

Almanac

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40th Street Shooting: Pre-med's Condition Stable

Penn pre-med student Russ Walls is in stable condition at HUP after being shot in the back, apparently at random, on 40th Street near Locust Walk Friday night.

The area was already being patrolled, and Philadelphia Police took possible suspects into custody at the scene, according to Michael Carroll, chief of Penn Public Safety's detective division, which is working in liaison with city detectives. At presstime Monday the Philadelphia Police Detective West unit, which is in charge of the investigation, told *Almanac* no follow-up information could be provided yet.

Mr. Walls, who is an offensive linebacker on the Penn varsity football team, was conscious and alert when campus and city police responded at 10:57 p.m. Friday. He described standing in front of Smokey Joe's talking to friends when he suddenly heard an explosion behind him and fell to the ground, wounded from the back in the upper left hip. The Penn sophomore was rushed to HUP Emergency by Philadelphia Fire Rescue 3, and joined by his parents, the noted Germantown veterinarian Dr. Orville Walls and Yvette Walls, a reading specialist with the Center for Literacy at the campus Newman Center.

Dr. Walls said Monday that his son was passing the shopping mall near Smokey Joe's, on his way to Burger King, when he stopped on the sidewalk to talk with a recent alumnus about his experience in graduate school, and they were joined by two of Russ Walls's teammates. Behind Mr. Walls a movie crowd emerged from the Eric 3 On the Campus in the

mall. The sound of what they thought at first was a firecracker seemed to come from the crowd, Dr. Walls was told.

After exploratory surgery Sunday, HUP's surgeon made a recommendation not to remove the bullet, which is lodged in muscle. A surgeon who had previously treated Russ Walls, flown by the family from Annapolis for a second opinion, concurred.

Dr. Walls said his son has begun therapy and may be released by mid-week, returning to class soon afterward and possibly resuming football practice in about 20 days. Young Walls's—315 lbs. at 6'4"—is credited with his escaping worse injury. "If he had been a smaller man, they tell me it could have shattered his pelvis," the father said.

Philadelphia Police are also investigating a similar shooting in Center City that occurred as a movie crowd milled outside a theater. The film in both cases was *Tougher Than Leather*, which reportedly is drawing attendance from gangs who disrupt the showings to attack each other. A spokesman for the President's Office said extra security has been in place since the shooting and that the manager of the Eric 3 On the Campus has agreed to take the film off the schedule after Monday night's advertised showing. Penn does not own the 40th Street development (not to be confused with the nearby Walnut Mall between 39th and 40th, where the AMC Walnut Mall 3 cinema is located; the latter mall is University-connected through a wholly-owned subsidiary).

Memorial Service: Dr. Spiller

All members of the University are invited to attend the memorial service to be held Saturday, October 1, for the late Dr. Robert Spiller, emeritus professor of English, who died in August at the age of 91, survived by his wife, Anna Moss Wright Spiller, and daughter Constance Spiller Johnston. The service will begin at 3 p.m. at the Chestnut Hill Friends' Meeting at 100 E. Mermaid Lane. (Additional information on Dr. Spiller's career will be published next week.)

Extending Dean's Search

Dean George Gerbner has agreed to continue as Dean of the Annenberg School of Communications, and the search for his successor has been extended, Provost Michael Aiken told the Trustees Executive Committee at their September meeting.

"We deeply appreciate George's willingness to continue in office," the Provost, "especially in the light of the teaching and research obligations he had taken on in the belief that he was to be 'unleashed.'" (See *Almanac* February 10, 1988.) Said Dean Gerbner, "Yes, it seems I'm back on the leash—but straining. I'll just have to juggle." A major undertaking already in progress before he was asked to continue in office was a comparative study of television in 26 countries.

Ed. Note: For readers who missed the mid-summer *Almanac* (July 12 issue), the state of deanships at Penn is:

- SAS is now headed by Dr. Hugo Sonnenschein, a Princeton economist who took office this summer (more on him in a future issue).

- The search for a dean of the School of Medicine has been extended, and an acting dean appointed: Dr. Arthur K. Asbury, the Van Meter Professor of Neurology who joined Penn in 1973 as chair of the department. Former Dean of Medicine Dr. Edward Stemmler continues as Executive Vice President of the Penn Medical Center.

- The search is still in progress for a dean at the School of Dental Medicine, where Dr. Malcolm Lynch is acting dean.

Safety Strike: Settlement Notice

Following is a joint statement by the Director of Public Safety and the Vice President of Local 506, released Friday, September 16.

The University and Local 506 of the United Plant Guard Workers of America, which represents 44 of the University's police officers, reached an agreement Thursday, September 15, ending a 45-day old strike.

The contract was signed by 11:30 a.m. and the officers reported to work with the 3 p.m. shift. Under the terms of the agreement, the University and the union have agreed not to discuss details of the settlement.

We welcome the officers back to work and appreciate the patience and good citizenship displayed by the Penn community during an arduous negotiating process.

Thank you to the Public Safety supervisors and detectives with backup from the administrative staff who did a yeoman's job in providing adequate patrol protection for the campus and to the strikers who, on several occasions such as move-in, actually expedited the movement of traffic.

With the settlement, we look forward to continuing efforts to heighten community awareness that personal safety begins with the individual. On September 27, between 11 a.m. and 2 p.m., the entire Department of Public Safety will sponsor a campus-wide safety and security fair on College Green. We look forward to seeing you there.

John Logan,
Director of Public Safety

Hugh McBreen
Vice President of Local 506

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Pullout: CRC's Penn Printout

SENATE

From the Senate Office

The following statement is published in accordance with the Senate Rules. Among other purposes, the publication of SEC actions is intended to stimulate discussion between the constituencies and their representatives. We would be pleased to hear suggestions from members of the Faculty Senate. Please communicate your comments to Senate Chair David P. Balamuth or Faculty Senate Staff Assistant Carolyn Burdon, 15 College Hall/6303, Ext. 8-6943.

Actions Taken by the Senate Executive Committee Wednesday, September 14, 1988

The Senate Executive Committee voted unanimously to recommend that the administration and the trustees approve a modified version of a proposal by the Wharton School to make up to five appointments in a new category of visiting faculty with the title of Visiting Executive Professor consisting of business and government leaders who would serve for a single fixed term not to exceed five years.

Continuing Faculty Hospitality to Students

President Sheldon Hackney's Fund for Student-Faculty Interaction is being continued for a sixth year, allowing faculty members to draw reimbursement for entertaining groups of students either at home or, if that is not possible, in local restaurants.

Each faculty member is asked to limit himself or herself to one function per semester; invite no student more than once; and base reimbursement on figures set at \$3 per student for receptions with light refreshments, \$4 per student for lunches, and \$6 per student for dinners. Reimbursements will be made for food and non-alcoholic beverages only.

A special form, which must be returned with originals of all receipts, is available from Dr. Francine Walker, Director of Student Life Activities and Facilities, 110 Houston Hall/

6306, Ext. 8-4340. Deans, program directors and department chairs are especially asked to bring the President's Fund for Student-Faculty Interaction to the attention of the faculty.

Activity by School

School	# of Uses
Annenberg	2
Arts & Sciences	97
Dental Medicine	5
Education	20
Engineering	7
Fine Arts	9
Law	9
Medicine	27
Nursing	12
Veterinary Medicine	4
Wharton	16
Total:	208

President's Fund for Student-Faculty Interaction Summary Report 1983-88

	1983-84	1984-85	1985-86	1986-87	1987-88
Number of faculty uses	246	183	191	197	208
# of students entertained	3805	3388	4095	4170	4207
Total reimbursements	\$15,699	\$14,487	\$16,089	\$18,478	\$22,217
Average cost/student	\$4.13	\$4.28	\$3.93	\$4.43	\$5.28
Avg. reimbursement per event	63.81	79.16	84.23	93.79	106.81
Number of departments	73	61	58	57	65
Number of schools	12	11	12	11	11
# events at home/% of total	93/38%	92/50%	84/44%	95/48%	84/40%
% of events for grad/prof. students	50.9%	52.1%	52.2%	48.7%	46.7%
% of events for undergrad. students	49.1%	47.9%	47.8%	51.3%	53.3%
Number of dinners/% of total	142/57%	110/60%	109/57%	122/62%	133/64%
Number of events "on campus"/% of total	44/18%	29/16%	38/20%	39/20%	50/24%

Diabetes Research Center

The Diabetes Research Center of the University of Pennsylvania requests submission of applications for support to perform pilot and feasibility studies in diabetes related fields. Young investigators who wish to take a new direction in their studies are encouraged to submit applications to the Diabetes Research Center, 501 Medical Education Building, by *December 9, 1988*. An original and 13 copies of the standard NIH form for RO-1 grant applications should be used. If human subjects will be participating in the proposed research, it will be necessary to submit NIH Human Subject forms with the application; if animal research is being proposed, we will need an original and 18 copies of the Institutional Animal Care and Use

Committee (IACUC) protocols.

Grants will be reviewed by the Diabetes Research Center's Pilot and Feasibility Review Committee and by extramural consultant experts. Maximum projected funding level is \$20,000 (equipment and travel fund requests are discouraged) and grants will be made for one year.

Investigators who are currently in the 01 year of support through this Pilot and Feasibility Program may reapply for an additional year of funding. Such continuation applications need to be carefully justified, however. We anticipate sufficient funds to award 5 or 6 grants. Notification of an award will be made in March 1989. For further information, please contact Dr. John R. Williamson, Department of Biochemistry and Biophysics, Goddard Laboratories, Room 601 (Ext. 8-8785).

President's Fund 1987-88

(see story below left)

Activity by Department

Department	# of Uses
Accounting	1
Anatomy	1
Animal Biology	1
Annenberg	2
Anthropology	1
Architecture	2
Biochemistry (Dental)	2
Bioengineering	2
Biology	1
Chemistry	4
City and Regional Planning	1
Classical Studies	2
Clinical Studies (Vet.)	3
Computer & Information Systems	3
Comparative Literature	1
Decision Sciences	3
Economics	2
Education	20
Emergency Medicine (Med.)	2
Emergency Services (Med.)	2
Endodontics	1
English	18
Finance	2
Folklore & Folklife	1
Gastroenterology	1
Geology	1
Germanic Languages	7
History	6
History of Art	4
Hist. & Soc. of Science	2
Human Genetics (Med.)	1
Law	9
Legal Studies	1
Management	5
Marketing	1
Materials Sci. & Engin.	2
Mathematics	1
Mechanical Engineering	2
Medicine (Med.)	7
Microbiology (Med.)	1
Military Science	1
Music	5
Neurology	2
Nursing	12
Ob/Gyn	1
Oral Rehab. (Dent.)	1
Oriental Studies	13
Pathology (Med.)	1
Pediatrics	5
Philosophy	1
Physics	6
Political Science	1
Psychiatry	2
Psychology	2
Public Policy & Mgt.	2
Radiology (Med.)	1
Regional Science	2
Religious Studies	2
Restorative Dentistry	1
Romance Languages	3
Slavic Languages	1
Sociology	8
South Asia Regional Studies	3
Urban Studies	2
Wharton Communic. Program	1
Total:	208

Penn's FY 1988-89 Operating Budget

by Glen R. Stine, Executive Director
Resource Planning and Budget

Summary

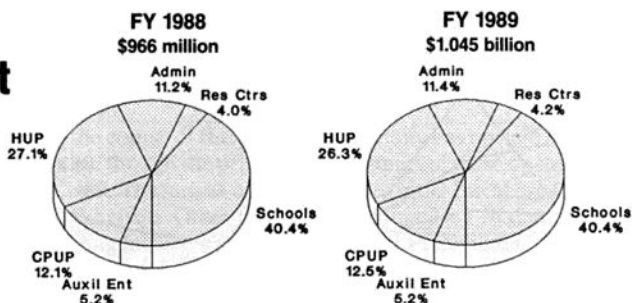
The fiscal year 1989 operating budget for the University of Pennsylvania will exceed \$1 billion for the first time in the history of the institution. The total budget, including the Hospital of the University of Pennsylvania and the Clinical Practices, as well as the twelve schools and other University operating units, is \$1.045 billion for FY1989. Of this total, \$275 million is for HUP and \$130 million for CPUP. All major components of the budget are balanced, and for the 14th straight year, the University will present a balanced budget.

This budget is the result of discussions and consultation with many groups and represents the efforts of many individuals to link financial, academic, and administrative planning and programing. Key to the effort is the continuing work of the Academic Planning and Budget Committee, the deans and staffs of the schools, and the senior officers of the University. In addition to the academic and administrative processes within the University, the proposed budget for the Hospital has been reviewed by the Medical Center Board of Trustees and is consolidated here in accordance with generally accepted accounting principles governing universities and colleges. These principles differ from health care principles mainly in the way capital expenditures and depreciation are treated. A reconciliation to health care principles is found in the footnote to Schedule B (page 6). The Clinical Practices' budget is also developed under health care principles and then converted to college and university practices.

Overview of the Budget

The operating budget of the University can be separated into several components to more clearly illustrate University operations. For example, since we attempt to separate the process of budgeting and funding the Hospital and the Clinical Practices from the rest of the University, it is important to understand the breakdown of major organizational units within the budget. Graph I, above, shows the percentage of the budget related to the major units of the University. The non-health service units include schools, resource centers, auxiliary enterprises and the central administrative units which include expenditures for plant operations. In the graph presentation, expenditures for the Medical School are included with the school budgets. However, if these expenditures are added to the

I. Total University Budget Unrestricted & Restricted Budget



Health Service budgets, total expenditures from these areas are almost 50% of the entire budget.

As you can see, the relative percentage among units does not change dramatically from year to year.

Since we guarantee schools that the administrative expenses allocated to them will not exceed the original allocation, even if the actual expenditures of these areas increase beyond their budgets, direct revenues and expenditures, once budgeted, remain within the individual budgetary units.

To evaluate the University's resource allocation policy, it is important to understand sources of revenue, especially when such a large portion of the budget comes from restricted funds. Graph II, below, displays the percentage of each revenue source in the University budget, excluding health services. The budget for these areas now assume total revenues of \$641 million, up from \$588 million for the current fiscal year.

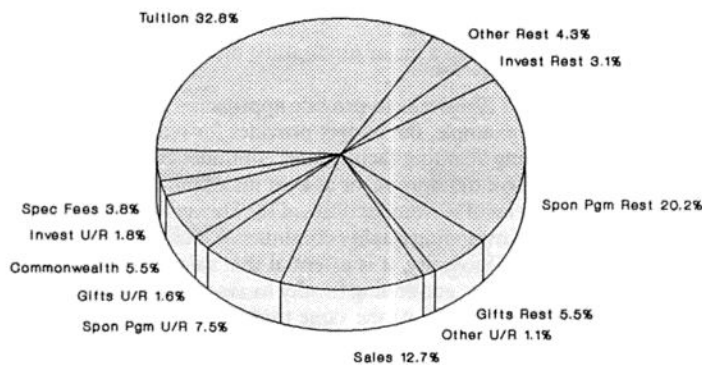
The importance of growth of revenue items is obscured in these graphs, because such growth may be attributable to one or a few schools or centers. For example, the opening of the Steinberg Conference Center adds over \$5 million to the budget, but revenues are exclusively attributed to the Wharton School. Strong growth in current enrollments in Social Work, Fine Arts and Education have led to a turn around in the base budgets for those three areas. As a general statement, unrestricted revenues are still growing slightly faster than restricted revenues. This factor may change in future budgets for many schools as the University capital campaign increases restricted revenue growth.

Graph III displays a similar breakdown of revenue without auxiliary enterprises. (Revenue from auxiliaries in Graph II is primarily in sales). It provides a useful assessment of what is commonly called the education and general budget of a university. As you will note, total revenue drops to \$580 million with this analysis.

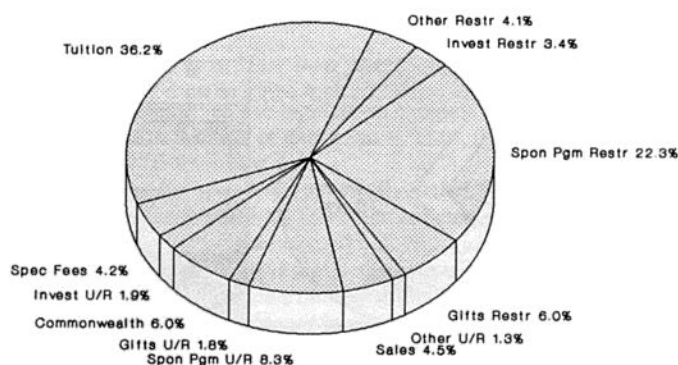
Graph III illustrates that income from tuition and restricted and unrestricted sponsored programs represents the largest portion of the education and general budget—36.2% and 30.6%, respectively. Income from investments and gifts make up only a small percentage of the total.

Recent trends in revenue growth for the education and general (or academic) budget are shown in Graph IV, above. The rate of increase in the revenue base of the University, though declining, still remains very

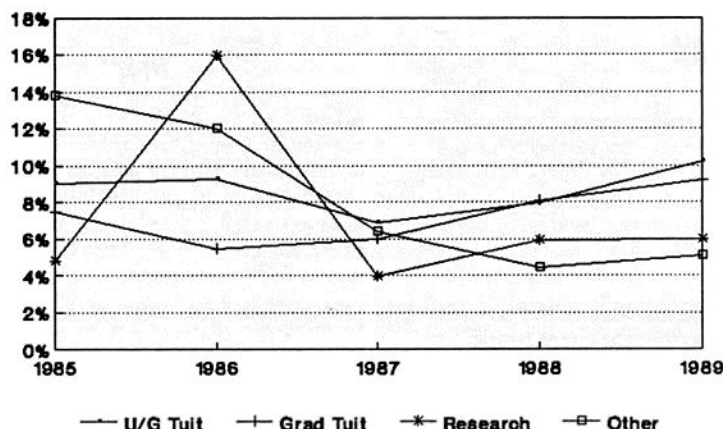
II. FY 1989 Revenue Budget Excluding Health Services \$641 million



III. FY 1989 Revenue Budget Education and General \$580 million



IV. Education & General Budget Revenue Growth Trends by Source Percentage Change

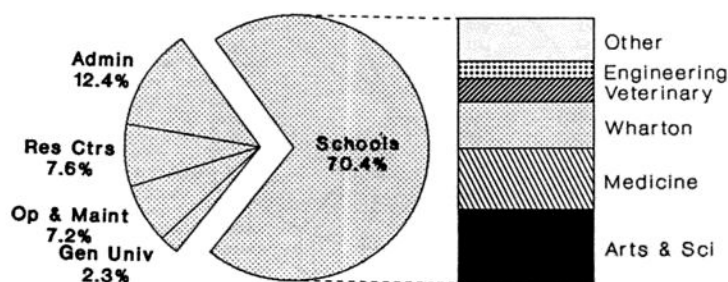


strong when compared with measures of the rate of inflation. In the budget-to-budget comparison shown in Schedule A (page 5), budget growth for FY1989 is exaggerated by the unbudgeted undergraduate tuition income due to the unanticipated size of the freshman class in FY1988. This means that undergraduate tuition in FY1988 was actually \$3 million higher than budgeted, while aid expense was about \$900,000 over budget. When the effect of this item is removed from the FY1989 budget, the anticipated unrestricted budget increase is 8.5%, and the total budget increase is 7.9%. Class size in FY1988 also had a positive effect on the revenue base of the general fee, as well as the residential and dining services budgets.

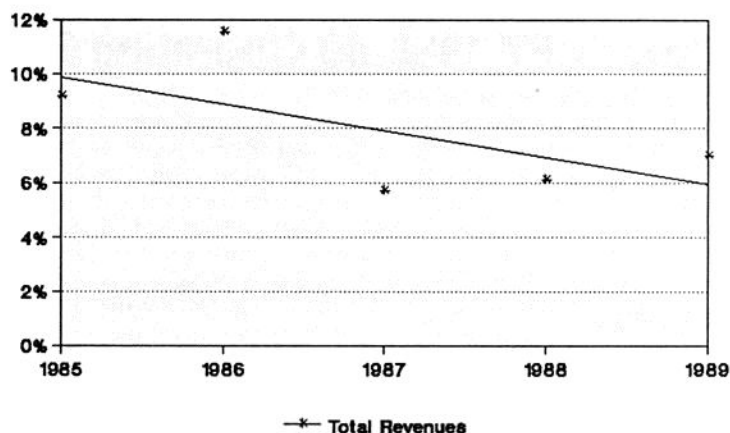
Most expenditures from the education and general budget in the University are directly made through the schools, as Graph V, below, shows.

It is useful to remember that under the responsibility centered budget system used by the University, many unrestricted, as well as restricted, revenues are directly assigned to schools and centers through a series of formulas that relate to the relative activity measures in that school. Therefore, while the allocation of General University Resources has an important influence on many school budgets, it is the activity levels (e.g., number of students taught, amount of funded research conducted, etc.) that determine over 78% of revenues for the schools. In addition, revenue earned by a school must also cover a portion of central administrative and physical plant costs before a school or center budget is balanced. Thus, the costs labeled administration and operations and maintenance are assigned to the various centers throughout the University as allocated costs. Schedule B show this assignment in general ways. As Schedule C (page 7) indicates, the overall size of the school and resource center budgets vary dramatically, from \$3 million in the Annenberg Center to \$147 million for Arts and Sciences.

V. FY 1989 Education & General Budget Unrestricted & Restricted Expenditures \$580 million



Education & General Budget Revenue Growth Trendline Percentage Change



Major Objectives for the Fiscal Year 1989 Budget

The most critical part of any budget is what it seeks to accomplish. Many of the objectives for fiscal year 1989 are the same as in previous years and reflect the goals expressed in the critical planning documents of the University and its schools. The objectives and agenda put forth in *Choosing Penn's Future* are particularly critical. That document called for the University to work toward the following:

- 1) Real growth in faculty salaries and enhancement of the recognized quality of the faculty;
- 2) Maintain the quality and diversity of the student body and continue the need-blind admissions policy;
- 3) Strengthen undergraduate education as a specific objective of the entire University;
- 4) Enhance research capacity and become more competitive in attracting sponsored support;
- 5) Become more competitive with peer institutions in special areas related to basic missions, including increased funding for graduate fellowships;
- 6) Recognize the burden that increases in tuition and other fees have on students and their families;
- 7) Continue to provide for balanced annual budgets and for the development of continuing financial strength of the whole institution.

Since 1984, several items have been added to the original agenda of *Choosing Penn's Future*. Among the critical items added to the agenda were:

- 1) Development and implementation of a program that seeks to alleviate the major deferred maintenance on campus;
- 2) Recognize both the opportunities and needs that the changes in technology have on the research and teaching infrastructure of the campus;
- 3) Recognize and support critical priorities that have been identified in the five-year plans of schools and resource centers.

In FY1989, several other major initiatives and programs will start as part of the vital efforts to insure a comparative advantage for Penn in the future. Most of these items further build on the objectives reflected in the previous budgets. Two major initiatives are particularly critical:

- 1) A major new focus on the recruitment of scholars to the University faculty through the Trustee Professorship program. At least three Trustee Professors have been hired for FY1989 and a number of additional searches have been authorized.
- 2) Activities to develop a major fund-raising drive for the University's most critical priorities.

The budget for FY1989 seeks to provide approaches for achieving all of these goals. For example, the budget provides for real growth in the salaries of continuing standing faculty, and continues the practice of a separate salary reserve to improve, or at least maintain, the competitive position of the salaries of various faculties of the University. As competition for faculty of outstanding quality continues to increase both within and external to the University, it is essential that salary policy seek to maintain our position for continuing faculty to avoid major competitive offers based on salary issues. At the same time, attracting the very best

continued past insert

Main Objectives (continued from p. 4)

faculty where replacement is needed is becoming increasingly expensive. Equipping and start-up costs for the labs of major scientists can often run in the hundreds of thousands of dollars. Trustee Professorships, plus the continued development of a substantial number of endowed and term chairs for existing and new faculty, are essential for maintaining and enhancing the University's current status. Thus, the budget recognizes critical faculty development concerns in both unrestricted and restricted funding categories.

In research and graduate education, the budget continues the trend of providing for increases to a number of central pools that promote our objectives. The graduate fellowship pool will increase by \$750,000 to \$5 million. In FY1983, the graduate fellowship pool was \$1.7 million. Yet even with these major percentage increases in each of the last several years, the University has not caught up with competitor institutions. Graduate research assistant subsidies also continue to grow. Subsidies will total \$2.8 million in FY1989, up from no funding in FY1984. Special support for research can be found in the continuation of a capital fund for facility infrastructure, in increases in the Research Foundation from both restricted and unrestricted sources, and in support for major capital research projects supported through gifts or amortizations in the operating budget. Start-up funds are also provided for Trustee Professors and in school budgets for other new faculty.

Student financial aid continues to be a major growth item in the budget. In FY1983, the percentage of undergraduate aid from restricted sources, primarily from federal funds, was 40%. For FY1989, that percentage has been reduced to 37% with the unrestricted budget covering the added proportion of funds granted. Throughout the period, the percentage of students receiving some form of need-based aid has remained essentially constant. For FY1989, aid expenditures for both graduate and undergraduate students from University-administered sources will total \$77 million.

Efforts to hold down the rate of tuition and fee increases to students have produced very positive results this year, but have severely restricted budgetary growth for FY1989. According to preliminary information from the Council on Financing Higher Education (COFHE), Penn's package increase of 5.9% will be the lowest among competitor institutions, and it represents the lowest rate of increase in the University since the early 1970's.

During the course of this year, the University has opened a number of new facilities, though the primary fiscal impact of these openings will be felt in FY1989. The largest of these facilities is the Steinberg Conference Center at Wharton. Other facilities, including 3401 Walnut Street, the waste handling facility, Career Planning and Placement Center, and the new parking garage at 34th and Chestnut, have important budgetary implications. Efforts to overcome deferred and programmatic maintenance issues can be seen all over campus, with major projects in the Vet Quad, Logan Hall and Furness being the most prominent. Summer 1988 will bring the completion of Phase 7 of the Quad residence renovations, as well as completion of major work in Graduate Tower A, which has been done over three summers. Improved fund-raising and another 20% escalation in the net space charge, which is used to fund a deferred maintenance pool, have been key to continuing these critical efforts.

The upcoming capital campaign adds significant costs to the FY1989 budget. Obviously the rewards of these efforts will be primarily realized in the future. Nevertheless, the University seeks to avoid either capitalizing substantial up-front expense or instituting a special repayment tax as it has in the most recent two campaigns. Given the priority of this effort, significant portions of the campaign costs will be met through a combination of using surpluses from FY1988 and by setting aside the unanticipated tuition revenues from the class of 1992. Over time, it will be necessary to build up the size of the allocated Development budget to provide for an on-going expense base for an enlarged fund-raising effort when the campaign is finished. The FY1989 budget also includes enhancements to the alumni relations efforts.

Concerns and Issues

Budgeting for fiscal year 1989, as in every budget year, presented certain important challenges and concerns for the future. While many of these are extensions of past problems and issues, it is, nevertheless, important to highlight them in this presentation. Some of the issues cited in recent budgets that remain of significant concern include:

- 1) Salary market issues, not just for faculty, but in a number of other employment categories as well. In spite of considerable efforts in the recent past, there remains particular concern for compensation of the clerical/technical staff.
- 2) Governmental regulation and changes in the internal University environment have necessitated considerable expenditure increases for waste removal and radiation safety. Over the past several years, costs charged by external vendors for handling environmental waste, as well as the amount of waste generated at the University, have grown geometrically. By the end of the fiscal year, however, the University will have completed its major asbestos projects and removed all PCBs from campus.
- 3) The budget continues to reflect significant increases in the cost of insurance coverage and related reserves. In the Hospital and the Clinical practices a new item for "incurred but not reported" malpractice expense adds to these cost increases as well.
- 4) Extraordinary inflation in the cost of foreign goods and in specific current expense items, such as postage, have an significant effect in certain parts of the campus. The Library System, for example, is particularly affected by the decline in the dollar, since about 40% of its journal purchases are from international sources.
- 5) Recent federal tax changes seem to have had some effect on fund-raising, particularly for alumni annual giving. In FY1988, we experienced a slow down in the growth for these contributions. Thus, the budget for FY1989 has not been escalated over FY1988 budgeted levels.
- 6) Energy use continues to increase on campus, and we no longer are enjoying the price declines of recent years. Thus, the energy budget has been escalated 7.6% for next year.

Many revenue items continue to show growth. Undergraduate student admissions are anticipated to meet the targeted enrollment of 2,250 freshmen. A number of graduate schools show improved enrollments, particularly several which have had major problems in recent past. A few schools are projecting some enrollment difficulties, and we have tried to take these problems into account in establishing their budgets. Overall, the University expects relatively stable enrollment, except for planned

Schedule A

University Operating Budget FY 1988 and FY 1989

(in thousands of dollars)

Revenues	FY 1988	FY 1989	Percent
Unrestricted	Budget	Budget	Change
Tuition and Fees	210,970	234,456	11.1%
Commonwealth Appropriation	34,347	35,016	1.9%
Investment Income	10,227	11,624	13.7%
Gifts	10,199	10,525	3.2%
Indirect Cost Recoveries	43,203	48,279	11.7%
Sales and Services	74,689	78,757	5.4%
Other Sources	6,018	7,333	21.9%
Total Unrestricted	389,653	425,990	9.3%
Expenditures			
Unrestricted			
Compensation			
Salaries and Wages	170,477	187,236	9.8%
Employee Benefits	39,977	49,012	22.6%
Total Compensation	210,454	236,248	12.3%
Current Expense			
Energy	19,965	21,497	7.6%
Debt Service	17,126	17,672	3.2%
Deferred Maintenance	3,395	4,063	19.7%
Current Expense & Equipment	98,588	101,892	3.4%
Total Current Expense	139,074	145,106	4.3%
Student Aid			
Undergraduate	22,151	24,946	12.6%
Graduate and Professional	17,974	19,690	9.5%
Total Student Aid	40,125	44,636	11.2%
Total Unrestricted	389,653	425,990	9.3%
Restricted	Projected		
Grants & Contracts	121,911	129,282	6.0%
Endowments	18,296	19,542	6.8%
Gifts	31,506	33,265	5.6%
Other Restricted	26,391	32,453	23.0%
Total Restricted	198,104	214,542	8.3%
Health Services	Projected		
Hospital of the University of Pennsylvania	261,615	274,580	5.0%
Clinical Practices	116,519	130,212	11.8%
Total Health Services	378,134	404,792	7.0%
Total University Expenditures	965,891	1,045,324	8.2%

declines in Wharton Evening.

Research activity patterns vary widely. Since the University administration is still negotiating with the federal government over the indirect cost recovery rate for next year, the budget is based on the current year's rate of 62%. Since this item contributed 9% of the University's unrestricted revenue, these negotiations are critical. In future years, this rate should grow to take into account the major construction of facilities for research. Obviously, concern for basic research income must continue as the federal deficit raises major concern for research support from federal sources each year. Currently, research awards for FY1988 are up 11% over FY1987 awards, and this is the best indicator of next year's revenue.

As in past years, the state appropriations have not yet been determined for FY1989. The budget generally anticipates a growth rate of about 5%, except in selected areas where concern for continuation of recently added line items caused us to delete these items from the budget. The Governor's budget generally recommended 4% increases, but we continue to believe that the legislature will provide some additional funds as has been true in the recent past.

Both gift and endowment revenues should show substantial growth by FY1989. The spending rule for shares in the Associated Investment Fund will remain at 5.5%, but given the major increases in per share value over the last three years, spendable income per share will increase from \$13.20 in the current year to \$16.62 for FY1989. When new companion fund shares are added, total spending from the AIF should grow over 25% next year. Gift income will exceed \$100 million next year, though much of this will go into areas other than for operating support.

In two organizational units, special concern has led to extensive rethinking of past budgets. The issues in the budget of the Hospital of the University of Pennsylvania have been reviewed by the Trustees on several occasions. The budget presented here is balanced under health care practices by using both operating and non-operating revenues. Under University accounting principles, the Hospital shows a positive bottom line. Admissions activity, the key indicator for hospital revenue, is projected to increase by 615 or 2.5% over the current year's projections. Total revenues are anticipated to increase by 8% over the current year cost containment budget, while expenses are to be held to a 5% growth.

Schedule B: University Operating Budget by Classes of Center, Fiscal Year 1989

(in thousands of dollars)

REVENUES	Schools	Resource Centers	Admin Service Centers	Gen Univ Res	Auxil Enterpr	Total Unrestr	Health Services Hosp Univ Penn	Clinical Practices	Total University
Direct									
Tuition									
Undergraduate	91,766	133		25,908		117,807	1,130		118,937
Graduate & Professional	73,820	2		18,456		92,278	560		92,838
Total Tuition	165,586	135		44,364		210,085	1,690		211,775
Special Fees	7,830	509	16,032			24,371			24,371
Commonwealth Appropriations				35,016		35,016			35,016
Investment Income	2,415	123		8,547	539	11,624	19,542	4,784	40,921
Gifts	5,763	155		4,607		10,525	35,265	300	46,090
Grants and Contracts							129,282		129,282
Indirect Cost Recoveries									
Sponsored Program	32,963	369		5,172		38,504			38,504
Other	6,812	564	1,490	909		9,775			9,775
Sales & Services	17,149	3,015	3,157		55,436	78,757	2,633	270,087	476,686
Other Sources	5,278	574	1,481			7,333	26,130	78	37,779
Total Direct Revenue	243,796	5,444	22,160	98,615	55,975	425,990	214,542	275,249	1,050,199
General University Resources									
Program Special	19,507	185		(19,692)		0			0
Program Regular	47,465	13,610		(61,075)		0			0
Financial Aid	3,796	2		(3,798)		0			0
Total Gen Univ Resources	70,768	13,797		(84,565)		0			0
University Bank	4			(4)		0			0
Total Revenues	314,568	19,241	22,160	14,046	55,975	425,990	214,542	275,249	1,050,199
EXPENDITURES									
Salaries & Wages									
Academic	74,225	1,029	711	565		76,530	49,761	65,007	191,298
Administrative	19,183	6,510	24,626	112	2,727	53,158	19,530	4,543	77,231
Clerical	14,965	4,151	8,601	36	1,714	29,467	12,486	1,573	43,526
Service	669	772	10,680		6,127	18,248	2,358	135	137,269
Limited Service	5,329	1,017	1,748		1,739	9,833	2,405		12,238
Total Sal & Wages	114,371	13,479	46,366	713	12,307	187,236	86,540	71,258	461,562
Employee Benefits	29,384	3,595	12,729	202	3,102	49,012	19,559	26,686	108,427
Total Compensation	143,755	17,074	59,095	915	15,409	236,248	106,099	143,214	569,989
Current Expense									
Energy			17,051		4,428	21,479	7,822		29,301
Debt Service	905		10,996		5,771	17,672	11,677		29,349
Insurance			4,010		387	4,397	9,944	10,486	24,827
Deferred Maintenance			4,063			4,063			4,063
Other Curr Exp & Equip	34,925	9,771	24,856	4,335	27,519	101,406	76,157	98,906	310,873
Student Aid									
Undergraduate	24,322	41		583		24,946	15,237		40,183
Graduate & Professional	11,877	13		7,800		19,690	17,049		36,739
Total Student Aid	36,199	54		8,383		44,636	32,286		76,922
Total Direct Expenditures	215,784	26,899	120,071	13,633	53,514	429,901	214,542	271,563	1,045,324
Allocated Costs									
Student Services									
General Administration	18,620	1,406	(22,963)		592	(2,345)	1,636	709	0
General Expense	27,034	2,673	(32,107)		1,299	(1,101)	966	135	0
Utilities	17,613	2,762	(20,496)		30	(91)	71	20	0
Non-Utilities	15,354	2,764	(18,282)		43	(121)	96	25	0
Net Space	2,867	545	(4,063)		497	(154)	149	5	0
Library	17,709	(17,808)				(99)	99		0
Total Allocated Costs	99,197	(7,658)	(97,911)		2,461	(3,911)	3,017	894	0
Total Expenditures	314,981	19,241	22,160	13,633	55,975	425,990	214,542	274,580	1,045,324
Performance	(413)			413		0	A 669	A 4,206	4,875

Charges paid by self-pay customers and commercial issuers will increase 9%. As a whole, the measures of staff productivity have been brought in line with comparable hospitals in the nation. The HUP budget shows a substantial increased provision for malpractice insurance and for coverage of the "incurred but not reported" category of malpractice costs.

In fiscal year 1987, significant budgetary problems emerged in the School of Veterinary Medicine. First, the revenues at the Widner Hospital of New Bolton Center stopped growing, after a number of years of significant growth. The costs of renovations and upgrades to the lab animal medicine facilities and the increase to support lab animal operations grew more rapidly at the Vet School than in any other University location. By FY1988, these problems had been compounded by the necessity to repay debt incurred in the construction of the Small Animal Hospital, in managing the Second Century Campaign and in covering unrecognized costs for financial aid. The result was a projected deficit of \$1.7 million for FY1988 which was expected to grow larger over the next several years. Under the leadership of the new dean, Dr. Edwin J. Andrews, a three-year plan toward financial equilibrium was prepared. The plan requires cuts in a number of expense areas including elimination of several programs, refinancing of current loans and the introduction of a number of new revenue generating activities. At the end of FY1990, the budget, including full repayment status for all funds owed,

should be balanced. For FY1989, the Vet budget shows an unrestricted deficit of \$413,000. To balance the University budget, an offsetting surplus in General University Resources has been budgeted, as shown on Schedule B.

Conclusion

The University of Pennsylvania budget for fiscal year 1989 is balanced for the 14th straight year. In addition, each of its major component parts are balanced. The current year HUP deficit has been closed. At the same time, the University has sought to address the many varied objectives that it seeks. Thus, the FY1989 budget continues the University along the path of improved academic and administrative excellence, while maintaining fiscal responsibility both for next year and the future. The budget balancing is not without difficulties. Many proposals that would have strengthened the University have had to be foregone, delayed or significantly slowed. Each school and center has not had all the resources that it sought. The budget is a compromise between many competing elements, and, in this case, Penn seeks to continue sustained progress while recognizing that its resource growth is, as a general rule, slowing. In the future, the budget process will have to be even better at establishing priorities among the many objectives and programs of the University, if we are to continue our financial and academic health.

Schedule C: University Operating Budget by Center, Fiscal Year 1988

(in thousands of dollars)

	REVENUES						EXPENDITURES					
	Direct		General University Resources				Direct		Allocated Costs			Total
	Unrestricted	Restricted	Program Special	Program Regular	Financial Aid	University Bank	Unrestricted	Restricted	Administrative Service Centers	Net Space	Library	
Schools												
Annenberg School	1,342	5,367		531	41	4	330	5,367	1,107	61	420	7,285
Arts and Sciences	81,295	40,688		23,044	1,803	33	74,127	40,688	23,447	905	7,696	146,863
Dental Medicine	14,817	6,626	983	3,167	119	(78)	13,940	6,626	4,398	161	509	25,634
Education	5,997	821		620	133	7	5,252	821	1,136	30	339	7,578
Engineering	15,713	13,062		5,355	249	(17)	14,283	13,062	5,641	189	1,187	34,362
Fine Arts	7,784	2,484		3,515	157	(124)	8,289	2,484	2,006	89	948	13,816
Law	9,809	1,385		1,570	203	88	9,206	1,385	2,287	107	70	13,055
Medicine	34,141	77,080	4,363	2,153		49	16,793	77,080	20,423	667	2,823	117,786
Nursing	6,411	3,539		482	138	123	5,496	3,539	1,490	48	120	10,693
Social Work	1,374	533		1,454	26	(81)	1,966	533	380	12	415	3,306
Veterinary Medicine	17,290	9,309	14,161	1,422			25,910	9,309	6,688	297	391	42,595
Wharton	47,823	31,714		4,152	927		40,192	31,714	9,618	301	2,791	84,616
TOTAL	243,796	192,608	19,507	47,465	3,796	4	215,784	192,608	78,621	2,867	17,709	507,589
Resource Centers												
Annenberg Center	1,580	192		1,039			2,012	192	556	51		2,811
Intercollegiate Athletics	1,567	1,354		4,666			4,380	1,354	1,764	89		7,587
Interdisciplinary	744	13,980		4,640	2		4,016	13,980	1,336	34		19,366
Library	75	666					13,125	666	4,765	233	(18,048)	741
Museum	1,478	1,230	185	3,265			3,366	1,230	1,184	138	240	6,158
TOTAL	5,444	17,422	185	13,610	2		26,899	17,422	9,605	545	(17,808)	36,663
Admin. Service Ctrs.												
Student Services	15,495	2,225					15,495	2,225				17,720
General Administration	2,134						25,097		(22,963)			2,134
General Expense	4,531	997					5,528	997	(32,107)			5,528
Oper. and Maintenance							38,778		(38,778)			0
Net Space							0			(4,063)		0
TOTAL	22,160	3,222					120,071	3,222	(93,848)	(4,063)		25,382
Gen. Univ. Resources	98,615		(19,692)	(61,075)	(3,798)	(4)	13,633					13,633
Auxiliary Enterprises												
Residences	24,937	1,290					23,349	1,290	1,195	393		26,227
Dining	11,484						11,097		334	53		11,484
Bookstore	15,534						15,354		170	10		15,534
Parking	4,020						3,714		265	41		4,020
TOTAL	55,975	1,290					53,514	1,290	1,964	497		57,265
Total Unrestricted	425,990						425,990		(3,658)	(154)	(99)	425,990
Total Restricted		214,542						214,542				214,542
Health Services												
Hospital of Univ. of Pennsylvania		275,249						271,563	2,769	149	99	274,580
Clinical Practices		134,418						129,318	889	5		130,212
TOTAL		409,667						400,881	3,658	154	99	404,792
Total University	425,990	624,209	0	0	0	0	429,901	615,423	0	0	0	1,045,324

Doing It Together: Safety Fair September 27

To kick off the intensification of a community approach to crime and other campus problems, the Department of Public Safety will host a Fall Safety Fair. The September 27 event, with the theme of *Safety: Let's Do It Together*, will be held from 11 a.m. to 2 p.m. and will have as its focus "Police and Community: Co-Producers of Crime Prevention." Some of the organizations participating include Fire and Occupational Safety, Environmental Health and Safety, Residential Living, Student Health, the Safety and Security Committee, and Penn's Women's Center, as well as the Philadelphia Police and Fire Departments,

Women Organized Against Rape, Women Against Abuse, and A.T.&T.

President Sheldon Hackney, Director of Public Safety John Logan, and Dr. Helen Davies, Chair of the Safety and Security Committee of the University Council, will make welcoming remarks at noon. Philadelphia Police Commissioner Willie Williams will follow, along with several student leaders.

The Fair will offer information booths, live entertainment by campus performing art groups, and self-defense demonstrations by Kelly Brennan, an instructor from Penn Ki-Aido. For use by

people with disabilities, home crime prevention equipment will be demonstrated by Officer John Hood, and personal safety and self-defense techniques will be presented by martial arts instructor Dr. Zee. In addition, there will be prevention tips against pickpockets and purse snatchers from SEPTA Transit Police, and a showing of Public Safety's new video, "Everyone's Right, Everyone's Responsibility."

Hoagies and soda will be sold throughout the day. In the event of rain, the Fair will move to the Bodek Lounge in Houston Hall.

Update

SEPTEMBER AT PENN

FILMS

International House

Tickets are \$5 for adults, \$4 for students, members, and senior citizens.

22 *Alice*; animated film by Jan Svankmajer, based on Lewis Carroll's *Alice in Wonderland*. Call 895-6542 for varying daily screen times. *Through September 29.*

FITNESS/LEARNING

Career Planning and Placement

27 *Graduate Job Hunting Workshop*; 11 a.m.-noon, Bishop White Room, Houston Hall.

Interviewing for Graduate Students; noon-1 p.m., Bishop White Room, Houston Hall. Call Ext. 8-7530 to sign up.

TALKS

23 *Modernism vs. Postmodernism*; Mark Poster, University of California; noon, Franklin Room, Houston Hall (Center for Cultural Studies).

26 *The Cultural Meaning of the Scientific Revolution: A Discussion*; Margaret C. Jacob, New School for Social Research; 4-6 p.m., Alexander Vucinich Seminar Room, E. F. Smith Hall (Department of History and Sociology of Science).

27 *The Gro Gene as a Multifunctional Regulator of Cellular Activities*; Ruth Sager, Harvard Medical School; noon, Room 196A, John Morgan Building (Department of Biochemistry and Biophysics and Cancer Center).

Evolutionary Psychology and Family Homicide; Martin Daly, McMaster University; 4 p.m., Room B-26, Stiteler Hall (Department of Psychology).

Deadlines

The deadline for the weekly update is Monday a week before publication. The deadline for the November at Penn pullout calendar is *Tuesday, October 11*. Send to *Almanac*, 3601 Locust Walk/6224 (second floor of the Christian Association).

Almanac

3601 Locust Walk, Philadelphia, Pa. 19104-6224
(215) 898-5274 or 5275.

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Department of Public Safety Crime Report

This report contains tallies of Part I crimes, a listing of Part I crimes against persons, and summaries of Part I crimes in the five busiest sectors on campus where two or more incidents were reported between **September 12 and September 18, 1988.**

Total Crime: Crimes Against Persons—1, Burglaries—6, Thefts—27, Thefts of Auto—0, Attempted Thefts of Auto—0

Date	Time Reported	Location	Incident
Crimes Against Persons			
09-16-88	3:56 AM	Hill House	Males attempting to take wrist watch.
33rd St. to 34th St., Spruce St. to Walnut St.			
09-12-88	9:37 AM	Chemistry Bldg.	Area ransacked/items taken.
09-12-88	6:03 PM	Chemistry Bldg.	Wallet taken from briefcase under desk.
09-13-88	11:48 AM	Towne Bldg.	Telephone taken from office.
09-16-88	9:38 AM	Towne Bldg.	Personal items taken from office.
09-17-88	2:45 PM	Chemistry Bldg.	Stolen items recovered in stairwell.
34th St. to 38th St., Civic Center Blvd. to Hamilton Walk			
09-14-88	9:16 AM	Cyclotron	Equipment taken from site.
09-14-88	12:37 PM	Anat-Chem Wing	Wallet taken from unsecured desk.
09-16-88	2:39 PM	Nursing Ed Bldg.	Wallet taken from purse in desk.
09-16-88	3:08 PM	Nursing Ed Bldg.	Wallet taken from office.
38th St. to 40th St., Baltimore Ave. to Spruce St.			
09-14-88	3:41 PM	3900 Block Spruce	Bike taken from front porch.
09-15-88	11:36 AM	Veterinary School	Personal property taken/pry marks on door.
09-16-88	9:05 AM	Veterinary Hosp.	Attempted entry into room/nothing taken.
09-16-88	4:39 PM	Delta Kappa Eps	Unsecured bike taken from lobby.
34th St. to 36th St., Spruce St. to Locust Walk			
09-12-88	12:28 PM	Houston Hall	Bike taken from storage area.
09-14-88	6:46 PM	Houston Hall	Unattended books taken from lounge area.
09-16-88	5:42 PM	Houston Hall	Gift certificates taken from behind counter.
37th St. to 38th St., Spruce St. to Locust Walk			
09-13-88	2:29 PM	McNeil Bldg.	Arrest/wallet taken by male.
09-15-88	1:33 PM	McNeil Bldg.	2 dictaphones taken from office.
09-15-88	6:53 PM	Vance Hall	Knapsack taken from room.

Safety Tip: Welcome back! It is important to take care of your body and mind. Don't poison yourself with drugs or alcohol. They will have a bad effect on family, friends, sports and school work.

18th Police District

Schuylkill River to 49th St., Market St. to Schuylkill/Woodland Ave.

Reported crimes against persons from 12:01 a.m. 9-5-88 to 11:59 p.m. 9-11-88

Total: Crimes Against Persons—22, Purse Snatch—2, Robbery/gun—3, Robbery/strongarm—8, Robbery/knife—1, Robbery/bottle—1, Aggravated Assault/gun—1, Aggravated Assault/auto—1, Aggravated Assault/bat—1, Aggravated assault/bottle—1, Aggravated Assault/fist—1, Aggravated Assault/unknown—1, Aggravated Assault/gun—1, Attempted rape/overpowered—1, Arrests—7

Date	Location/Time Reported	Offense/weapon	Arrest
09-05-88	37th and Sansom St., 7:56 PM	Purse Snatch	No
09-05-88	37th and Sansom St., 7:56 PM	Purse Snatch	No
09-05-88	1231 Melville St., 9:52 PM	Aggravated Assault/unknown	No
09-06-88	45th and Woodland Ave., 4:00 PM	Aggravated Assault/auto	No
09-06-88	4601 Chester Ave., 4:25 PM	Robbery/gun	No
09-06-88	237 S. 48th St., 7:00 PM	Aggravated Assault/gun	No
09-06-88	4811 Springfield Ave., 10:20 PM	Robbery/bottle	Yes
09-06-88	45th and Baltimore Ave., 11:05 PM	Aggravated Assault/bottle	Yes
09-07-88	137 S. 48th St., 1:00 AM	Robbery/strongarm	No
09-07-88	3925 Walnut St., 3:00 AM	Robbery/gun	No
09-07-88	200 S. 40th St., 8:00 AM	Robbery/knife	No
09-07-88	235 S. Melville St., 6:18 PM	Robbery/gun	No
09-07-88	3740 Spruce St., 9:00 PM	Robbery/strongarm	No
09-08-88	810 S. 47th St., 6:25 PM	Robbery/strongarm	Yes
09-08-88	4800 Kingsessing Ave., 5:00 PM	Attempted Rape/overpowered	Yes
09-09-88	225 S. 42nd St., 4:50 PM	Robbery/strongarm	Yes
09-11-88	4000 Chestnut St., 12:00 AM	Robbery/strongarm	Yes
09-11-88	3900 Walnut St., 12:00 AM	Aggravated Assault/fists	No
09-11-88	46th and Woodland Ave., 8:55 AM	Aggravated Assault/bat	No
09-11-88	42nd and Walnut St., 5:25 PM	Robbery/strongarm	No
09-11-88	41st and Ludlow St., 7:20 PM	Robbery/strongarm	No
09-11-88	4500 Spruce St., 8:10 PM	Robbery/strongarm	Yes