

Speaking Out

SELECTIVE EXCELLENCE

"Selective excellence" is a small phrase with very large implications. It is an attempt to reconcile the desire to be excellent in every academic program with the reality of limited resources. It means the University will strive for excellence (generally defined as being ranked in the top few schools or departments in the nation) in those areas where it is feasible, i.e., cost effective, to achieve it. This policy, rigorously applied, can guide the University so that its investments will be most profitable educationally. Selective excellence finds theoretical support in being analogous to capital rationing, which is the way firms allocate scarce resources for maximum profitability.

Pennsylvania has added a companion concept—centrality—to selective excellence. It stresses the nature of a "university," which may be defined as an educational institution with both graduate and undergraduate programs in a variety of fields. Centrality stresses that you cannot have a university without certain core disciplines; examples include English, mathematics, economics, biology, psychology, and physics. Centrality commands that the University strengthen its core disciplines (not limited to the few listed above) regardless of the feasibility—i.e., cost effectiveness—of doing so.

The centrality concept is certainly debatable. Some have argued that the real road to excellence for Pennsylvania is to strengthen the professional schools, where there is already excellence and national recognition, and merely maintain competence in the arts and sciences. There are at least two reasons why this will not work. First, Pennsylvania *does* have excellence in the professional schools, notably in Wharton, Law, and the health area, but few would agree it has achieved its potential educationally. Second, the arts and sciences can complement and support the professional disciplines, which in fact are basically applied arts and sciences, in a variety of ways: providing facilities, improving the intellectual atmosphere, and bringing challenging students onto campus. There is a *mutual* interdependence between the arts and sciences and professions.

The Faculty of Arts and Sciences has traditionally been regarded as "central" to the University. There have been two negative, and I submit, erroneous implications of this. First, FAS has been viewed as a monolith, and centrality has been viewed as a rationale to aid it indiscriminately. FAS, however, is a confederation of departments with varying

degrees of excellence. It is unrealistic to assert that excellence in *each* of these departments is a necessary condition to excellence in the University. The second implication of the "centrality of FAS" has been the notion that the professional schools are by definition *not* central. In part, this has been as a result of the Development Campaign "One University" symbol, which shows the professional schools surrounding FAS, which is termed "the core of the University." While it may be true that no single professional school is central to the general concept of a university, it is not true that no professional school is central to the concept of the University of Pennsylvania. The true meaning of centrality is the importance of the particular discipline to the unique quality of the University of Pennsylvania, and there is no question that in these areas, of which there are about a dozen, the goal must be excellence.

Part of the problem of applying selective excellence has been integrating it with centrality. More basically, however, it is not clear that the University community agrees on what selective excellence means in practical terms or how it should be applied.

One example of this is the School of Allied Medical Professions (SAMP). It is clear that the phase-out of SAMP produced great controversy in large part because reasonable people disagreed on how to define and apply selective excellence. In contrast to SAMP, the Administration decided not to phase-out the School of Public and Urban Policy (SPUP) despite an Educational Planning Committee (EPC) recommendation that it be merged into FAS on what was a split vote with vigorous dissent and contrary advice from a panel of outside experts. It is not clear exactly what factors distinguish the two cases, and it is the

obligation of the Administration to make it clear.

To make selective excellence a broadly understood and practical decision rule, the University must devise a set of criteria on which to judge academic units and programs and a planning mechanism utilizing it to aid in resource allocation decisions. The criteria should incorporate centrality to emphasize the pre-eminence of excellence while retaining the centrality concept. Moreover, it should incorporate other criteria implicit in selective excellence.

The following is a proposed set of criteria:

1. *Achievement*: What is the current level of excellence of the program? The more excellent the program currently is, the more emphasis the University should place on it, all other things being equal.

2. *Intellectual Challenge*: How much new knowledge is left to be discovered in the field? While all fields in the University have intellectual merit, there are some in which much new knowledge is undiscovered. These fields deserve special attention.

3. *Centrality*: How important to the University is the field? As noted above, certain fields and programs are intimately associated with what the University is today and what it should become, and these fields are both in the arts and sciences and in the professional areas.

4. *Feasibility*: How reasonable is the cost of achieving or maintaining excellence? This is, of course, the centerpiece of selective excellence.

5. *Delivery Mechanisms*: If it is excellent, how well will the knowledge generated by the program or unit be transferred to students (through teaching) and to society in general? If knowledge cannot be used, there is little point in finding it.

6. *Plan Quality*: How well are goals, strategies, priorities, and performance measures specified and coordinated? This addresses whether resources invested will be effectively and efficiently used.

While the Administration must retain final responsibility for resource allocation decisions, it has the obligation to consult those who will be affected by its decisions. Thus a Planning and Evaluation Council (PEC) should be established. It should include the president, provost, vice-provosts, associate provost for academic planning, vice-

ALMANAC SCHEDULE

To our readers and contributors, please note *Almanac*'s schedule until the end of the semester. We will try to 'print everything that fits', but any material not published now will be held until the beginning of next semester. As always, our deadline date is the Tuesday before the Tuesday of issue, with early notice on long documents appreciated.

Schedule:

November 22—issue
November 29 (Thanksgiving recess)—no issue
December 6—issue
December 13—no issue
December 20—last issue

Speaking Out is a forum for readers' comment on University issues, conducted under the auspices of the Almanac Advisory Board: *Robert L. Shayon*, chairman; *Herbert Callen*, *Fred Karush*, *Ann R. Miller* and *Robert F. Lucid* for the Faculty Senate; *Paul Gay* for the Librarians Assembly; *Shirley Hill* for the Administrative Assembly; and *Virginia Hill Upright* for the A-3 Assembly. Copies of *Almanac*'s guidelines for readers and contributors may be obtained from *Almanac*'s offices at 514-515 Franklin Building.

president for health affairs, and every dean. Each department and program should be rated according to the above criteria every three or four years. Such reviews should be based on the written plans of the department or unit and by an oral presentation to the PEC by an appropriate administrator. The ratings should be used to identify units to be reviewed, as well as general problems and issues. The plans of each unit should be seriously considered in the allocation of nondurable subvention; durable subvention should be used largely to equalize unit costs.

Selective excellence is the best, and probably only, hope of the University to achieve its full potential. Unless it is fully, openly, and rigorously applied, excellence will elude the University.

—Randall Marks, Wh Grad '79, Law '80

INVASION OF PRIVACY

I have just received from the administration an appeal to contribute to the United Fund. I find such an appeal legitimate. However, the

appeal was accompanied by an IBM card, which I was asked to fill out and return, regardless of whether I wished to contribute or not. This I find illegitimate and indeed appalling. Consequently, I threw the entire package into my wastepaper basket.

It is as presumptuous of the university administration to engage in such an invasion of privacy as it would be for me to try and gather information on the private expenditures of various officers of the administration. I sincerely hope there will be no IBM card in next year's United Fund appeal.

—Dr. Igor Kopytoff,
Professor of Anthropology

Gerald L. Robinson, co-chairman of the 1977-78 campaign, responds: This year, as last, your United Way Campaign utilized the University's data processing resources to prepare and distribute pledge cards to members of our community. Our campaign

sets no lofty monetary "target," prescribes no individual "fair share" gift. The emphasis is instead placed on participation by a majority who voluntarily choose to support the United Way concept. We strongly believe that every member of the University community should have the opportunity to give that support. Since the University is large (over 200 separate departments), the personalization of pledge cards is the most efficient way to distribute them to each individual. Simply passing out blank cards would invariably miss many of our number.

Since gifts through payroll deduction are encouraged, the confidentiality of all individual pledge data is as secure as salary data within the University's payroll records. It must be emphasized, furthermore, that nowhere does there exist a list or report matching individual's names and donation amounts. To further preserve confidentiality, all are urged to return their pledge cards in a sealed envelope. As always, individuals who do not choose to participate in the campaign will simply dispose of their cards.

SENATE

GRADUATE COUNCIL OF THE FACULTIES

The following resolution on faculty representation on the Graduate Council of the Faculties was received in multiple copies in the Office of the Faculty Senate during the week of November 7, and was dated October 31, 1977. A total of at least 36 signatures was attached. Action will be taken on the resolution at the Faculty Senate meeting of Wednesday, November 30, at 3:00 p.m. in 200 College Hall.

We, the undersigned members of the Faculty Senate of the University of Pennsylvania, request that the following resolution be placed on the agenda of the next regular meeting of the Senate (now scheduled for November 30, 1977), and move its adoption:

WHEREAS:

1. the statutes of the University and the rules of University governance vest in the faculties of the University the powers of faculty appointments, the approval of course offerings, and the admission of students;
2. the University administration, with the approval of the Senate, has established the Graduate Council of the Faculties to administer certain aspects of University-wide degrees, but not all of the faculties involved in the teaching for such degrees have membership on this Council; and
3. the Senate recognizes a contradiction between the basic principles of academic responsibility on the part of the faculties and the denial of membership to some faculties in the Graduate Council of the Faculties.

THEREFORE BE IT RESOLVED:

1. that the Senate request the administration to provide for membership on the Graduate Council of the Faculties of every faculty involved directly in teaching for University-wide degrees;
2. that the newly constituted Graduate Council of the Faculties review, in consultation with the Vice Provost for Graduate Studies and Research, the scheme of voting within the Council so as to assure its equitability and appropriateness to the purposes of the Council;
3. that this Council be requested to review at a later date the

desirability of establishing University-wide standards for terminal professional degrees and of a concomitant expansion of the Council—and to report on these matters to the Vice Provost, the Senate, and the Educational Planning Committee.

EXTENSION OF FACULTY APPOINTMENTS

At its meeting of June 1, the Senate Advisory Committee took an action on behalf of the Senate, but an error in the minutes failed to record that fact. Acting on behalf of the Faculty Senate, the committee unanimously approved the following recommendation from the Senate Committee on Academic Freedom and Responsibility concerning extension of appointments in schools to be discontinued.

Notwithstanding other provisions of these regulations, non-tenured faculty in schools which are to be discontinued may continue to serve beyond expiration of their normal tenure probationary periods without acquiring tenure, provided:

1. The Trustees of the University have formally adopted a resolution to discontinue the school, and have set a tentative date for the closing of the school.
2. The faculty of the school has formally adopted a resolution to the effect that extensions of the appointment of some non-tenured faculty are necessary in order to maintain academic standards in the satisfaction of obligations to students enrolled in the program to be discontinued.
3. Each faculty member for whom such extension is proposed has formally requested the extension in writing to the Dean, and has clearly indicated his or her understanding and acceptance of the fact that the extended appointments will not convey tenure.
4. The extensions of appointment shall be not more than five years from the June 30 following the formal action by the Trustees to authorize the closing of the school.
5. If, however, the employment of a faculty member is continued, either because the closing school is reinstated during the five year period, or because the faculty member is hired to a continuing school, then the probationary term of the faculty member shall be measured as if the school had not been discontinued, and one whose term then exceeds seven years shall be deemed to have acquired tenure.

—Robert F. Lucid, Acting Chairman

The Budget Outlook for 1978-79

Report of the Budget Committee

The report that follows presents the results of careful thought by the Budget Committee concerning its work on budgeting for 1978-79. It is a sobering document, for even the conservative assumptions upon which the Committee bases its projections confirm a serious shortfall at the outset, before possible increases in salary and in tuition are considered. Action, both on opportunities to economize in controllable expense and on the continued search for funding to support programs, remains essential.

The report merits the sustained attention of every concerned member of the University community. The Provost and I are working with the deans, our other associates, and University advisory bodies on the urgent plans and decisions that must be made to achieve an appropriate standard of living that Pennsylvania can maintain into the Eighties.

—Martin Meyerson, President

INTRODUCTION

November 8, 1977

The Budget Committee submits herein a report on the general budget outlook for 1978-79. In this preamble the Committee wishes to stress its deep concern about what its findings show not only about next year, but also for the long run, and to make recommendations for addressing the problems revealed.

Our findings about 1978-1979 can be summarized very briefly. Once again the increase in our revenues will fall short of the increase in total expense of our current academic and support programs. Even if the University were to set tuitions higher than we wish to do and to increase salaries by less than we feel is deserved, it is clear that the expense of ongoing unrestricted programs must be reduced by another several million dollars next year. Such reductions have become an annual necessity. The Committee warns that unless this trend can be reversed both the range of our academic programs and their quality will decline, and we shall find ourselves on the certain path to mediocrity.

The Committee believes this trend *can* be reversed, but not by the usual devices. It goes without saying that we shall continue to curb administrative and support costs, but in all candor the Committee advises that we have probably reached a point of diminishing returns in this pursuit. We shall have to reduce or eliminate programs of lesser or little academic value, but clearly we cannot solve an annually recurring budget problem by closing more programs each year. The core of our problem is that the established means by which we conduct our academic offerings generate cost increases but do not generate compensating income increases. These rates must be brought into line, but they will not be unless we are all able to change those habits of mind and practice that in the end determine both our income and our costs. Without meaning to be inclusive, the Committee points to two wide-spread habits of mind that typify the problem. Too often new external funds are pursued with the intent of making add-ons to our programs rather than as support for existing programs or to permit substitution of new programs for old. Too often the gross ratio of students to faculty is taken as a measure of the quality of our teaching programs, and its increase is resisted. The ratio is more properly a gross, but significant economic indicator. Quality, surely, depends more on how we teach and how we package and divide up teaching than it does on the numbers taught.

We call upon and recommend to the President and Provost that they consult with the Educational Planning Committee on how best to study the root causes behind our recurring budget disequilibrium and to recommend those changes that will ameliorate it. The changes should be implemented in the established planning and budgeting system, but if we are to avoid mediocrity, we must resist the temptations to make these changes by further

paring and other across-the-board actions. Now is the time for practicing selective excellence in the best sense of the phrase. We call upon the academic community to be receptive to such changes as may be recommended, for in our judgment changes in our academic life style are imperative.

BUDGET PLANNING FOR 1977-78

A brief explanation* of the budget situation for fiscal year 1975-76 (FY 1976) and the alternatives that were then seen for FY 1977 was published in the fall of 1975. The problems for balancing the FY 1977 budget turned out to be greater than we then forecast, but we ultimately achieved nearly balanced operations. The FY 1978 budget is balanced, but very precariously. In balancing the budgets for both FY 1977 and FY 1978, it has been necessary to make larger personnel reductions and tuition increases and smaller salary increases than we all would have wished. Moreover, our preliminary projections now suggest that the problems for balancing the budget for next year (FY 1979) will be at least as great as those we experienced in budgeting the last several years.

In this article, we first present the income and expense budget for this year adjusted for already committed changes in organization and expenditures. We then present the guidelines that we have developed to guide the budgeting for next year, and we employ the guidelines to forecast next year's financial performance. As might be expected, with even modest compensation increases for faculty and staff and with rather large tuition increases, we foresee very large problems ahead in balancing next year's budget. We illustrate these problems by presenting the interdependence among tuition incomes, salary increases, and the resulting deficits that must be eliminated to maintain a balanced budget for FY 1979. We conclude by commenting on some of our continuing problems and on some of the recommendations now being formulated by the Budget Committee to help deal with them.

Base Budget for FY 1979

The University receives two kinds of income—1) *unrestricted* income which can be used freely for academic personnel and programs and the supporting services they require (example: tuition and fees) and 2) *restricted* income which is for a stated purpose and which can be expended *only* for that purpose (example: a grant for a specific research project). In practice some income for services that is technically unrestricted, such as income from residences and dining services, is *designated* to pay for the expenses incurred in providing these services. The amount of some incomes can be *controlled* by University decisions, subject only to the constraints of our market (example: tuition and fees); other incomes are *not* controlled by the University, but are determined by others (example: the Commonwealth appropriation, endowments, grants, etc.).

Expenditures are also classified as *restricted* or *unrestricted*, depending on the kind of income being expended. Restricted expenditures are paid with the appropriate restricted income and, in most cases, do not exceed the income available. If part or all of a professor's salary is paid with restricted income, that restricted income generally also pays for its share of any salary increase that is made. All other expenditures are covered with unrestricted income. Expenditures may also be classified as *uncontrollable* and *controllable*. Uncontrollable expenses are generally set by factors outside the direct control of the University in the short term. In the schools, only expenses for financial aid and space are generally considered to be uncontrollable although, in the strict sense of the word, salary commitments to tenured faculty and those on contract are truly uncontrollable. In the administrative service centers expenses for insurance, interest, utilities, and space are considered uncontrollables. Here too expenses committed by contract to bargaining unit employees are truly uncontrollable during the term of the contract. For long term planning purposes, however, we

*Hobstetter, J. N. and J. C. Strauss, "Budget Alternatives in 1976-77", Almanac, December 16, 1975.

typically consider expenses for personnel and their direct support costs to be controllable.

Table 1 (page 6) summarizes the unrestricted budget for the current year with adjustments to reflect the known changes due to the decision to contract housekeeping services, mandated changes in employee benefit rates, and planning changes in financing the Program for the Eighties.

FY 1979 Budget Guidelines and Projections

Given the base budget in Table 1 and our experiences of recent years, what can we now say about the FY 1979 budget and the relationships between salary increases, tuition increases, and program reduction that will be required to maintain budget balance?

In view of the adverse trend of the past several years, we shall have to work very hard to insure that next year *restricted income* will increase to cover inflationary increases in *restricted expenses*. Use of restricted income to help support activities normally supported by unrestricted income can probably not be increased significantly. However, in future years as the development drive pledges start to become real assets, we expect significant increases in the use of restricted income to help support academic programs. We discuss the effect of the drive in our concluding remarks.

Our main emphasis here is on our unrestricted income and the activities it supports. This does not reflect a lack of concern for the restricted activities; rather, it reflects the very pragmatic view that central budget policy has greater influence on the unrestricted activity. Restricted activities are discussed as they interface with the unrestricted.

Income designated and/or restricted for residence, the dining service, parking, clinics, and hospitals will be controlled so as to cover the cost of these services as nearly as possible. In principle, it should not affect academic salaries or tuition.

Our *uncontrolled free income* will be determined by others. Despite our continuing efforts to improve our endowment income performance, to increase unrestricted gifts, and to increase Commonwealth support, realism suggests that we will be fortunate indeed to increase this income category by more than 3 percent in FY 1979 from the amount budgeted for use in FY 1978.

We are left, then, with *tuition and fees* as the principal single source of controllable income to cover unrestricted costs of academic programs and their support services. This income source can be increased by increasing the number of students, increasing rates, or both. The general demographic outlook for a decreasing college age population suggests that the most feasible way to increase tuition income in the short term is to increase tuition rates. We will continue to expand enrollment in Summer School and other programs where existing facilities are underutilized, but our general policy on enrollment at this time, particularly undergraduates, is to maintain current size while maximizing quality. Our general policy for tuition is to keep the rate of increase for the total costs of undergraduate students over a four-year period below the expected increase in disposable income of their families over a four-year period.

We project the effects of inflation and known trends on our expenses before consideration of control actions that may become necessary to balance our budget for FY 1979. Thus, except for a planned increase of \$200,000 for the University Fellowship program, for projection purposes we assume the percent increase in *student aid* will not exceed the percent increase in student costs. Similarly, we assume the expenses for *current expense* and *equipment* should show no more than increases due to inflation. Increases of at least 10 percent must be allowed for in utilities and other uncontrollable costs. *Employee benefits* costs have already been increased in the base budget of Table 1 to reflect increases in cost. We have, then, the joint consideration of controllable program levels (i.e., the numbers of persons employed plus the current expenses necessary for their support) and salary levels as the factors about which decisions can be made. Controllable unrestricted income (tuition) will have to be adjusted to cover the inflationary increases in the various elements of the unrestricted expense as well as the net cost of salary increases.

Before considering the problem of maintaining budget balance in FY 1979, we should first consider the problem of getting to balance without tuition or compensation increases. In our analysis we consider unrestricted budgets only and employ the following assumptions:

1. In principle, the controlled unrestricted income from dining and housing should be increased to cover cost increases due to both inflation and scale increases.
2. Considering the nature of the uncontrolled, unrestricted income and our experience in FY 1978, we will be fortunate indeed if the overall increase percentage approaches 3 percent. We use this figure in these preliminary forecasts.
3. It will be necessary to increase unrestricted expenditures for student aid in order to maintain current policy. (Table 1 includes a

recommended increase of \$200,000 in the University Fellowship program.)

4. The controllable current expenses in the schools and administrative areas should be subject to real scrutiny. (General inflation would require an average increase of some 5.5 percent to maintain purchasing power.)

5. The uncontrollable administrative costs for utilities, etc. must be increased. (Current experience suggests that an increase of at least 10 percent must be allowed for.)

6. The \$1.4 million deferral of expense for the Program for the Eighties made in FY 1978 should be reduced to \$.8 million to conform to planned schedules of expense deferral.

7. Some \$200,000 additional should be included in FY 1979 current expenses as part of a planned amortization of historical debt now carried on the books.

8. The Provost's Reinvestment Fund should be continued for FY 1979. (A level of \$250,000 is assumed.)

9. The relative participation of committed faculty and staff salaries that can be supported on the restricted budget should remain the same in FY 1979 as budgeted in FY 1978.

10. One third of the \$1,049,000 invested from reserves to capitalize the intercenter bank in FY 1978 should be repaid to reserves in FY 1979.

11. The appropriations from the Commonwealth of Pennsylvania will continue at least at their FY 1977 actual levels in FY 1979.

Assumption number 9 gave us the most trouble in FY 1978. We, hope, however, that our continuing efforts to improve sponsored research and gift support will make it possible to maintain restricted support of salaries. In view of the fact that the Commonwealth has not yet provided an appropriation for FY 1978, assumption number 11 is obviously at risk. We expect, however, that the legislature will realize the importance and value of this support and will continue it if at all possible.

When the above assumptions are applied to the adjusted budget of Table 1, a predicted negative imbalance of \$4,600,000 results *before* consideration for tuition and compensation increases. The total in unrestricted controllable costs now forecast for FY 1979, before reductions, is \$132.9 million. Therefore, each 1 percent reduction in controllable program cost in FY 1979 will reduce any projected budget problem by approximately \$1,329,000. If the initial imbalance of \$4.6 million were made up solely from program reduction, our earlier discussion established that we must start with a 3.5 percent controllable program reduction to obtain initial balance before we begin considering tuition and compensation changes.

Once a balanced starting position is achieved, balance can be maintained, compensation increases paid, and necessary program expansions funded through some combination of tuition increases and further controllable program reduction. Two further considerations are necessary to develop our sensitivity analysis. Table 1 illustrates that the adjusted base for unrestricted compensation in FY 1978 is \$86.6 million. Thus, each 1 percent increase in compensation will add \$866,000 to any projected budget problem in FY 1979. Also, increases in tuition would have to fund any increases in unrestricted student aid. As can be seen from Table 1, if unrestricted student aid is increased as rapidly as tuition, each 1 percent increase in tuition plus fees will provide only .01 x (74.2 - 10.9) or \$633,000 for discretionary purposes.

We summarize in Table 2 (page 6) the deficits that must be eliminated in order to maintain a balanced budget for various combinations of tuition and compensation increases before consideration of any program expansions that may be required or deemed advisable. We show these deficits both as dollar amounts and as percents of the controllable unrestricted budget. For each choice of tuition and compensation policy, the corresponding deficit will have to be met through some combinations of program reduction, general cost savings, and improved income generation.

Several caveats are required to interpret Table 2 properly. First and most important, the percentage reductions are based on the total controllable cost base. Presenting a percentage in this fashion is *not meant to imply that uniform reductions are a recommended, let alone a possible, budgetary approach*. We have been practicing this sort of general reduction for several years, and many now believe that there is little latitude left for general reduction. The Budget Committee has strongly recommended that all budgets, those for administrative offices as well as for academic programs, be based on the contributions of these units to the goals of the University; i.e., we have reaffirmed our commitment to the principle of selective excellence.

Second, the projection approach that we employ here describes total university behavior, but *does not necessarily describe the situation in the individual schools or resource centers*. Some centers will have less and others will have greater difficulty than suggested by the numbers in Table 2. Third, the compensation increase percentages in Table 2 should not be

interpreted as a uniform raise policy for all employees. Individual compensation increases will reflect university policy regarding cost of living adjustments, equity, merit, etc. The compensation increase percentages employed in Table 2 specify only a dollar impact for planning; i.e., \$886,000 for each 1 percent increase in total compensation.

There is one other aspect to the interpretation of Table 2 that should be mentioned. Since the budgets of administrative service centers are based on levels of total direct expenditures, it generally becomes necessary to derive an "equitable" program reduction, or productivity improvement, target for these centers as a whole. The Budget Committee has recommended that since the administrative service centers service restricted as well as unrestricted activity for the University, and since these centers have relatively little restricted support of their own, program reduction targets appropriate for the administrative service centers are to be 60 percent of the general percentages in Table 2.

Given the nature of the University, the long term commitments it makes to faculty and students, and the equity it provides for its employees, it has been our experience that it is extremely difficult to make program reductions larger than about 2.5 percent in any one year.

Conclusions

The picture we present here is rather depressing. We achieved a roughly balanced operation in FY 1976 and FY 1977 and a realistically balanced budget for FY 1978 through measures that were unpleasant at best. We had hoped that once we attained realistic balance we would be able to retain balance in future years with only minor annual corrective measures. The data we present here clearly show the basic flaw in that notion. The problem is that the rate of growth of income is not equal to that of expense. Hence, each year we must cut back on some of our expenses to bring the total expenses back in line with our total income. As long as utility and other uncontrollable costs continue to increase at their current rates, while the Commonwealth continues to increase our appropriations far less rapidly than the cost inflation rate, and in the absence of any new sources of substantial income, we will continue to have this problem.

The Budget Committee can, and will, continue to point out these problems, but it cannot solve them alone. It can, however, directly influence the internal distribution of costs. Hence, the Budget Committee continues to devote a great deal of attention to the issues of what are appropriate overhead costs and who should bear them. The Committee has reaffirmed the principle that each activity should be charged for its use of support services, and to the extent possible these charges should be paid from the income sources supporting that activity. This has lead to recent recommendations that the auxiliary enterprises, particularly dining and residences, should be assessed overhead charges so that at least we can better understand the full costs of these activities. Another recommendation that should begin to have effect for the FY 1979 budget is that we begin a phased move to the situation where projects supported by gifts and other restricted income will be charged for their full overhead costs. We do this at present for projects supported by external research funds and endowment income. In addition, we have recently begun to collect a 5 percent overhead charge on activities supported by term gifts to help pay for the costs of raising these gifts. Until now, however, we have not charged any of our administrative overheads to activities supported by term gifts or restricted funds. The costs for the support services necessary for these activities have by default been borne by unrestricted income, mainly tuition. We will recommend that this inequity begin to be corrected starting in FY 1979.

One bright spot in all this is the prospect for some relief from our ongoing Program for the Eighties development campaign. Money given to support academic programs mainly will be restricted, but it will allow us to transfer costs from the unrestricted budget to the restricted budget, thus relieving the pressure that salaries exert on tuition. Vigilance must be exercised in order to ensure that the campaign proceeds are used primarily in this way rather than for program expansions which invariably lead to greater budget load. With the aid of the development drive we shall be better able to keep tuition down and salaries up. This effect should start to be felt during the next several years.

Budget Committee for FY 1978

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Table 1
FY 1978 Unrestricted Budget^o
(Adjusted* to serve as a base for FY 1979 Performance)
(in million dollars)

Income		
Controlled income which is free to use (Tuition plus fees)		74.2
Controlled income designated or restricted for stated purposes (dorm rentals, dining, parking, clinics, hospitals, space)		32.0
Uncontrolled income which is free to use (Commonwealth—instruction, unrestricted endowment, indirect cost recoveries)		31.2
Uncontrolled income which is designated or restricted for stated purposes (special State appropriations, gifts, grants, re- stricted endowment, scholarships)		12.4
Bank		.3
Total Income		149.5
Expense		
Academic Salaries		34.9
Staff Salaries		
schools, resource centers, hospitals		17.4
administrative service centers		17.2
Total Salaries		69.5
Employee Benefits		17.1
Total Compensation		86.6
Student Aid+ (quasi controllable)		10.9
Current Expense and Equipment		
schools, resource centers, hospitals		12.4
administrative service centers		16.1
Uncontrollable Costs (utilities, insurance, interest, space)		26.7
Total Expenses		152.7
Variance		-3.2

^oBefore adjustment for planned increases in tuitions, salaries, and student aid and uncontrollable costs and probable increases in uncontrolled incomes and current expenses for FY 1979. Federal capitation support of Health Affairs instruction totalling some \$1.4 million in FY 1977 is shown as unrestricted. Total state appropriations shown at FY 1977 level of \$17.8 million.

^{*}Adjustments include provision for contracting housekeeping services, \$250,000 Provost Reinvestment Fund, \$200,000 increase in University Fellowship Program, \$200,000 increase in amortization of bad debts, \$600,000 reduction in Campaign expense deferral, and \$1.4 million increase in employee benefits costs.

⁺Unrestricted only; total student aid for FY 1978 will exceed \$22 million.

Table 2
**Projected Deficits in University Program
Budgets for Various Tuition
and Compensation Increase Policies
(negative deficits are surpluses)**
Shown Both in Million Dollars
and as Percentage of Controllable Budget

Compensation Increases	Tuition Plus Fee Increase						
	0%	2%	4%	6%	8%	10%	
0%	4.6 3.5%	3.3 2.5%	2.1 1.6%	0.8 .6%	(0.4) (.3%)	(1.7) (1.3%)	
2%	6.4 4.8%	5.1 3.8%	3.9 2.9%	2.5 1.9%	1.3 1.0%	0.0 0.0%	
4%	8.1 6.1%	6.8 5.1%	5.6 4.2%	4.3 3.2%	3.0 2.3%	1.7 1.3%	
6%	9.8 7.4%	8.5 6.4%	7.3 5.5%	6.0 4.5%	4.8 3.6%	3.5 2.6%	
8%	11.6 8.7%	10.2 7.7%	9.0 6.8%	7.7 5.8%	6.5 4.9%	5.2 3.9%	

COMMITTEE REPORTS, 1976-77

(PART I)

Ed. Note: Some University and Council committees publish a single, year-end report while others release reports on specific issues as they arise. Others do both, and some do neither. The reports that follow are 1976-77 year-end documents. In a later issue, Almanac will carry the year-end reports of the Bookstore and Research committees and will review the status of the other committees' reports.

PERSONNEL BENEFITS

The Personnel Benefits Committee has dealt with an unusual number of complex and controversial issues during the past academic year. This report describes these issues, indicates the actions recommended by the Committee, and sets forth the reasons for the recommendations. During its deliberations, the Committee has been guided in part by several principles of benefits planning, among which are the following: 1. Benefit programs should not be differentiated among members of the University community of comparable professional standing unless the differentiation is based on rational and non-discriminatory criteria. 2. Insurance programs dealing with low probability, high loss events are to be preferred to those dealing with high probability, low loss events.

Proposed Revisions of the TIAA/CREF Pension Plan

The University administration has proposed that the TIAA-CREF pension plan contribution schedule be modified so that the plan is integrated with Social Security. The basic features of this proposal are set forth in my *Almanac* article of February 22, 1977. The revisions would not cause a financial loss to those now participating in the plan but would apply to faculty hired in the future.

According to projections conducted by TIAA-CREF and to an independent set of projections carried out for the Committee by Howard Winklevoss, Associate Professor of Insurance, the proposed revision would substantially reduce the University's contributions on behalf of future plan participants. Under one basic set of assumptions, the projections show that the faculty pension benefit (including TIAA-CREF and Social Security) would be reduced by about 23 percent. The University's contributions (without interest) over the faculty member's working lifetime would be reduced by 31 percent under the plan.

One of the justifications given for reducing the pension plan contributions is that the present plan is too generous. The standard projections show that a male faculty member who enters employment at age 30 with a salary of \$16,800 would be able to retire at age 65 with a pension (including both TIAA-CREF and Social Security) of 110.1 percent of final salary. The proposed plan would reduce the replacement ratio to 84.5 percent, a figure which is more in line with that prevailing in private industry. Some administration officials also have argued that the University's benefits in certain areas (such as health insurance) are relatively quite generous so that even with a reduction in pension benefits the University would remain competitive with peer institutions with respect to total benefits payments.

The Personnel Benefits Committee has recommended that the proposed plan be rejected. Among the reasons for this recommendation are the following:

1. The pension projections do not consider the fact that the base salary is only part of total income for most faculty members. If present benefits were compared to total salary, including summer teaching and research income, the ratio would not be 110 percent but some smaller number. Hence, the case that present benefits are excessive has not been proven.

2. The revised contribution schedule would place the University near the bottom of the Ivy League in terms of pension benefits. Although benefit adequacy and not competitive considerations should be the more important factor in pension planning, the competitive aspects cannot be overlooked. The argument that the University has better benefits in a number of other areas is not a valid reason for instituting a relatively inferior pension plan unless the money saved by faculty on health insurance premiums, etc. is

channeled into supplementary pension plans. For most faculty, this would not be the case. If other types of benefits are indeed substantially more generous than comparable benefits elsewhere and if benefit reductions are truly a necessity, perhaps cutbacks should occur in the other benefits and not in the pension plan.

3. The University's pension plan is based on defined *contributions* rather than defined *benefits*, and there is more risk to the plan participant in defined contribution plans. In defined benefit plans, such as those used by many major corporations, the employer guarantees that the employee will receive benefits equal to a particular percentage of compensation. If investment or actuarial results deteriorate, the burden is on the employer to supply the additional funds needed to maintain the promised benefit levels. In TIAA-CREF, on the other hand, the faculty participant may receive more or less than the projected benefits depending on economic conditions and other factors. It is a widely accepted economic principle that a given dollar amount with certainty is worth more to most people than an uncertain dollar payment which has the same expected value. Hence, if defined benefit plans are currently providing a given percentage of final salary, defined contribution plans must provide larger amounts if equivalence is to be maintained. Comparisons of university plans with corporate plans are hazardous in other respects as well. For example, corporations often supplement their executive pension plans with profit sharing, stock bonus, and similar programs, which obviously are not available to University faculty.

4. The current financial problems of the Social Security system enhance the likelihood of future revisions in the system's benefit and contribution formulae. These revisions would necessitate further changes in the University pension plan. It is doubtful whether frequent plan amendments are in the best interests of the faculty.

5. Although the TIAA-CREF and Winklevoss projections have been very competently done, it is important to bear in mind that projections of this nature are merely estimates and not facts. In addition, the projections are not the most sophisticated available due to limitations on the time and financial resources which could feasibly be allocated to their computation. Consequently, a large margin for error should be allowed, and the margin should be in favor of the plan participants.

The Committee recognizes integration as a sound concept of benefits planning. Consequently, we would not object to an integration proposal which did not reduce substantially the projected pension benefits of the faculty. In addition, we do not believe that the projections conducted to date are sufficiently sophisticated to assure the faculty that adequate benefits will be maintained. If any revisions are to be placed in effect, they should be supported by a more thorough analysis. This analysis should include a study of the benefits actually received by those retiring from the faculty within the past several years.

Blue Shield/100 and Dental Benefits

At the present time, the University's Blue Cross-Blue Shield plan contains surgical benefits which cover only a small portion of the costs of most surgical procedures. The schedule was fixed at 40 percent of the "usual, customary, and reasonable" fees charged in the Philadelphia area in August of 1975 and thus now is hopelessly out-of-date. Even though major medical coverage pays part of the difference between the amount listed in the schedule and the actual charge for a procedure, a significant gap in coverage remains. To remedy this problem, the Committee has recommended to the administration that the current surgical schedule be replaced with a Blue Shield 100 program, which pays the usual, customary, and reasonable fees for surgical procedures. Because usual, customary, and reasonable fee is defined as the 90th percentile of charges by physicians in a particular specialty in a particular geographic area, the adoption of this coverage would result in full coverage for most surgical procedures for most employees. The Blue Shield 100 program is already in effect for employees of the University Hospital and acquires added importance due to the fact that professional courtesy allowances are becoming much less prevalent. The Blue Shield program would increase the University's health insurance premium by approximately \$600,000 per year (based on an estimate obtained in the Fall of 1976). The Committee believes that the plan is well worth the cost and recommends that it be given the highest possible priority among benefit program improvements.

During the past two years, the Committee has been considering dental insurance plans for the University. The Committee considered plans offered by several insurance companies and is of the opinion that the Blue Cross-Blue Shield plan is the best available. However, such plans are extremely expensive (the annual premium for the Blue Cross-Blue Shield plan would exceed \$2 million) and the premium rates are quite unstable due to the relative inexperience of insurance companies in the pricing of this coverage.

In addition, most dental plans emphasize coverage of high probability, low loss dental procedures, thus rendering the plan less attractive than many other insurance programs on economic grounds. For these reasons, the Committee has recommended that dental insurance plans not be given further consideration by the University at this time.

Faculty/Staff Scholarships

The Committee has recommended that the faculty/staff scholarships program be restructured. The proposal, which calls for a modest reduction in benefits for faculty and a greater degree of budgetary control over unrestricted funds used for graduate student tuition remission, is attached to this report.

The Committee's motivations for recommending changes in the program are the following:

1. The program is discriminatory in that faculty of equal standing at the University but with differing family configurations can receive substantially disparate aggregate benefit payments as a result of the scholarships. The resulting discrepancies are not rationally distributed. It is absurd to argue, as some have done, that health insurance benefits also are discriminatory because not everyone experiences a major illness. In the health insurance case everyone at least is eligible to participate and the incidence of benefits is probabilistically determined. In faculty/staff scholarships, some faculty exclude themselves from participation by a conscious decision process. There is no rationale for penalizing some faculty for not having children and penalizing others for having children and sending them to college elsewhere. It is true that families also have a great expected value of benefits under health insurance than do single individuals or childless couples. This is another facet of the benefits program which will be scrutinized carefully in the future.

2. The program is currently quite costly, and the costs have been increasing rapidly, especially in the graduate student tuition remission area. The Committee believes that this situation has led to an imbalance in the benefits budget and that far too large a proportion of the budget is now spent on scholarships. This position is exemplified by the fact that the expenditures for pension benefits currently are roughly equivalent to those for scholarships. Questions have been raised about the appropriateness of the University accounting procedures in the scholarship area. Based on conversations with administrators and others, the Committee is convinced that the accounting procedures in the area of scholarships for faculty and staff children are defensible. Those with regard to graduate student tuition remission are more difficult to support fully, and these should be examined in more detail. However, changes in the accounting techniques in this area would not affect the Committee's recommendation, as it merely suggests that a greater degree of budgetary control be exercised. This recommendation would apply as long as the relevant costs are not zero.

Three additional points should be borne in mind when considering faculty/staff scholarships: 1. Even with the proposed revisions, Pennsylvania would be among the two or three most generous institutions in the Ivy League with respect to this program, and there is a developing trend among Ivy League schools to abolish this benefit altogether for incoming faculty and staff. 2. The proposal would result in only a modest cutback in benefits for faculty hired with tenure, thus maintaining the value of the program as a bargaining tool for attracting distinguished faculty. 3. If it is established that a need exists to reduce (or limit the growth in) personnel benefits costs, the faculty/staff scholarships program should be given a much lower priority than the TIAA/CREF pension plan.

Sex Discrimination in Pension Benefits

The 1975-1976 Committee of Faculty Affairs passed the following resolutions:

RESOLVED. That the Committee on Faculty Affairs recommend that the University of Pennsylvania take action to secure unisex retirement benefits for its faculty.

This resolution was prompted by the fact that the TIAA-CREF pension plan provides different benefits for male and female faculty members with similar salaries and career paths. The contributions on behalf of professionally similar males and females are equal, but the benefits differ because separate mortality tables are utilized for males and females. The rationale for this practice is that females have a longer life expectancy than males. Thus, the present value of benefits does not differ by sex but the periodic benefit payments are lower for females.

The rationale for sex differentiated benefits has recently come under attack. Several recent court cases have dealt with the issue and so far the courts have been unanimous in finding that equality of benefit payments and not equality of contributions or benefit present values is necessary to avoid sex discrimination. The Personnel Benefits Committee agrees with this position and, accordingly, passed the following resolution:

WHEREAS equity in retirement benefits requires equality of benefits and not merely equality of contributions for male and female faculty members of equivalent standing and whereas the University's insurance program currently provides equal benefits to both sexes while the pension plan does not.

It is RESOLVED that the University should take action to secure unisex retirement benefits for its faculty. Action should be taken on this issue as soon as the legal climate has stabilized to the degree that it is reasonably clear that the change would not be subject to judicial reversal.

In its deliberations on this topic the Committee was influenced by an article written by Daniel Halperin, Professor of Law, who was the 1975-1976 Benefits Committee chairman. This article is "Should Pension Benefits Depend Upon the Sex of the Recipient?" *AAUP Bulletin*, Spring 1976, pp. 43-48. Other relevant literature on the topic includes Francis P. King, "Men, Women, and Life Annuities," *Journal of Risk and Insurance* 43, no. 4 (December 1976), pp. 553-567; and Gerald D. Martin, "Gender Discrimination In Pension Plans," *Journal of Risk and Insurance* 43, no. 2 (June 1976), pp. 203-214.

Other Important Issues

Health Insurance Benefits For Faculty Over the Age of 65. At age 65, regular Blue Cross-Blue Shield benefits cease, and individuals become eligible for Medicare. Part of this program is mandatory, and part is voluntary. For the voluntary part, known as Medicare Part B, a premium must be paid. The University does not pay for Medicare Part B for working or retired faculty over the age of 65. The University does pay for Blue Cross "65 Special" coverage which supplements Medicare.

The argument has been made that the University should pay the Medicare Part B premiums for faculty over the age of 65. Proponents of this position have not been specific as to whether the University should pay this premium only for working faculty over 65 or for both working faculty and retirees. The rationale for paying Medicare Part B would be that the University's health insurance premium on behalf of those over the age of 65 is greatly reduced because of their eligibility for Medicare. If the University paid for both Blue Cross 65 Special and Medicare Part B, its total health insurance payment per faculty member would be less for those over 65 than for those under 65. Thus, according to this argument, the University is presently discriminating against those over 65, and the degree of discrimination could be reduced by paying the Medicare Part B premium.

The Committee does not view the present health insurance situation as discriminatory. There is some logic behind the contention that the premium should be paid for working faculty over the age of 65. However, a majority of the Committee does not believe that this should be done. Among the reasons for this are that the Medicare Part B premium is rather modest on an individual basis but not in the aggregate. The University's limited benefit monies could be better spent for programs such as Blue Shield 100 which are difficult for individuals to secure on their own. Virtually no support exists on the Committee for paying the premium for retired faculty over the age of 65. The University provides a pension plan which is supposed to be adequate to meet the expenses of those who have retired. If this is not the case, the pension plan should be revised; the University should not attempt to meet the expenses of its retirees on a piecemeal basis.

Group Legal Benefits. A proposal was placed before the Committee by Professors Murray Gerstenhaber and James F. Ross that the University allocate \$10,000 to fund a one-year pilot program for prepaid legal services. The pilot program would enable University faculty to have routine wills prepared at no charge and to obtain other legal services at a limited additional cost which would be charged to the client. The proposal was motivated in part by the Tax Reform Act of 1976 which gives a tax advantage to prepaid legal services plans.

The Committee believes that a prepaid legal services plan could be beneficial to University employees. However, the Committee elected not to recommend that funding be granted to initiate such a program. The reason for this action is the Committee's belief that University benefit monies could be better utilized for other programs such as Blue Shield 100. The legal services plan would cover small, predictable expenses and thus should not receive a high priority as a benefits item.

Retirement Contributions on Summer Salaries. The University currently does not make a contribution to TIAA-CREF from the summer salaries of faculty members. It has been argued that contributions should be made, especially in view of the fact that they are made on the summer salaries of administrative personnel.

This issue was brought to the attention of the Committee late in the year, and no formal action could be taken. However, considerable sentiment was present that contributions should be made. The 1977-1978 Benefits Committee could assign a high priority to this issue and give careful consideration to recommending that the present practices be revised.

Administrative Problems With Blue Cross-Blue Shield. Complaints continue to be received about the administrative complexities involved with filing certain types of health insurance claims. Most of the problem in this area originates with Blue Cross-Blue Shield, which has been known to be unresponsive to faculty and staff attempts to collect benefits. This is not a new problem, and Blue Cross-Blue Shield has been given ample time to initiate corrective measures. The 1977-1978 Benefits Committee should act forcefully to resolve this issue.

Conclusion

The University is currently undergoing a period of budgetary stringency, and it is inevitable that pressures have arisen from the administration to reduce benefits. In view of the declining real incomes of the faculty, it is also inevitable that pressures have arisen from this source to increase certain benefit items. I do not believe that a net reduction in benefits should take place. Programs such as Blue Cross 100 are long overdue and should be implemented as soon as possible. Other programs, such as the pension plan, are currently an important source of economic security for the faculty and should not be subjected to substantial reductions.

On the other hand, the faculty and staff would be irresponsible to resist all attempts at benefits cost control. Thus, new programs of marginal benefit (such as legal services) should not be initiated and existing programs which are characterized by inequities (such as faculty/staff scholarships) should be cut back, however modestly. The highest priority program, such as the pension plan, health insurance, and life insurance, should be maintained and strengthened. Since these programs meet different needs, each must be adequate on its own. It is not valid to argue that if the package is relatively generous, individual items can be weakened.

—J. David Cummins, Chairman

FACULTY AFFAIRS

This is a long overdue final report of the Committee's deliberations during 1976-77.

At the first meeting of the Committee on November 12, 1976, I observed that the issues which had occupied the committee for the last several years had either been resolved or assigned to other groups. No new issues had been given to us by the Steering Committee of Council. We were in the happy position of generating a program of activity out of our own interests or waiting patiently for the Steering Committee's directive. I suggested one major issue for consideration, the role of "faculty development" in reducing the risks of financial exigency.

At a second sparsely attended meeting on December 10, the Committee discussed this issue and other minor matters but it appeared to me that we had neither the numbers, the mandate nor the motivation to add another issue to the Council's agenda. During the spring semester we sat patiently and separately awaiting any matter to which the Steering Committee might command our attention.

—Seymour Mandelbaum, Chairman

ADMISSIONS AND FINANCIAL AID

The principal activity of the committee during the year was monitoring the admissions process. Reports were received from: Dean Stanley Johnson on the size and quality of the entering freshman class; John Wineland on the details of the admissions process; Dr. Gretchen Wood on the recruitment program within the Faculty of Arts and Sciences; Dr. Joseph Bordogna on the recruitment program in the engineering schools; and Dr. Kim Morrison on supportive services for students who are not adequately prepared for work at the University.

A subcommittee was constituted to inaugurate a study of student financial aid policy in light of increasing competition from state supported schools, reduced numbers of high school seniors, and the financial squeeze on unrestricted funds of the University. The academic quality and the social character of the student body at Penn is very sensitive to the amount of financial aid available and to the manner in which it is distributed. The subcommittee held several meetings with members of the administration to gather information. A preliminary report is expected to be ready in the fall.

—Roger H. Walmsley, Chairman

HONORARY DEGREES

Having solicited nominations broadly from the University community through the *Daily Pennsylvanian* and *Almanac*, the Committee on Honorary Degrees considered in some detail more than 70 candidates. As has become traditional in the past several years, attention was paid to the distribution of the candidates over the various segments of the University with detailed documentation being assembled for the final list of candidates, which were forwarded to President Meyerson. Four of the nominees put forward by the Faculty Committee were awarded honorary degrees at the May Commencement. Unfortunately, due to illness, Drs. Gunnar and Alva

Myrdal were unable to accept their honorary degrees. The working relationship with the Trustee Committee on Honorary Degrees, while being indirect through the Secretary of the University and the President, appears to be working well.

—J. Robert Schrieffer, Chairman

LIBRARY COMMITTEE

The University Library Committee during the past academic year continued its function and responsibilities of advising the director of libraries on the policies, operations and development of the University libraries. The Committee for 1976-77 consisted of Roland M. Frye (English), chairman; Herbert Callen (physics); Hennig Cohen (English); Peter G. Earle, Jr. (romance languages); Donald F. Morrison (statistics); W. Allyn Rickett (Chinese); Bernard Wailes (anthropology); Margaret G. Wood (dermatology); Larry Robbins (Wharton); Betty L. Rosenkranz (FAS '79); William C. Hale (graduate English); Richard DeGennaro (director of libraries). Two major issues recurred throughout our discussions for the past year:

I. Use and Abuse of the Library by those outside the University

Two meetings of the Library Committee were devoted to consideration of problems arising from admission to the library of persons outside the immediate University of Pennsylvania community. Two concerns were of primary importance here—one involving safety of personnel and of material resources, and the other involving the diversion of services from members of the University so as to attend to those who have no connection here, at a time of severe budget constraints.

On the first issue, close attention was paid to incidents of vandalism, theft and problems of personal safety within the library buildings incident to the abuse of the present free admission of anyone who wishes to come in from the streets, especially on weekends, without an adequate door-check. Matters of personal safety were carefully analyzed, along with the expenses incident to increased vandalism on the weekends occasioned by such provision of general access. Comparisons were made with the experience and policies of other similar university libraries, which have adopted more restrictive policies, and comments were directed also to the issues of public relations and of our opportunities for broader education of the general community.

On the second issue, it is increasingly evident that, in addition to security problems, the library is becoming overcrowded to the point where members of this University sometimes have difficulty finding seats. Even more important is the fact that substantial amounts of time have to be devoted by the staff to providing for outside users the most elementary information on how our library operates. Consequently, attention is diverted from requests and questions raised by students, faculty and staff in the libraries on the weekends. Statistical reports have been kept, which indicate that approximately 40 to 60 percent of the issues raised with the reference staff on weekends come from people who have no direct connection with the University of Pennsylvania, with the result that the staff is seriously hampered in meeting other more immediate responsibilities.

These issues led to prolonged consideration and the weighing of alternatives. Among alternatives considered was the possibility of seeking more money from the already strained University budget, but it was concluded that in view of more pressing obligations, we should make no request along that line for maintaining our general educational services as a kind of public library in the Philadelphia area. Nonetheless, it was felt that it might be possible to solve the problems mentioned above by a more careful enforcement of the present stated policy, which reads that "any person who needs library material for professional or scholarly research purposes may make use of the open stacks and the reference section." In the view of the Committee, this policy gives the library the prerogative to say that only those who need library material for *research or scholarly purposes* may make use of our library facilities. The Committee thus supports the Director of Libraries in his efforts to be more restrictive and encouraged him to enforce the stated policy at the specific times he felt necessary, and through appropriate means such as having someone stationed at the door to check people entering the building.

II. The Impact of Financial Considerations upon the Quality and Quantity of Library Operations.

All three meetings of the Committee this year were, of necessity, concerned with issues of cost and of available revenues. Gratitude was expressed in the meetings, and by the chairman in direct letters, to the William Penn Foundation for a gift of \$100,000, and to Mr. and Mrs. Edmund J. Kahn of Dallas, Texas, for their gift of \$1,000,000. It was unanimously recognized that such generosity is of immense value to the libraries. At the same time, it was equally clear to the Committee that more needs to be available than is presently allocated to the libraries, both in capital funds and in current support from the general University budget.

The skyrocketing costs of journals alone, for example, have made necessary the following shifts in allocations: today approximately 60 percent of acquisitions budgets in the major research libraries go for periodicals, and only about 40 percent for monographs and books, which is the precise reverse of the situation only 10 years ago. At the same time, the price of books and monographs has also spiraled alarmingly. When these cost considerations are applied to the increases which have been allocated to the library budget over recent years, we find ourselves in a situation where the University of Pennsylvania's standing among American research libraries is continually eroding.

1. For example, between 1974/75 and 1975/76 the University of Pennsylvania dropped from 31st to 35th place in the total number of volumes added, from 34th to 41st place in materials and bindings, and from 25th to 27th in total staff.

2. The total expenditure figures show an overall drop from 22nd to 28th place in the same time span.

3. As for overall figures, we were overtaken in that period by Chicago, McGill, Maryland, Northwestern, Princeton and the new University of Western Ontario.

All of this must be viewed in terms of the stringent economies instituted by the director in operating and personnel costs within the library, and by an overall efficiency in our library operations which the Committee believes to be second to none in this country, in terms of budget management and efficiency of operations.

For these circumstances, the Committee wishes to point no finger of blame at anyone within the administration, nor indeed at any group, but it is convinced that it is necessary for these facts to be made explicit with an unmistakable clarity for all within the University community. The University's staff and faculty members come and go, but the gradual decay of a great library is far more difficult to repair.

—*Roland Mushat Frye, Chairman*

RECREATION AND INTERCOLLEGIATE ATHLETICS

During the past academic year, the University Committee on Recreation and Intercollegiate Athletics has been particularly concerned with maintaining the breadth and depth of programs in recreation and intercollegiate athletics in the face of severe budgetary constraints. With regard to intercollegiate athletics, a resolution passed by the Committee recommending to President Meyerson that a tenth football game be authorized by the Ivy Group. This recommendation was subsequently approved by the Ivy Presidents, with the important restriction that it may not be played before the next to the last Saturday in September or after the Saturday before Thanksgiving. As a result, the restriction ruled out tenth games in three of the next ten years.

Another area considered for strengthening the financial aspects of intercollegiate athletics was greater spectator participation. The Committee recommended and the athletic director subsequently has undertaken to implement ticket sales for athletic events at points throughout the campus other than Franklin Field. Other measures to make purchase of tickets simpler and easier for students, faculty, and administration are under consideration by the athletic director.

The greatest changes in the intercollegiate sector have occurred in the area of women's athletics, which now encompass 12 varsity teams and two club sports. There are now 17 persons on the staff as compared to three members three years ago. In men's intercollegiate athletics, the newest varsity team, men's gymnastics, has started well this year and is staffed by a male head coach and female assistant coach.

The Committee has noted the ever increasing utilization of recreation facilities, reaching a total of 8,000 persons during the previous year. In addition, a number of community groups were also using the facilities. Gimbel Gymnasium has been staying open until 11:00 p.m. on four nights each week during the school year in response to the demand.

The intramural program continues to expand under the direction of Robert Glascott. The program involved 9,761 individuals in 21 sports on 839 teams. Five of the team sports were co-educational activities.

At its final meeting of the year the Committee adopted a recommendation made by Mr. Ronald Bond, the Director of Recreation, for a new fee structure for recreation beginning with the coming academic year. The basic philosophy of the new structure is that no charge will be made for students, faculty, and staff for use of the recreational facilities, but charges will be made for use of the facilities by dependents, alumni, and others. Charges will also be made for extra services, such as lifetime sports instruction.

Needed changes in athletic facilities continue to be made. The recreation program for persons with rehabilitation needs has been developed in coordination with the University Hospital. The program includes the installation of lifts operating in the Weightman Pool and in the locker area.

The construction of an additional four indoor courts at the Levy Tennis Pavilion has been completed. The Committee gave careful consideration to facilities planning in the Program for the Eighties, and it recognized the need for developing additional athletic facilities in the western end of the campus. Because of cost considerations, it has been necessary to plan the new field house adjacent to the Hollenback Center, so as to draw upon that building's locker and other support facilities. Plans are being developed to meet recreational needs at the western end of the campus, including outdoor recreation areas in the super block area.

The Committee received an information report on the Penn Relay Carnival. The Penn Relays draw major numbers of participants from 16 states, representatives from 1,800 institutions, and 8,000 competitors.

—*Philip G. Mechanick, M.D., Chairman*

OPENINGS

Hiring and internal transfers of staff continue to be restricted by the hiring suspension which was put into effect on October 21, 1977.

Exceptions will be considered for those positions supported by sponsored research (ledger 5) and restricted budgets (ledger 6 and 8). Position vacancies within these categories are listed below.

These listings were condensed from the Personnel Office Bulletin of November 10. Dates in parentheses refer to the Almanac issue in which a complete job description appeared. The full description is made available weekly via bulletin boards. Those interested should contact Personnel Services, Ext. 7285, for an interview appointment. Inquiries by present employees concerning job openings are treated confidentially. The University of Pennsylvania is an equal opportunity employer. The two figures in salary listings show minimum starting salary and maximum starting salary (midpoint). An asterisk () before a job title indicates that the department is considering promoting from within.*

ADMINISTRATIVE/PROFESSIONAL

*BUSINESS ADMINISTRATOR II monitors all aspects of purchasing function; audits monthly expense charges. College courses in accounting; knowledge of University's accounting system. \$10,050-\$14,325.

EDITOR (10-4-77).

JUNIOR RESEARCH SPECIALIST (10-18-77).

*RESEARCH SPECIALIST I isolates platelet membranes, analyzes membrane lipids. B.S. in biology; five years' experience. \$10,050-\$14,325.

PART-TIME

PROGRAMMER ANALYST I involves Fortran, COBOL or PL/I programming; performs elementary statistical analysis. Three to five years' experience; chemistry background. *Salary to be determined.*

SUPPORT STAFF

LICENSED PRACTICAL NURSE weighs patients, obtains and performs basic laboratory tests with specimens, prepares examining rooms and patients for physicians' examinations. LPN experience in OB-GYN outpatient care. \$7,750-\$9,500.

PROJECT BUDGET ASSISTANT records daily transactions for current expense items, maintains and verifies records to the monthly comptroller's print-outs. Business school graduate; ability to type and use dictating equipment. \$7,150-\$9,150.

*PSYCHOLOGY TECHNICIAN I recruits and interviews patients for IUD study. College graduate; LPN preferred. \$8,625-\$11,050.

RESEARCH BIBLIOGRAPHER I (10-4-77).

RESEARCH LABORATORY TECHNICIAN I prepares biological samples, chemical analysis, biological assays of various metabolites, spectrophotometric analysis of biological intermediates and low temperature kinetic studies. B.A. in basic science, chemistry or biochemistry. \$6,775-\$8,675.

RESEARCH LABORATORY TECHNICIAN II prepares enzyme assays; basic electromicroscopy, column chromatography, basic spectrophotometry-antigen-antibody reactions. B.S. in chemistry, including organic. \$7,650-\$9,800.

RESEARCH LABORATORY TECHNICIAN III (four positions). See bulletin boards for details. \$8,625-\$11,050.

SECRETARY II (two positions). \$6,225-\$7,975.

SECRETARY III (two positions). \$6,700-\$8,575.

SECRETARY MEDICAL/TECHNICAL (five positions). \$7,150-\$9,150.

PART-TIME

Five part-time and temporary positions are listed. See bulletin boards for details and wages.

Almanac Bulletins

DEADLINE FOR THOURON APPLICATIONS

Members of the faculty and administrative staff are urged to inform students of the exceptional opportunity for postgraduate study in Great Britain provided by the Thouron-University of Pennsylvania Fund for British-American Student Exchange. The largest program of its kind sponsored by a single American university, the Thouron Awards program seeks seniors and graduate professional school students who show strong potential for leadership in business and industry, in politics and public affairs, in the professions, in the arts and in intellectual pursuits. The exchange exists for the promotion of better understanding and friendship between the people of Great Britain and those of the United States. A Thouron Award provides generously for tuition fees, room, board and travel for a period of twelve months and may be renewed for a maximum of three years. The program is open to United States citizens who intend to pursue a degree program (or equivalent) in any British institution, and is not intended to support research leading to a Pennsylvania degree.

Students should be urged to seek further information and application forms from James B. Yarnall at 133 Bennett Hall, Ext. 4661. The application deadline for study next year is December 1, 1977.

CANCER RESEARCH GRANT

The University has applied for an American Cancer Society Institutional Research Grant, effective July 1, 1978. The purpose of this grant is to provide support for biomedical research throughout the University with "seed money" grants (\$3,000 maximum) for the exploitation of new developments in cancer research. Applications will be judged on the bases of scientific merit and the role that research support will play in the development of new research. First priority is given to new investigators and second priority to established investigators embarking on a new direction.

The Scientific Review Committee of the University of Pennsylvania Cancer Center will review these requests and establish priorities. Although the award of this grant is presently pending, interested investigators are invited to submit a brief description (one or two paragraphs) of research which qualifies for this funding. Please send these descriptions to Dr. Richard A. Cooper, Director, University of Pennsylvania Cancer Center, 578 Maloney/G1.

HOLIDAY SCHEDULE

This year the University will celebrate Thanksgiving on Thursday, November 24, and Friday, November 25. Christmas and New Year's Day occur on Sunday, December 25, and Sunday, January 1, 1978, and the University will observe these two holidays on the Mondays following December 26 and January 2, 1978.

The special Christmas vacation period this year is Tuesday, December 27, 1977, through Friday, December 30, 1977. The University's first work day next year will be Tuesday, January 3.

Support staff personnel who are required to work on a day when a holiday is observed can opt for compensation at the holiday rate or compensatory time for work on a holiday.

For employees covered by collective bargaining agreements, the applicable provision of each agreement shall govern.

—Gerald L. Robinson,
Executive Director of Personnel Relations

OVERCOME MATH ANXIETY

If you're nervous when it's time to balance your checkbook, maybe you're suffering from "math anxiety," a recently identified problem, common among women who have been conditioned to feel that math is for men. Relax and attend a free workshop to overcome math anxiety Wednesdays from 4 to 5:30 p.m. at the women's studies center in Logan Hall. For more information, call Ext. 8740.

MASTER FOR STOUFFER

Tenured faculty members interested in the mastership of Stouffer College House for a term beginning either this spring or next fall are cordially invited to express their interest to: Dr. Samuel Martin, Chairman of the Search Committee, Ext. 5611, or to Robert Hill, Associate Director of Residential Living, Ext. 7515.

APPEAL FROM LIBRARY

There are 14,700 Van Pelt, Lippincott, and Fine Arts Library books currently checked out on extended loans to University faculty members. Many of these books have been sitting on shelves in your offices and homes for months or even years.

I urge each one of you to bring in all the library books in your possession so that we can clear the records from our old punched card circulation system and charge out those that you still need on the new on-line computer system.

The old system must be phased out and the expensive leased equipment returned to IBM by January, 1978. We need your cooperation.

—Richard DeGennaro, Director of Libraries

GET SOME SLEEP

The Insomnia Clinic of the Hospital of the University of Pennsylvania offers a medication treatment program for individuals with sleep difficulty. Our program at the University Hospital evaluates new forms of treatment and offers a 10- to 90-day treatment program for people who qualify. All treatments involve clinical evaluation, frequent reports and medication. As part of the program, a free full-physical examination is provided to eliminate any medical illnesses, which may be contributing to the sleep difficulty. A brief psychological evaluation is also done to insure that there are no underlying psychiatric causes for the insomnia, which may require some alternative mode of therapy. For further information and an evaluation appointment without obligation, call 227-3462. Physicians should refer their patients to me at 227-2844.

—M. A. Rohrbach, M.D., Clinical Associate in Psychiatry

TELL IT TO THE BOOKSTORE

We are anxious to hear from the University community about improvements we can make in the policies, procedures and services of the University bookstore. At the suggestion of the Bookstore Advisory Committee and with our wholehearted concurrence, we would like one of the members of our management staff to attend your department's next staff meeting to hear from you on the status of the bookstore and the way you feel it could serve you better. You can help us become more of the kind of bookstore you want by putting us on your meeting agenda. Please call me at Ext. 7827 to arrange this. —Gerald T. Ritchie, Director, University Bookstore

YEARBOOKS ARE HERE

The 1977 yearbook, *Poor Richard's Record*, is now on sale in the University Bookstore. The Bookstore is now taking orders for 1978 *Records* as well. Yearbooks are also available through the *Record* office, 3611 Locust Walk.

ANNUAL FAST: NOVEMBER 17

The Penn Hunger Action Committee (PHAC) reminds faculty and staff that November 17 is the date of the annual Fast for a World Harvest. All of you who wish to join in this undertaking are urged to do so. You are urged also to donate whatever money you can; the proceeds will be passed along to the Oxford Committee on Famine Relief (OXFAM) and UNICEF. Bring or mail your contribution to PHAC, c/o the Christian Association, 3601 Locust Walk, C8.

On the evening of November 17, participants in the fast will join in a candlelight procession down Locust Walk. The fast will end with an open Break-Fast (time and place to be announced).

—Peter Conn, Associate Professor of English

SAY IT TO A SENATOR

A number of faculty and staff have expressed interest in communicating with their State Senators with respect to the vote on appropriations to the University. For those who wish to do so, the following information may be helpful.

Nine Senators from the Philadelphia area voted against the University's appropriations. Their names and office addresses are:

Herbert Arlene, 1710 W. Columbia Ave., Philadelphia 19121
Clarence D. Bell, 50 W. Front St., Media 19063
Charles F. Dougherty, 6720 Rising Sun Ave., Philadelphia 19111
Freeman Hankins, 4075 Haverford Ave., Philadelphia 19104
Edwin G. Holl, 331 N. Broad St., Lansdale 19446
Francis J. Lynch, #1 Button Wood Sq., Philadelphia 19130
Paul McKinney, 250 S. 52nd Street, Philadelphia 19139
Joseph F. Smith, 857 E. Allegheny Avenue, Philadelphia 19134
John J. Sweeney, 105 S. State Rd., Upper Darby 19026

All other Philadelphia-area Senators voted for the appropriation, with the exception of Senator Henry J. Cianfrani, 1025 S. Eighth Street, who was not present. Those who voted for the appropriation are:

Wilmot E. Fleming, 306 Wyncote Rd., Jenkintown 19046
Louis G. Hill, 6765 Germantown Ave., Philadelphia 19119
Edward L. Howard, 68 E. Court St., Doylestown 18901
H. Craig Lewis, 421 Bustleton Pike, Feasterville 19047
John Stauffer, 1215 Dorothy Ave., Phoenixville 19460

For those who are unsure as to the Senatorial District in which they live, the Office of Commonwealth Relations (Ext. 6118) will attempt to be helpful.

—Office of Commonwealth Relations

THANKSGIVING RECESS

Those whose events should be announced on November 29 are reminded that there will be no *Almanac* that Tuesday because of the printer's holidays the previous week. Because of this change in schedule, we will extend our normal Tuesday deadline for Things to Do to noon on Thursday, November 17.

THINGS TO DO

LECTURES

Today at 7 p.m. Dr. Daniel Davis of Hebrew University presents *An Evaluation Study of Israeli Elementary Schools* at the Woody History of Education Seminar in Van Pelt Library.

Mark Azbel, professor of physics at Tel Aviv University, lectures on "The Plight of Soviet 'Refusenik' Scientists" November 16, 8 p.m., and "Thermodynamics of DNA" November 17, 4 p.m., Room 102, Chemistry Building.

"Local Cardiac Dynamics and Blood Flow: Effects of Coronary Artery Occlusion in Experimental Animals" is the topic for William A. Alter III of the Armed Forces Radiobiology Research Institute of Bethesda, Md., at 12:30 p.m. on November 16 in Room 554 of the Moore School.

Sir Maurice G. Kendall, director of the world fertility survey of the International Statistical Institute, speaks to the department of statistics on November 16 at 2:30 p.m. on path analysis in Room B-11, Vance Hall.

Organizational Development Practice in Health Institutions is the subject for Dr. Peter Brill, associate in the department of psychiatry, for the Health Services Research Seminar on November 17 at 4:30 p.m. in the Colonial Penn Center auditorium.

I. W. Sandberg of Bell Laboratories speaks *On the Theory of Social Processes Characterized by Weak Reciprocity* November 17 at 4:30 p.m. in Alumni Hall, Towne Building.

Bovine Sex and Species Ratios: Regional Perspectives will be discussed by Marvin Harris of the anthropology department, Columbia University, at the South Asia Seminar November 17 at 11 a.m. in Room 138, University Museum.

Find out about *Computers and Color TV* from Dr. Tom DeFanti of the

University of Illinois at Chicago Circle November 18 at 3 p.m. in Room W1, Dietrich Hall.

Class Pedagogy and Communication is the subject for Basil Bernstein, chairman of the sociology of education, University of London, in the first annual Graduate School of Education Dean's Lecture, November 19, 10 a.m., Graduate School of Education.

Dr. David Graves, associate professor of chemical and biochemical engineering, lectures on *Immobilized Enzymes: More than Simply a New Type of Catalyst* on November 21 at 3:30 p.m. in Alumni Hall, Towne Building.

Learn about *Child Development through Filmmaking* from Bryan Sutton-Smith, professor of education, on November 21 at 4 p.m. in the Colloquium Room of Annenberg School.

Follow *The Reproduced Images: Culture on the Move*, a lecture by Regina Cornwell at the ICA on November 22 at 7:30 p.m. in the gallery in Fine Arts Building.

Dr. Pierre Laurent of the University of Strasbourg analyzes *Oxygen Diffusive Conductance in the Normoxic and Hypoxic Fish Silurus Granis* on November 22 at 12:30 p.m. in the 4th floor library of the Richards Building.

FILMS

Unedited footage from Sergei Eisenstein's *Que Viva Mexico, Part I* is screened for the Documentary Film Series on November 16 at 4 and 7 p.m. in Annenberg Center's Studio Theater.

Two films at International House are: *The Night of Counting the Years*, November 17, 7:30 and 9:30 p.m.; and *Xala*, November 18, 4 and 8 p.m.; \$1, Hopkinson Hall.

Comedy reigns on November 19 in Fine Arts Auditorium with Monty Python's *And Now For Something Completely Different*, 7:30 and 10 p.m. \$1; and at midnight, *Laurel and Hardy* and the *Three Stooges*, 75¢.

The Legend of Amaluk is the University Museum's children's film on November 19 at 10:30 a.m. in Harrison Auditorium.

For adults, the University Museum has *Love* on November 20 at 2:30 p.m. in Harrison Auditorium.

ON STAGE

Dinner-theater, November 16: The Faculty Club offers a buffet at 5:30 p.m. followed at 8 p.m. with *A Touch of the Poet* at Annenberg Center or *Luv* performed by The Repertory Company at 1924 Chestnut Street. Call the Faculty Club, Ext. 4618, for details.

Mozart's Requiem is presented by the University Choir, William Parberry conducting, on November 18 at 8:30 p.m., Irvine Auditorium.

Bach to Bartok is the theme for the Campus Performance Society recital, featuring Penn alumnus John Platoff, on November 20 at 8 p.m. in the art gallery of the Philomathean Society.

The Curtis Organ Restoration Fund Society sponsors a *benefit organ concert* by Jerry Stief, organist of the Cathedral-Basilica of Saints Peter and Paul on Logan Circle, November 20 at 3 p.m. in Irvine Auditorium.

MIXED BAG

Spend some time today with the *Four Arrows*, a group of American Indians, at the Christian Association.

Ruth Wells, crime prevention specialist, Department of Public Safety, conducts a *Safety Awareness Program* in the Law School lounge on November 16 at 7:30 p.m. William Heiman, Esq., rape prosecution coordinator for the District Attorney's Office, is the guest speaker.

See the University Museum's *Oceania* collection on a guided gallery tour November 16. Call 224-224 for information.

Dr. Ingrid Waldron, associate professor of biology, answers the question, *Why Do Women Live Longer than Men*, at a fall cocktail seminar, sponsored by the General Alumni Association, on November 17 in the Union League, \$1.50 registration fee. Call Ext. 7811.

How to Avoid Assault and Burglary, a two-day safety fair, takes place on November 17-18 from 10 a.m. to 3 p.m. in Houston Hall, as part of a city-wide Victim's Rights Week, November 14-18.

The Faculty Club hosts a Penn Players-Annenberg seafood buffet on November 18 at 5:30 p.m. Call Ext. 4618 for reservations.

Make your own *Thanksgiving table arrangements* November 22 at 10 a.m. in Morris Arboretum (\$6, members; \$8, non-members). Information: CH 7-5777.

ALMANAC: 515 Franklin Building (16) Ext. 5274

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