President in revisions of tribunal penalties and procedures;
(4) allowing for an increase in penalty from that recommended by the tribunal trying the matter;
(5) removal of presently available faculty appeals, including trial by the School faculty and appeal to the Trustees in cases of suspension or termination;
(6) vast increase in the sorts of offenses (from racial and gender charges to experiment-protocol deviations and criminal convictions) that can be escalated into a termination case;
(7) no protection against self-incrimination when a faculty member cooperates in an informal inquiry and then has papers and statements used against him/her in “just cause” trial;
(8) no formal targeting notice when a person has come under official inquiry and a case is being assembled, with “alerters” allowed to block informal settlements;
(9) no appeals to Trustees or one’s School for faculty suspended or terminated by decision of the President and the three Chairs;
(10) turning the Senate Chair(s) into a judicial office, more properly SCAF R’s;
(11) reversal of the threshold question before a just cause trial, from “Would the charges, if true, amount to just cause for sus-pension or termination?”, a point on which administration had to convince the Academic Freedom Committee, to “ Might the charges, if true, amount to just cause...” in which case the tribunal has to go ahead to a trial— with no appeal on such a ruling;
(12) making no provision for sanctions against academic administrators to redress invasions of the academic freedom of the faculty and failure, e.g., of Deans, to discharge basic academic responsibilities.

The matter is so serious a loss of protections to the faculty, so immense a departure from Penn’s special protection of its faculty, and so vast a centralization of power now spread over 12 Schools that I think the Senate should vote on it by mail and so there faculties of the 12 Schools. I propose three questions:

(1) Do you approve the proposed procedures, Almanac Supplement February 9, 1993?

Yes ___ No ___

(2) Do you want another draft prepared (and submitted for mail vote) that will preserve the independence of the Schools, and the system of appeals, including the right to a trial by one’s School faculty in cases of suspension or termination?

Yes ___ No ___

(3) Do you want the Procedures to provide for sanctions against academic administrators to redress serious invasions of the faculty’s academic freedom and serious failures to exercise academic responsibility, including remedies to make whole, persons whose academic-ic freedom has been impaired?

Yes ___ No ___

Not only do I think there should be a formal vote in the Senate and in the 12 Schools, I think faculty should use this page of Almanac, answering the three questions, signing the page and sending it to their respective Deans, perhaps with copies to the President and the Senate Chair.

The sanction procedures as they stand drafted now are the greatest threat to academic freedom and faculty autonomy, and the furthest insulation of administrators from accountability, that I have seen in my 31 years at the University.

— James F. Ross
Professor of Philosophy

Response to Dr. Ross

I can’t help but wonder what document Professor Ross commented on in his letter to Almanac. The Just Cause report was published in Almanac to give the faculty an opportunity to alert the task force of perceived strengths and shortcomings of the proposals it had developed. It was not published to announce the faculty what the new procedure was to be. Not one of the members of the task force expected the report to go into force as published. The preface invited comment and a number of persons have indeed submitted thoughtful comments. Every comment has been taken very seriously. Indication, by the faculty members who do not approve the proposed procedures as published, of the changes they wished to see made were made and brought our modifications back to the task force. If I had attended the last open forum, he would have seen that many modifications of the procedures had already been made. He would also have become aware that there is every intention of submitting the proposed procedures to the whole faculty for approval.

Under the circumstances, the first two questions Professor Ross posed are simply irrelevant.

It is becoming apparent that the two most contentious issues are the substitution of a University-wide tribunal for School Academic Freedom and Responsibility Committees as the disciplinary authority, and what appears to be an absence of an appeal process. The task force was concerned with maintaining the integrity of the tenure system. That system exists to assure society that there is no inhibition about pushing back the frontiers of knowledge. Its justification rests on the integrity of the faculty being impeccable. Any event that raises questions about that integrity affects academe in general and the University in particular. Not just the faculty, to which the respondent belongs. The peer group in Just Cause is the whole University faculty. We should not be asked to stand helplessly aside while a particular school fails to discharge its responsibility to the wider community.

The task force was also very concerned with a proper balance between the power of the administration and the power of the faculty. As long as the disciplinary body is a school rather than the University, that balance is

Speaking Out welcomes reader contributions. Short, timely letters on University issues can be accepted Thursday noon for the following Tuesday's issue, subject to right-of-reply guidelines. Advance notice of intention to submit is appreciated—Ed.
Schools in University City: A Survey of Faculty/Staff in the Neighborhood

The following questions are presented on behalf of the new organization, Penn Faculty and Staff for Neighborhood Issues (see page 11). They are designed to assess the current use and demand for viable public and school options in the University City area. Please answer the few questions below and return to Sally Johnson, 3533 Locust Walk 6226, by April 2, 1993.

1. Name ________________________________
2. Home Address __________________________ZIP__________
3. Do you have any children?  no____  yes____  number ______
4. What ages, grades (K-12), and schools do they attend? __________________________
   Age  Grade  School
   __________________________
5. For those with children not currently enrolled in a local public school: Would you send your children to a public school in University City if you believed it was academically satisfactory and racially integrated?  no____ yes____
   Was your child admitted?  no____ yes____
   Would you send your child to the Powell School?  no____ yes____

Please feel free to attach further information or comments.
On the Preliminary Budget for Fiscal Year 1994

The Virtues of Adversity

by Sheldon Hackney

As Penn completes its 253rd year, I am reminded again of the virtues of adversity: great universities—including this one—have a long history of turning challenging times to their own purposes, emerging stronger and more focused for their pains. In every area of the University, whether we look at curriculum, research, student recruitment, governance, or management practices, there have been periods of challenge which tested our predecessors’ sense of continuity and their spirit of creativity only to see Penn emerge strengthened by its struggles.

Today, as I have been describing in a series of Almanac statements this semester (see Almanac January 12, February 23, and page 2 of this issue), the University community faces new challenges that will determine how well Penn will prosper during the last decade of this century. Uncertainty over our Commonwealth appropriation, shrinking indirect cost recoveries on Federal research grants, a weak national economy, mandatory changes in accounting standards all require that we work together to focus our energies and intellects on the difficult budgetary problems that confront us for FY 1994. I am confident that we have the resourcefulness to emerge from these difficult times as a stronger, more efficient, and more focused institution.

Last year, in developing the FY 1993 budget strategy, we said that FY 1994 would be an even tougher year for Penn, and reality has confirmed that prediction. In FY 1993, we responded to cuts in Penn’s Commonwealth appropriation by making a conscious decision to protect our two greatest assets: our academic core and the people of Penn. We reduced central administrative budgets and programs before each of the schools to roll back their anticipated FY 1993 budget growth by only eight-tenths of one percent. The University Trustees agreed for the first time in 19 years to budget a University deficit of $19.5 million to sustain the School of Veterinary Medicine and our commitment to need-blind admissions in the face of sky-rocketing financial aid costs.

We have also maintained fundamental University operating principles that have served Penn extraordinarily well during the past decade: competitive faculty salary increases, a steady or declining rate of tuition increase, the commitment to need-blind admission policies, major investments in campus safety, and continuing support for Penn’s research infrastructure.

However, without our Commonwealth appropriation of $37.5 million, we also recognized that we must begin the long-term process of restructuring the University to intensify the focus of all our activities on the University’s core academic mission, and to support that mission with higher quality administrative services at lower costs. Though we realized that such a timely and rational plan for Penn’s future would mean a smaller, leaner University in the years ahead, we have also sought to avoid the destabilizing and demoralizing effects of sudden, unplanned cutbacks, program cancellations and layoffs.

Since the current operating budget was adopted by the Trustees last spring, we have worked diligently to restore our Commonwealth appropriation. Save for an eleven hour stalemate in Harrisburg last June, we were very nearly successful. We still retain a quiet confidence that sometime in the next several weeks our supporters in Harrisburg may be able to restore our current year appropriation. I hope that will also bode well for the con-sideration of our FY 1994 Commonwealth appropriation request. In the interim, trying to craft a FY 1994 budget that meets the needs of our faculty, students and the University community has been a very difficult task.

There have also been several other issues, beyond Penn’s Commonwealth appropriation, with which we have wrestled over the last several months. FAS 106, the new financial accounting standard for post-retirement health care benefits, has been the most difficult and financially significant of these issues. We project that the new accounting standards, which take effect on July 1, 1993, will have a $5.7 million impact on our FY 1994 operating budget. While we are required by the Financial Accounting Standards Board to recognize this obligation in our financial statements and we plan to set aside funds to cover it, we also believe that this is the correct and prudent fiscal policy to ensure that Penn’s total compensation package in the future remains competitive. We owe that to Penn’s people.

(continued past insert)
Furthermore, in determining our FY 1993 salary ranges, we also made a conscious decision to support an aggressive compensation budget. We recognized that though Penn’s salary increases within the schools and centers over the last several years have exceeded the rate of inflation, we must still compete for the best people. Today, our analysis of the effect of this crucial strategic decision suggests that while we had hoped to have a more dramatic impact on our competitive posture, we have at least held our own.

Unfortunately, because of our declining revenue base and the intense pressure to keep tuition increases in line with the strained economic circumstances of our students and their parents, we will not be able to have as generous a salary pool in FY 1994 as in previous years. The salary pool for faculty and staff for FY 1994 will be 2.5%, which we hope will permit the University to continue to attract and retain faculty of the highest caliber and to maintain competitive salaries for administrators and staff.

Penn also seeks to compete for the strongest students from throughout the country. Our undergraduate financial aid budget is critical to this strategy and is projected to increase by 9.9% or just over $4 million from all sources. This increase not only reflects the rising cost of higher education, but directly mirrors what is happening in the national economy. By maintaining our need-blind admissions policy for FY 1994, Penn remains committed to its goal of accessibility for all students, no matter what their financial resources.

Let me also emphasize that Penn remains committed to the Mayor’s Scholarship Program that we agreed to with Mayor Rendell last December. Penn’s future is intertwined with that of the City of Philadelphia and students from Philadelphia make significant contributions to Penn’s diverse intellectual community.

Last year, the Trustees decided to budget an operating deficit for the School of Veterinary Medicine while we sought restoration of our Commonwealth appropriation. Last fall, with positive signals from our supporters in Harrisburg, we decided to admit another class of incoming Vet School students for the 1993-94 academic year. We did this because the School of Veterinary Medicine is a critical resource for the University’s intellectual community.

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The aim of this effort is to make possible renewed investments in our teaching and research mission—of the kind that is now almost impossible due to the ever-tightening budgetary constraints that I have described. By doing so, we should also be able to continue to reduce the relative cost of education to our students.

The FY 1994 budget reflects our commitment to achieve these ends:

- Administrative budgets for FY 1994 reflect a 4.5% increase. A majority of this growth is directly linked to schools and centers programs and not to new central university initiatives.

- In fact, the central university operating budget for Salaries, Current Expense, and Energy will only increase by 1.7%, while we project that their actual costs will grow by 5 to 5.5%. We have directed our central managers to reallocate internal resources to meet these commitments.

- We are also establishing a line item in the Executive Vice President’s budget for targeted cost savings to fund the new technology infrastructure and data bases that are projected to come out of Project Cornerstone. It is our hope that we can pay for the modernization and enhancement of our technology support systems through cost savings rather than by spending incremental dollars.

Penn faces a difficult budget for Fiscal Year 1994, but because we saw these difficult times coming and have been actively preparing for them we are ready, as I said in January, “to bend the times to our own purposes." We have already begun to scale back our administrative costs. We have already begun to re-examine and refine the administrative processes by which we support our academic activities. We have already committed the resources needed to continue our enviable record in raising new funds for endowment, programs and capital improvements.

Penn is fully capable, if we work together, of turning our current short-term adversity to the University’s long-term advantage—financial advantage, competitive advantage, and to the advantage of all Penn’s people. With continued careful planning and our good headstart, we can reduce administrative costs, improve the quality of our services, strengthen Penn’s academic core, and emerge a better institution.

This is the goal of our strategic and budgetary planning for FY 1994 and beyond.

**FY 1994 Administrative Budgets Derived from Allocated Cost**

Oper & Maint 40%
Medical Ctr 0%
Univ Police 4%
Provost 4%
Pres 5%
Develop/Alumni Rel 7%
Library 12%
VP Computing 6%
Exec VP 19%

*Allocated Cost, explained more fully on page 9, is the category of revenue created internally by assigning portions of tuition (20%) and indirect cost recovery (18%) to central administrative overhead. Other revenues support central operations not shown above — e.g., student fees fund the Office of the VPUL.*

**FROM THE PRESIDENT**

ALMANAC March 23, 1993
At three consecutive meetings last week, the University’s preliminary budget for FY 1994 was presented in detail by Executive Director of Resource Planning and Budget Steve Golding.

In two of these sessions—a March 17 meeting for faculty and staff, and one on March 18 for students—Provost Michael Aiken led off with a discussion of some basic academic decisions underlying the figures.

At the third presentation, for the Trustees Committee on Budget and Finance on March 19, Paul Cribbins of Commonwealth Relations was the preliminary speaker, outlining the state of affairs in Harrisburg which leaves the current budget still more “preliminary” than usual at this time in the planning cycle.

A summary based on the several meetings shows that, with the health services component still not in place, the University must close a $6 million gap before Penn can adopt a budget that will be balanced except for a planned deficit of $18.5 for Vet School operations (based on a projected loss of its Commonwealth appropriation in FY1994).

At a fourth key meeting of the week, however, the Executive Committee of the Trustees signed off on one of the budget parameters—tuition and fee increases as shown in the Preliminary Budget—indicating that the $6 million will have to be found somewhere else.

Some major planning decisions reflected in the budget figures were, vis-a-vis last year.

• For students: tuition increases contained at last year’s level for undergraduates and graduate students (5.9%), and a continuation of need-blind admissions.

• For faculty and staff, a smaller salary increase pool (2.5% with increases potentially in a range of 2%-4%). Continuing the practice that schools can enhance these increases for faculty salaries, the FY 1994 budget policy has two new provisions:
  (1) A contribution by the Provost from the salary reserve fund (for such issues as equity, promotions and competitiveness) that will augment a school’s salary pool for faculty up to a 4% increase. Salary reserve allocations will be reduced for schools that exceed a 4% increase, on the grounds that the school had the resources to provide for promotions and other increases; and
  (2) A dollar cap of $2000 on increases to administrators.

Among new assumptions and strategic decisions made by the deans and senior management in shaping the preliminary budget are:

• Not to “ramp down” the development office’s budget and staffing as the Campaign draws to a successful close, but to keep its momentum in preparation for new initiatives.

• To cover the new “FAS 106” obligations in a phased way, spreading the cost over several years (more on this in next week’s Almanac).

• To go ahead with an enhanced Mayor’s Scholarship Program despite a recent court ruling that the University’s obligation is less.

(continued next page)
To begin to invest $8 million (over the next four summers) in technology for dorm wiring and campus-wide e-mail to “knit the campus community together and to maximize future operating efficiencies.”

**Provost’s Comments**

In his March 17 open meeting for faculty and staff, Provost Aiken pointed out that if there is a deficit in the 1993 performance, it will be the Penn’s first in 17 years—and that 17 years of balanced budgets can be attributed to the responsibility center system which lodges responsibility more closely on those who do the spending. He then explained the sector of the budget known as Allocated Costs (see pie chart, page 7):

Of each tuition dollar received, 80% goes to the schools; of each indirect cost dollar 78% is returned to the schools, and virtually 100% of gifts remain with the schools. So most of the money in the system is in the schools, not in the central administration. “We have only a 20% tax on tuition, and give much of that back to the schools,” he said.

Keeping down growth in the Allocated Costs has been a major goal, the Provost continued in his overview. During the late 1970s and early 1980s, the nation and higher education were ravaged by inflation; the scars remain, but for the past ten years, Penn has been trying to repair the damage. In the early 1980s, attempts were made to recover through double-digit increases in tuition, but that process could not continue without rendering tuition unaffordable. So for the past four or five years Penn has worked with parents, students and trustees to hold down the growth rate of tuition (see tables on page 10).

Now the emphasis is on cutting expenses. Some basic decisions had to be made to deal with the loss of the state allocation of $37 million last year and the potential need to wean Penn from Harrisburg over the long term.

In addition, the FY1994 budget had to deal with such outside factors as FAS 106 (here the decision was to fund it through an external agency as a trust, and to take the burden of the central administrative share and fund it with central resources rather than distribute it to the schools), and the cost of the internal decisions such as phasing in the enhanced Mayor’s Scholarship Program, investing in Project Cornerstone and wiring the residence halls.

Another factor to be coped with is some schools rely heavily on government grants, and funding agencies look with less and less favor on supporting academic-year salary in the grant, such salaries have been transferring to University unrestricted budgets, increasing pressure on these resources. (It is not always the agencies, he said, but sometimes the researchers, who make the decision to move salary off the grants.) Staff buildup is “a challenge facing every school.” He added, pointing to the year running October 1991 to October 1992, when of 48 new A-1 hires, nine were in the central administration and 39 in the schools.

The upshot is “no quick fixes,” Dr. Aiken said. And the impact on salary is that for the first time since 1982-83, the projected pool increase will not exceed the growth of inflation.

(continued next page)
“Until 1980-81, salaries suffered a real loss of purchasing power,” he said, “but from 1981-82 until the present, faculty income grew faster than inflation every year. In the six years between 1982 and 1987, the average growth was 3.3% above the CPI.” Afterward it dipped to 2.2% above CPI, but came back up last year to inflation-plus-2.8%, he added.

“Given the pressures, we are not able to go as high as in past years. So the figure is 2.5%, plus Provost’s Reserve funds, and the guideline is that schools can potentially give increases of 2.5% to 4%; and if they give over 4% they can afford to do without Provost’s Reserve funds, so these will be withdrawn.

“There is also a 2.5% pool increase for staff, with potential raises in the 2% to 4% range, but with a cap of $2000 for any administrator, so that we can shift resources to relieve lower-paid staff.”

It is important, he concluded, to continue investing in faculty, wiring the dorms over the next three to four years, and investing in Project Cornerstone to get a handle on administrative costs for the long term. “It is also important to fund Development even after the campaign. It would be foolish to back off now: we need endowment, we need term chairs!”

**Tuition and Aid**

In the several presentations made by Mr. Golding, the tables and chart he read were among the graphics distributed, along with the breakdown of tuition and fees which appears on page 1 of this issue.

Although the increase is only 5.9% for both undergraduate and graduate students, he pointed out, a figure of 6% is used for the projected increase in total revenue from these sources because graduate enrollments are doing well.

Historically, the ratio of undergraduate aid to tuition at Penn has been 27.5%. Briefly at midstream in the billion-dollar campaign, planners hoped the ratio could be reduced to 24% by raising more restricted funds for this purpose. The goal of $11.25 million dollars for aid was lowered this year to $6.68 as it was felt that schools would not be able to raise that amount in five years, Mr. Golding said. Thus the ratio of 27.5% continues.

### History of Undergraduate Tuition and Fees at Penn

<table>
<thead>
<tr>
<th>Year</th>
<th>Tuition</th>
<th>Change in Tuition</th>
<th>General Fee</th>
<th>Change in Fee</th>
<th>Technol. Fee</th>
<th>Total Fee</th>
<th>Change in Tuit/Fee</th>
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<tr>
<td>FY70</td>
<td>2,150</td>
<td></td>
<td>200</td>
<td>0</td>
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<td>FY71</td>
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<td>15,894</td>
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<td>1,486</td>
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<td>250</td>
<td>17,838</td>
<td>5.9%</td>
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### Undergraduate Financial Aid Plan (excludes government sources)

- **New Gifts**
- **Univ Resources**
- **Unrestricted**
- **Current Endow**
- **New Endow**
DEATH

Eleanor Bross Allen, 77, head librarian of Wharton’s Lippincott Library for over 30 years, died March 12 at her home in Media.

A native of Philadelphia, Mrs. Allen graduated with a bachelor’s degree from Penn in 1937, aiming toward a career in education. While practice teaching for a year, she took a part-time job with the Van Pelt Library and decided that this was her calling.

Mrs. Allen worked part-time as a cataloguer in Van Pelt while taking classes at Drexel, where she earned a library of science degree in 1942. After earning her degree, she began working full-time and was promoted to reference librarian.

In a few years, Mrs. Allen moved to Lippincott and was promoted to associate librarian. In 1953, she was appointed head librarian of the Wharton library, a position she held until her retirement in 1984 after putting in 45 years of service in the libraries of Penn.

Mrs. Allen was an active member of Penn’s Class of 1937 Steering Committee, serving as co-chairman of their 50th reunion held in 1992.

She is survived by her husband, Augustus “Duke” Allen.

Donations can be made to the Class of 1937 Memorial Endowment Fund, University of Pennsylvania, 601 Franklin Building, Philadelphia, PA 19104-6285.

Faculty/Staff Neighbors: March 26

A number of Penn faculty and staff who live in neighborhoods bordering the University have formed a new organization, Penn Faculty and Staff for Neighborhood Issues, to identify and propose ways Penn can support its surrounding communities so that faculty, staff, and students will choose these areas to live and raise families.

In December 1992 the group formed working groups on such issues as neighborhood schools, new faculty/staff recruitment/orientation, real estate, public relations and community image, public safety, trash, social activities, and models for university/community relations from other urban areas. These groups are now prepared to report on their progress and seek advice of the larger group on further steps.

Penn faculty and staff are invited to a public meeting to discuss issues of concern to the University and its surrounding neighborhoods on March 26 at noon in Room 350 in Steinberg Hall-Dietrich Hall.

OSHA Training March 30, 31

The Office of Environmental Health & Safety will offer Bloodborne Pathogen Training and Chemical Hygiene Training for all affected workers on March 30 and March 31, respectively, from 10:30-11:30 A.M. in the Class of ’62 Lecture Hall in the John Morgan Building.

The Bloodborne training will review OSHA’s regulation Occupational Exposure to Bloodborne Pathogens as well as Penn’s biosafety program. Information about Hepatitis B Vaccination will also be provided.

The Chemical Hygiene Training will review OSHA’s regulation Exposure to Hazardous Substances in the Laboratory as well as Penn’s written safety program. Attendees are requested to bring their employee ID cards to facilitate course sign-in. Call Barbara Moran at 898-4453 for more information.

Update

MARCH AT PENN

CONFERENCES

26 African American Women in Higher Education; Penn faculty and other distinguished educators and professionals discuss the present positions of Afro-American women educators and where they will be in the future; 3-5 P.M. Room 351, Steinberg Hall-Dietrich Hall; Information: 898-4965. Continues March 27 from 10 A.M.-6 P.M. (American Studies American Studies American Studies)

27 Empowerment to Liberate a People: Developing African American Male-Female Relationships; 10:30 A.M.-5 P.M. DuBois College House (Association of Black Social Workers)


EXHIBITS

30 Paintings by Howard V. Permutler; opening reception: 4:30-6:30 P.M., Faculty Club. Through April 29 (Faculty Club).

Opus XX, one of the paintings of Howard Perlmutter at the Faculty Club. See Exhibits.

InfoTechnology Forecasting:

Data Management March 25

The Office of Information Systems and Computing’s ongoing Information Technology Forecasting Project (ITFP) has organized forums to provide useful information for those involved in long-range planning so that they can make informed projections about the role of technology in their organizations.

Technology forecasting will also feed Project Cornerstone, the effort sponsored by the Provost and the Executive Vice President to develop information architecture principles, standards, and models for Penn’s next generation of administrative systems.

• Data Management Directions — March 25 from 3:5 P.M. in Room 109, Annenberg School for Communication
• Classroom Technologies — April 7 from 9:30 A.M.-12:30 P.M., location to be announced
• Electronic Resources for Research — April 13 from 2-4 P.M., location to be announced

For more information contact co-chairs Noam Arzt at 898-3029 or Donna Milici at 898-0426. Videotapes for each forum session will be available for viewing by faculty, staff and students by calling Barbara Hearn at 573-3987.

Films

Neighborhood Film/Video Project


26 Heroes and Healers; 7 P.M. Hidden Agenda; political thriller exploring the death of an American civil liberties activist; 9 P.M. Also March 27 at 9 P.M.

27 Kes; about a boy and a bird set in bleak Yorkshire moors; 7 P.M.

Masculine and Feminine; 6 P.M. Family Life; depicts same woman driven into madness by her family; 8 P.M.

Fitness/Learning


27 Independent Feature Filmmaking; Dov Simens’ two-day seminar on producing, financing, shooting and selling independent films; 9 A.M.-5 P.M.; International House. Fee: $189/PFVFA members, $199/non-members, $239 at the door. Optional seminar workbook with extra material is $15 extra. 9 A.M.-5 P.M. Continues March 28 (Neighborhood Film/Video Project).

30 Compulsive Spending: Is Your Wallet Always Empty?; Lauren Berger, F/SAP; noon-1 P.M.; Room 301, Houston Hall (F/SAP).

31 Sobriety 1: Less than 18 Months in Recovery; Nancy Madonna, F/SAP, and Jeff Van Syckle; noon-1 P.M.; Room 301, Houston Hall (F/SAP).

PFVFA Open Screen; PFVFA members present and discuss their work; free; 7:30 P.M.; International House.

Meeting

26 Penn Faculty and Staff for Neighborhood Issues; noon-1:30 P.M.; SH-DH (PFSNI).

Music


(Update continued next page)
Rededication of Afro-American Studies Seminar: March 30

On March 30, the Library will rededicate the Afro-American Studies Seminar, one of 15 study facilities in Van Pelt-Dietrich. Among upgrades made to the seminar, the most significant improvement is the restoration of many titles to the core collection, and the inclusion of major recent publications in the field. The seminar now contains more than 1,500 titles. Louise Coursey, the Afro-American Studies Bibliographer, has led in this effort by collecting writings on the Afro-American experience.

The rededication will be held in Room 403 in Van Pelt-Dietrich Library from 2-4 p.m. and will include remarks from Dr. Houston Baker, Dr. John Roberts and Vice Provost for Libraries Paul Mosher.