Almanac

INSIDE

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Management & Technology: A $5.5 Million Endowment and a New Name

A joint program launched nearly 20 years ago by the Wharton School and the School of Engineering and Applied Science has a new name—the Jerome Fisher Program in Management and Technology—in honor of a Wharton alumnus and overseer whose latest gift to the University is a $5.5 million fund to endow the program.

Mr. Fisher, founder and chairman of Nine West Group, Inc., also provided funds for the restoration of the library in the Furness Building, now named the Jerome and Anne Fisher Fine Arts Library, and is a founder of the new Penn Club in New York City.

The $5.5 million gift is part of the $1.4 billion total raised in the five-year Campaign for Penn, in which both of the program's host schools topped their subgoals (Wharton at $204 million and SEAS at $66 million).

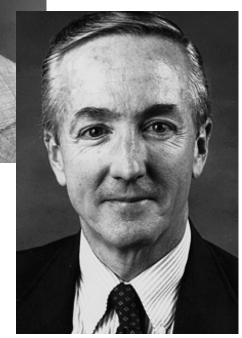
The Management and Technology program was launched in 1976 as one of Penn's most successful examples of "One University" programming, in which students cross not only departmental but school lines for an education tailored to emerging needs and careers.

It is a dual-degree program, in its four-year form leading to the bachelor of science in economics from Wharton and the bachelor of applied science degree from SEAS, based on study of the sciences and humanities as well as the professional disciplines of the two schools. Students also have the option to take a five-year degree plan, leading to a B.S. in Engineering instead of the applied science degree.

It is also one of the most competitive programs in the University, with freshman class size limited to 50 students and the current average SAT is about 1380.

Most students in the program head for careers in financial services, new business and product development, product management, strategic planning, business and technical consulting, or their own entrepreneurial ventures. Many go immediately from graduation to positions usually reserved for MBAs, a Wharton School spokesman said.

"There is a growing need in both industry and government for leaders with a sound knowledge of engineering fundamentals and a solid foundation in managerial principles and skills," said Wharton's Dean Thomas P. Gerrity. "This give will endow a program that combines Penn's unique strengths in business and engineering and enhances the University's role as a leader in undergraduate education.



Mr. Fisher, above, has endowed the program directed by Dr. Hamilton, right.

Dr. Gregory C. Farrington, dean of SEAS, called the program, "one of Penn's finest and most innovative undergraduate programs. It attracts simply outstanding students and prepares them for lifelong leadership in technology and business."

The program is directed by Dr. William F. Hamilton, a longtime Wharton School professor who as Ralph Landau Professor of Management and Technology holds a chair named for one of SEAS's most prominent alumni and overseers. Dr. Hamilton is both professor of management and operations and information management at Wharton and professor of systems engineering in SEAS. He received the Wharton Undergraduate Teaching Award for five consecutive years from 1989 through 1993.

"It is a great honor for me to endow such an enlightening program," said Mr. Fisher. "Understanding the relationship between business and technology is increasingly vital to building and maintaining competitive advantage in the global marketplace."

Mr. Fisher's own Nine West Group Inc. is a leading designer, developer and marketer of fashionable women's footwear, with brands such as Enzo Angiolini, Calico, 9 & Co. and Westies, found in more than 2000 moderate to upscale department, specialty and independent stores and through 403 of its own outlets. Its Brazilian production facility accounts for one-quarter of that country's shoe exports.

Donna Arthur: A-3 Employee of the Month

Photo by Hinda Schuman

Donna Arthur (above), office systems assistant in the Law School's Career Planning and Placement Office, is the first winner of the new "Employee of the Month" designation at Penn.

She was chosen as January finalist by the A-3 Employee Recognition Committee after nomination by her supervisor, Jo-Ann Verrier, assistant dean and director of Career Planning and Placement, and her colleague, Helena Reid, the office manager.

Ms. Arthur started at the Law School six years ago as a receptionist and assumed progressively more duties and responsibilities. A graduate of St. Hubert's Catholic High School for Girls in Philadelphia, Ms. Arthur has "grown continuously in her work responsibilities," said Ms. Verrier. "She is thorough, dependable, a team player and takes pride in her work."

During the transition period in 1993 after the previous director resigned, and the assistant director was on maternity leave, Ms. Arthur, along with another A-3 employee, "kept the office going, and the On-Campus Program was a success," explained Ms. Verrier who became director in November 1993. Ms. Arthur "worked incredible hours proving her commitment to doing her best for the students."

"As a result of her tremendous accomplishments, Donna has taken on the data management responsibilities with creativity. She has learned new computer programs, design systems to present information of benefit to the Law School's students via network; she handles an increasing number of data tasks while at the same time she continues to perform her regular responsibilities."

"We are in the service business," Ms. Verrier summed up, "serving the students who use our office day-in and day-out and serving the employers who are interested in contacting Penn students. Without our A-3 employees' efforts, we could not do our job as well."

Betty Thomas, chair of the A-3 Employee Recognition Committee, said those who want a nominee re-considered should send her a note asking for the nominee's application to be reactivated. One A-3 employee will be selected each month. A form appeared in *Almanac* December 6 and is available on PennInfo. For more information call Ms. Thomas at Ext. 8-7233.

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. Please communicate your comments to Senate Chair Barbara J. Lowery or Executive Assistant Carolyn Burdon, 15 College Hall/6303, 898-6943 or burdon@pobox.upenn.edu.

Actions Taken by the Senate Executive Committee Wednesday, February 1, 1995

1. Academic Planning and Budget. Past Chair Gerald Porter reported the committee met twice this term, first to review the Coopers and Lybrand report and second to review a draft on the planning process. The goal of the latter document is to ensure that the capital planning process and the academic planning process are coordinated.

Capital Council discussed an item concerning the trustees' approval of a resolution raising the threshhold required for trustee approval on the disposition or acquisition of real or personal property to $1 million from $250,000.

2. Cost Containment. Discussion of the Coopers and Lybrand Report on Administrative Restructuring concluded with adoption of the following motion:

> "The Senate Executive Committee applauds the administration's objectives to increase the efficiency and decrease the costs of administrative services. The size of the standing faculty has remained essentially constant for the past decade and a half and has therefore been an ever decreasing fraction of the total number of University employees. Furthermore, the fraction of the budget allocated to direct academic pursuits has steadily decreased during that time. The Senate Executive Committee believes that reallocation of resources in favor of direct academic activities is urgently needed and strongly supports actions designed to achieve this goal."

3. Revision of the just cause procedure. SEC reviewed recent revisions and heard concerns from James Ross and recommendations from Jack Nagel, chair, on behalf of the Senate Committee on Academic Freedom and Responsibility.

Following these presentations members of the Senate Executive Committee debated several major provisions of the policy. Debate centered on 1) whether or not the President should be allowed to impose a major sanction when a minor sanction is recommended; 2) if the President can increase the sanctions, whether such an increase should require the consent of the three Faculty Senate Chairs; and 3) the appropriate mechanism for appeals in such cases. The subcommittee of the Senate Committee on the Faculty that is working on the revision was encouraged by SEC to revise Section K., President's Actions, to require consent of the Faculty Senate Chairs when the President departs from the Hearing Board's recommendations and to revise Section L., Appeal of the President's Action, to provide for an appeal in such cases to the Senate Committee on Academic Freedom and Responsibility rather than to the trustees.

The document was returned to committee for further revision. The revised policy will be on the March 1, 1995 SEC agenda for discussion.

FOR COMMENT

As reported in Almanac January 24, 1995 a subcommittee of the Senate Committee on the Faculty drafted a proposed Policy on Consensual Sexual Relations. It was discussed by SEC January 11 and returned to committee for minor revision. The policy appears below for comment and will be scheduled for discussion by the Senate Executive Committee March 1.

Senate Committee on the Faculty
Report of the Subcommittee on Consensual Sexual Relations

February 1, 1995

The Report of the Working Group on Implementation of the Sexual Harassment Policy recommends clarification of the University's policy on sexual relationships between teachers and students. The subcommittee concurs that clarification is in order and in this report sets forth its views concerning the causes of current ambiguity and recommendations to deal with it.

Current University policy regarding sexual relations between members of the faculty and students is stated as part of the Sexual Harassment Policy (*Handbook* at pp. 94-101). However, although "sexual harassment" is a defined term in that policy, requiring in particular that the sexual attention be "unwanted," section II ("Purposes and Definitions") goes on to state that "the standard of expected conduct in [the relationship between teacher and student] goes beyond the proscription against sexual harassment as defined in the University's policy." Indeed, that section provides that "any sexual relations between any teacher and a student of that teacher are inappropriate" and "unethical," and calls on administrators "to respond to reports brought to them of inappropriate and unethical behavior." Yet, disclaiming "the means to enforce an absolute prohibition against such relations," the policy establishes a presumption of sexual harassment upon the complaint of a student against an individual "if sexual relations have occurred between them while the individual was teaching or otherwise had supervisory responsibility for the student."

In our view, this manner of treating the subject is studiously ambiguous, leaving it unclear whether sexual relations found to be consensual are subject to punishment. Such ambiguity is not only unfair to the individuals, teachers and students, who may be contemplating sexual relations. It is also an invitation to arbitrary or inconsistent enforcement of the policy by the University administration. In addition, we think it particularly undesirable to engraft such ambiguity on a policy that in other respects may be controversial, if only because dilution of the concept of sexual harassment may make the University's policy proscribing it a less effective deterrent of behavior that is "unwanted."

There are additional reasons why the University's policy on consensual sexual relations should be separately stated. The possibility of coercion, or at least of the absence of true consent, does not exhaust the grounds for disapproving sexual relations when a teacher-student or other supervisory academic relationship exists. Whether or not there is true consent (which may not be clear to others), knowledge of an intimate relationship may have a seriously deleterious effect on the attitudes and morale of others engaged in the academic enterprise. Other students, in particular, may doubt whether evaluations can be fair when a teacher is sexually involved with his or her student. Some may regard the possibility of sexual relations as a reason either to seek or to avoid contact with faculty. The enterprise would suffer in either event. The matter is one of academic professional responsibility and bears no necessary relationship to sexual harassment, although institutional norms may overlap. The broader concern is that non-academic or personal ties not be allowed to interfere with the integrity of the teacher-student relationship.

Accordingly, the revised policy we recommend would stand apart from, although making appropriate cross-reference to, the policy on sexual harassment. In addition, for the reasons stated, we believe that the University should unambiguously prohibit consensual sexual relations between a teacher or academic supervisor and a student who is subject to that individual's academic evaluation or supervision. The prohibition would cover sexual relations while the direct teacher/supervisor and student relationship exists, and it would include any such relations between a department or graduate group chair and any student in the department or program, as well as between academic advisors, program directors and all others who have evaluative or supervisory academic responsibility for a student and that student.

Even if it is true that the University lacks the means wholly to prevent such relations, that is hardly a good reason not formally and without ambiguity to prohibit that which the institution regards as unethical. As in the past, administrators should respond to reports of prohibited sexual relations between teachers and their students, but under the proposed policy they would have the clear authority to do so as a disciplinary matter, and faculty could not claim unfair surprise.

We recognize that, by limiting the prohibition to sexual relations during the immediate teacher/supervisor and student relationship, the proposed policy does not address all of the costs that permitting any such relations between teachers and students can impose. Thus, for instance, the desire to commence or continue such relations might cause a student not to enroll in a course taught by a professor even though that course was important to the student's educational program. Moreover, under the proposed policy a teacher who is sexually involved with a student must decline to participate in educational activities (e.g., thesis committees, departmental evaluations of graduate students) that require academic evaluation or supervision of that student.

Any broader prohibition, however, would come with its own substantial costs, including to individual liberty. The proposal, like all compromises, seeks a reasonable adjustment of the interests vying for recognition.

We also considered recommending that the prohibition extend to any sexual relations between a faculty member and an undergraduate student, whether or not under that individual's supervision at the time. Undergraduates may be inexperienced and impressionable. Moreover, although it is often said that *in loco parentis* is a thing of the past, we are not sure that undergraduates' parents would, or that they should, agree, when told that their sons or daughters were sleeping with professors.

Most undergraduates are, however, of an age legally to consent to sexual relations. A prohibition on consensual sexual relations would restrict their liberty interests, and we think that price is simply too high when there is no current supervisory relationship involved. In our view, faculty should avoid sexual relations with undergraduates, and the University should strongly discourage them. Unless, however, they involve a current supervisory relationship or constitute sexual harassment, they should not be the basis of disciplinary action.

The policy we recommend applies only to faculty and other academic supervisors. Language in the existing policy (*Handbook* at pg. 96) refers to individuals not clearly in that category, including coaches (who may not in any event read the *Handbook*). A similar statement of policy should be developed for and brought clearly to the attention of such individuals.

Stephen B. Burbank (law), Chair
Jean Crockett (emeritus finance)
Janet Rothenberg Pack (public policy & management)
Holly Pittman (history of art)

Proposed Policy on Consensual Sexual Relations Between Faculty and Students

February 1, 1995

The relationship between teacher and student is central to the academic mission of the University. No non-academic or personal ties should be allowed to interfere with the integrity of the teacher-student relationship. Consensual sexual relations between teacher and student can adversely affect the academic enterprise, distorting judgments or appearing to do so in the minds of others, and providing incentives or disincentives for student-faculty contact that are equally inappropriate.

For these reasons, any sexual relations between a teacher and a student during the period of the teacher/student relationship are prohibited. The prohibition extends to sexual relations between a graduate or professional student and an undergraduate when the graduate or professional student has some supervisory academic responsibility for the undergraduate, to sexual relations between department chairs and students in that department, and to sexual relations between graduate group chairs and students in that graduate group. In addition, it includes sexual relations between academic advisors, program directors, and all others who have supervisory academic responsibility for a student, and that student. Teachers and academic supervisors who are sexually involved with students must decline to participate in any evaluative or supervisory academic activity with respect to those students.

The Provost, Deans, Department Chairs and other administrators should respond to reports of prohibited sexual relations that are brought to them by inquiring further and, if such reports appear to be accurate, initiating appropriate disciplinary action against the teacher or supervisor involved.

This policy supplements the University's Policy on Sexual Harassment. In addition, although this policy prohibits consensual sexual relations only between a teacher/supervisor and that individual's student, the University strongly discourages any sexual relations between members of the faculty (or administration) and undergraduates.

Information Session for HERS Applicants: February 16

Human Resources and the Office of the Provost have announced a scholarship program for attendance at the Summer Institute for Women in Higher Education to be held at Bryn Mawr College from June 25 through July 21, 1995. The Institute, now in its 20th year, is sponsored by Bryn Mawr and Higher Education Resource Services (HERS) Mid-America.

To give interested people an opportunity to learn more about the program, Human Resources and the Office of the Provost will host an information session on February 16 from 3 to 4:30 p.m. in the Faculty Club. Several people who have participated in the Institute will talk about their experiences and answer questions.

The Summer Institute offers women faculty and administrators intensive training in educational administration and an in-residence experience with professionals from other educational settings.

The purpose of the Summer Institute is to improve the status of women in the middle and executive levels of higher education administration, areas in which women traditionally have been underrepresented. The curriculum focuses on four areas: academic environment, external environment, institutional environment, and professional development. An informal curriculum emerges each summer according to the needs of the participants. The faculty is made up of women and men drawn from government, foundations, professional associations, and the diverse sectors of North American higher education.

Application for admission is open to women faculty and A-1 administrators whose background, experience, and present responsibilities indicate a potential for professional advancement in higher education administration.

Over the years, Penn has sponsored the training of 50 women faculty and administrators for the Summer Institute. This year, the University will nominate two; if they are accepted, the University will fund their participation in the program. As enrollment fees are $5,200, this represents a significant investment by the University.

Applications and/or nominations will be made to a review committee chaired by Dr. Phyllis Lewis, assistant vice president for human resources, and Dr. Janice Madden, vice provost for graduate education.

The review committee will select from among the applications those who will receive support from the central administration. In addition to the formal application, the review committee will need a letter of recommendation. For administrators, this should be from the department head or supervisor; for faculty, it should be from a faculty member who is knowledgeable of the candidate's administrative abilities. The deadline for internal applications/nominations is *March 3, 1995*.

For more information or application forms: Mary Simpkins at 898-5116.

— Office of Human Resources

Cast-Off Computers Wanted

If you have upgraded your computer system and have an outdated computer or associated equipment which you are no longer using, please consider donating this equipment for use in the Philadelphia City High Schools. I run a series of workshops for city high school biology teachers, and they have been very grateful for past donations which they have put to good use in their classrooms.

If you are interested in making a donation, please call me at 898-8396 or e-mail me at *iwaldron@mail.sas* to make arrangements. Thank you.

— Ingrid Waldron, Professor of Biology

The administration is currently considering the implementation of the following report of the 1994 Task Force on Retirement. Any suggestions and comments should be directed to Provost Stanley Chodorow at 110 College Hall/6303, or by e-mail (chodorow@pobox) by February 20.

— Office of the Provost

Report of the 1994 Task Force on Faculty Retirement

Executive Summary

The elimination of mandatory retirement for tenured faculty members has the potential for significantly reducing the opportunities for the recruitment of scholars who are still early in their careers. A limitation of this nature could have a serious impact on the future intellectual vitality of the University. The Task Force on Faculty Retirement recommends a retirement income allowance to facilitate retirements of faculty members who have met minimum age and service requirements. Faculty members who have at least 15 years of service on the faculty and elect to retire from the University between the ages of 62 and 68 will be eligible to receive an allowance equal to 165% of the average salary for professors in their school in the year during which retirement takes place. Faculty members who meet the 15-year service requirement after reaching age 68 will be eligible to receive this allowance if they retire at the time that requirement is met.

The Task Force also recommends that (a) the retirement income allowance be offered on a one-time basis to active faculty members who are older than 68 at the time the new program is put in place; (b) the existing phased retirement option be continued and publicized; (c) pre-retirement counselling be provided at University expense; (d) adequate facilities be provided for retired faculty members; (e) standards for post-retirement employment of faculty members be developed and promulgated; and (f) modifications of the life insurance program and of the tax-deferred annuity program be considered.

I. Introduction

Federal age-discrimination legislation ended mandatory retirement for tenured faculty members after December 31, 1993. Since the passage of this legislation there has been a great deal of concern, here and at many other universities, about the legislation's impact on the future composition of the faculty. A significant reduction in the number of retirements would lead to a corresponding reduction in opportunities to recruit new members of the faculty and subsequent erosion of intellectual vitality. This concern has been particularly acute at those institutions with defined-contribution retirement programs, which provide no financial incentive for retirement even at a very advanced age.

Although the most dire forecasts will almost certainly be shown to be unrealistically pessimistic, some undesirable changes in faculty composition will inevitably occur. The University of Pennsylvania, like many of its peer institutions, has been exploring ways to minimize these changes. An early study, by a Task Force on Retirement appointed by Provost Aiken in 1989 (*Almanac* October 29, 1991; Appendix A* of this report), included among its findings:

> 1. Uncapping of retirement age will cause some increase in the mean age of standing faculty as a proportion (perhaps as much as 20-25%) of faculty will choose to retire later than age 70. Except for a few Schools, Departments, or Graduate Groups, this change should not substantially imbalance faculty distribution or impair recruitment of junior faculty.
> 2. A declining pool of entry level Ph.D.s over the next 20-30 years will make retention of some senior faculty both necessary and desirable.
> 3. Uncapping is projected to result in increased but manageable costs for the University, providing there is no double-digit inflation.

A more recent study was made by the Subcommittee on Retirement of the Senate Committee on the Faculty in 1993. Its recommendations (*Almanac*, January 11, 1994; Appendix B* of this report) included:

> Faculty members who reach age 65 with a minimum of 15 years of service as a faculty member of the University become eligible for a Retirement Transition Benefit. Within three years following the date of reaching eligibility, the faculty member may choose:
> 1. to continue his/her appointment into the future, without specifying a retirement date;
> 2. to apply for retirement and a Retirement Transition Benefit. This benefit shall amount to 33% of the average base salary for full professors in the school of the faculty member. The benefit will be paid for five years;
> 3. to change to reduced duties, with correspondingly reduced salary and benefits, for a period of up to five years, followed by a Retirement Transition Benefit equal to 33% of the average base salary for the rank and school for two years. The Retirement Transition Benefit may only be chosen within three years following the date a faculty member reaches eligibility.

It should be noted that the University's Faculty Voluntary Early Retirement Program was formally discontinued in the interval between the two reports discussed above.

During the spring semester of 1994 a new Task Force on Faculty Retirement was established to formulate a set of specific recommendations to the administration. The faculty members of this Task Force were nominated by the Chair of the Faculty Senate. The administrative members were designated by the Provost's Office. The initial "charge" to the Task Force appears as Appendix C.* The Task Force met seven times in the period between February 24, 1994 to October 6, 1994.

The Task Force had available to it (a) the demographics of faculty who had retired in the recent past and (b) the age distribution of current faculty members. These data appear as Appendix D* and Appendix E* respectively. The Task Force also had the reports from the earlier Task Force on Retirement, from the Subcommittee on Retirement of the Senate Committee on the Faculty, and from similar studies made at the University of Chicago, Cornell University, and Yale University.

II. The Faculty Voluntary Early Retirement Program (FVER)

Although the FVER program is being phased out, the University's experience with that program was an important background element in the considerations of the Task Force. The FVER program made it financially possible for faculty members to begin retirement at age 65, when full

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* All appendices are available for examination in the Office of the Deputy Provost, 110 College Hall, and at the Faculty Senate Office, 15 College Hall. The appendices to this report are:

A. Report of the 1991 Task Force on Retirement
B. Report of the Subcommittee on Retirement of the Senate Committee on the Faculty (1993)
C. Charge to 1994 Task Force on Faculty Retirement
D. Recent History of Faculty Retirements
E. Age Distribution of Senior Faculty Members
F. Cost Projections of Retirement Incentive Program
G. Cost Projections of "Window" Program for Active Faculty Members Above Age 68

payments from the Social Security System could begin, without initiating withdrawals from their TIAA/CREF accounts. The program provided retiring faculty members who were 55 years old or older an annual "income allowance," equal to 33% of the annual average academic base salary for full professors in the faculty member's school in the year in which the retirement occurred, for a period of five years or until age 70, whichever came first. The necessary funding came from the University's Employee Benefits Pool. Although the existence of this program was not widely advertised until the 1992-93 academic year, it has been extensively used. It is our impression that most faculty members who have chosen to use this program have done so either because they wished to be able to devote full time to their scholarship or because they had become disenchanted with life at the University and wished to begin serious retirement activities before they were too old to enjoy them. A few faculty members have used the program to assist them in making transitions to employment outside of the University. We believe that this latter practice has not been widespread, particularly among faculty members over the age of 60.

The data in Appendix D* show that the average age at which University faculty have retired in the past five years (1989-1993) is about 68. Moreover, the data also show that a significant fraction of those faculty members who did not face mandatory retirement have elected to retire before reaching the age of 70. The data for 1994, when retirement was no longer mandatory for any faculty members, show a similar pattern.

About two years ago the University decided to drop the FVER program, primarily because of legal concerns that the program might not comply with current federal age-discrimination legislation after the uncapping of mandatory retirement. Since the program lacked precise criteria for eligibility it would have required major overhaul in any case. No enrollments in the program have been permitted since June 30, 1993. Actual retirements under the terms of the program will continue through June 30, 1996. About 15 faculty members are enrolled for retirement in FY1995. Most of these faculty members will probably confirm their enrollment and actually retire at the date they selected. Over 150 faculty members are enrolled for retirement in FY1996. At the time of their enrollment most of these faculty members probably had no firm intention of retiring in FY1996, but wished to keep that option open. A small fraction of them do plan to retire at that time. A few (particularly those under age 60) will search actively for employment outside the University, with the intention of using the income allowance to enhance the offers that they hope to receive.

While there is no easy way to confirm our conviction, the members of the Task Force believe that the FVER program had a major influence on the decisions of faculty members to elect early retirement. We believe that it is essential to develop a similar program that will provide incentives for faculty members to continue to retire early after meeting certain minimum age and service requirements.

III. The Recommended New Retirement Incentive Program Allowance

It is the sense of the Task Force that (a) financial incentives for "early" retirement after meeting minimum age and service requirements should be provided and (b) incentives that are similar to those provided by the FVER program would provide a relatively smooth transition to a new retirement program. While these incentives will not be sufficiently attractive to assure the early retirement of all faculty members, we believe that they will prevent a significant increase in the average age at which tenured faculty members retire. The incentives will provide a graceful mechanism to induce the retirement of those older faculty members who have lost their commitment to the University's programs, and permit the University to continue to recruit junior faculty members in sufficient numbers to provide intellectual renewal. The formal proposal for this program is shown below:

> *Members of the Standing Faculty and of the Standing Faculty–Clinician-Educator between the ages of 62 and 68 who have at least 15 years of prior service on the faculty of the University and who provide one year notice may retire and receive a retirement income allowance equal to 165% of the average academic base salary for full professors in their school during the academic year in which the retirement occurs. Faculty members who complete 15 years of service after attaining age 68 may elect to retire at that time and receive the retirement income allowance. This allowance will be paid during the two years following the faculty member's retirement.*

Except for the change to a two-year payout (primarily in response to recent changes in federal tax regulations) this is equivalent to the FVER program for faculty members who retire between the ages of 62 and 65. Unlike the FVER program, it offers no benefits to faculty who might wish to retire before reaching age 62. It offers more benefits than the FVER program to faculty members who might wish to retire at ages between 65 and 68.

The minimum age of 62 will help prevent faculty members from using the program to make it easier for another university to recruit them from our faculty. Although there were few retirements of relatively young faculty members under the FVER program, too many of these retirements were used in this fashion. The extension of the full retirement allowance to age 68, coupled with the lack of any retirement allowance beyond that age except in unusual cases, will set up a very strong incentive for retirement at the age of 68. It is very likely that a significant fraction of faculty members will retire at that age.

Funding for the FVER program was provided from the employee benefits pool, which was in turn funded by levies on the salaries of all members of the University. While this approach has the advantage of securing part of the necessary funding from restricted resources, it seems inappropriate to place a tax on the entire community to support benefits that are available to a very limited set of employees. Inasmuch as the subsequent benefits of early faculty retirement fall to the individual schools, it seems more appropriate that the costs of this benefit should also fall to the schools. The individual schools, however, might need some help in responding to large year-to-year fluctuations. It appears that a smoothing mechanism could be devised to respond to this need. One approach would be a central fund from which disbursements would be made and into which schools would deposit the costs of each early retirement over a period of several years.

An analysis of the projected costs for the first few years of this program is shown in Appendix F.* The projection is based on the actual demographics of the University faculty (as of January, 1994) and the average school salaries in FY1994. The level of utilization of the program cannot be predicted with anything approaching certainty. The utilization figures used are based in part on previous use of the FVER program and in part on speculation. Part of the costs could come from the reserves currently in the FVER program.

The analysis does not account for the subsequent savings to the individual school. If a faculty member who participates in this program retires three years earlier than he or she might have in the absence of the program, the school would save (including benefits) 400% of the faculty member's salary. The net savings after the payment of the retirement transition allowance is 235% of an average professor's salary, which would be more than adequate for the salary and benefits of a junior faculty member for that period. This calculation makes two very critical assumptions. First, that faculty members who elect early retirement would have remained active for three more years without the incentive of the program. There is no way of knowing to what extent this assumption is correct. Second, that the schools would replace retiring faculty with junior faculty members. Replacement with senior faculty members would be very costly and would defeat one of the goals of the program.

The distribution of ages at which faculty members have retired from 1989 through 1993 (see Appendix D*) shows a strong peak at age 65 and a very strong peak at age 70. The proposed retirement program would probably maintain the peak at age 65 and produce a second strong peak at age 68. Few retirements would occur at ages 69 or 70 (since retirement at age 68 is financially more attractive than continued employment for one or two years), but a weak peak would probably develop at age 71.

IV. Additional Retirement Issues and Options

A. Program for Active Faculty Members Older Than 68 on June 30, 1996

If a program similar to the above were to be offered to faculty members who reach ages between 62 and 68 by June 30, 1996 there would be a significant number of active faculty members who were not subject to mandatory retirement but who would not be eligible for this program. We recommend that faculty members in this group be given a short window of time during which they might elect to retire and receive the retirement income allowance. It might be necessary for the University to assist the individual schools in meeting the cost of this one-time expense. An estimate of the cost of such an offer (based on reasonably accurate estimates of the population and on judicious speculation about the intentions of the members of that group) is shown in Appendix G.*

(continued next page)

Report of the Task Force on Faculty Retirement *(contuinued)*

B. Reduced Duties (and salary) Prior to Full Retirement

The option of reduced duties and reduced compensation for an extended period (up to six years) prior to full retirement has been available for many years. We believe that this option can provide a very helpful transition from full employment to full retirement for many faculty members. Although this option has not been used extensively in the past, this may be due, at least in part, to the fact that no effort has been made to bring it to the attention of faculty members. We believe that the program should be continued, and that its existence should be made known on a regular basis.

Some faculty members may wish to combine a period of reduced duties prior to entering full retirement at age sixty-eight or younger. It seems reasonable to us that such faculty members should be eligible for the full early retirement income allowance. Reductions in the allowance, based perhaps on the length of time in reduced duties, would be difficult to administer and would reduce the incentives built into both programs.

C. Pre-Retirement Counselling

It appears that it would be beneficial, from the perspectives of both the University and the individual, to establish a formal program of pre-retirement counselling. Many faculty members have little idea either of the full extent of the financial resources available to them in retirement or of the income that can be expected from those resources. Such counselling might be useful at two stages of a faculty member's career. The first point should be early enough for corrections, if necessary, to be made—perhaps at age forty-five or fifty. This counselling could probably be provided relatively inexpensively by firms that utilize the sophisticated software packages now available. The second point is the age at which faculty members begin to consider making specific plans for retirement—this typically occurs beyond age sixty. Counselling at this level would be most useful if it were customized to the individual's circumstances. This would be more expensive, perhaps costing several thousand dollars for each faculty member.

Although such counselling services could be provided by University staff, it would probably be more efficient to send the individuals to an independent agency that specialized in such counselling. This approach would also probably draw less suspicion from potential faculty clients.

D. Facilities for Retired Faculty Members

The *Handbook for Faculty and Academic Administrators* contains a list of the rights and privileges of retired faculty members. However, the most important benefits for some retired faculty members, such as office and laboratory space, are controlled by the school and/or the individual department. One of the most contentious issues in the past has been the provision of office and laboratory space for faculty members who wished to continue to remain active after their mandatory retirements.

It is important that each school and department provide the facilities that retired faculty members need to maintain their activities at the University at the level they wish. Since this need will vary a great deal from faculty member to faculty member, it is not possible to set any standards in this area. It is likely that the end of mandatory retirement will make the arrangement of post-retirement facilities a standard part of retirement negotiations. Many of those faculty members who wish to maintain full-blown activity will simply choose not to retire. Those faculty members who chose retirement as a means of focusing on their scholarship will include the specific terms of their needs in their retirement requests. Such arrangements should be formal and subject to review by an impartial body, perhaps on a biennial basis. Faculty members who retire with less extensive plans for future contact with the University will need only access to shared office facilities.

E. Post-Retirement Employment

At the present time retired faculty members are permitted to accept post-retirement employment at levels which approach full-time employment in some cases. It is not clear that arrangements for such extensive post-retirement employment make sense once mandatory retirement is eliminated. Moreover, there appears to be an increasing concern that federal agencies will require the University to assume full responsibility for the costs of employee benefits for such individuals. It may be useful to set up relatively rigid guidelines regulating the level of gainful employment that could be offered to a retired faculty member. It might also be useful to consider whether the incremental cost of the employee benefits resulting from that employment should not be billed directly to the employing school.

F. Other Issues

The Task Force briefly considered two other issues related to the end of mandatory retirement. At the present time members of the faculty and administrative staff receive University-paid life insurance (or equivalent "Flexplan" dollars) which is dependent on age and salary. Although the level of this insurance decreases with age, the current program provides a flat level equivalent to annual salary after age seventy. This is a benefit that is a) unnecessary in most cases and b) extraordinarily expensive for individuals who are beyond age seventy. It appears that some consideration should be given to reevaluating this benefit, subject to legal constraints.

The University's tax-deferred annuity programs are designed to provide a very adequate level of retirement income to members of the faculty and administrative staff who retire at age sixty-eight or older. It is not obvious that continued deposits to the retirement accounts of members of the faculty and administrative staff who are significantly beyond this age are necessary. Those payments are certainly both a significant drain on University resources and an incentive to continue active employment to advanced age. At least two other universities (Chicago and Yale) have recently modified their annuity programs to terminate university contributions after specific retirement income goals are achieved.

Since both of these issues involve administrative staff as well as faculty members, they lie somewhat outside of the range of the Task Force's charge. In addition, either or both are sufficiently sensitive issues that extended discussions may be necessary. For both of these reasons, the Task Force decided to refer these two issues to the Faculty Senate and to the Council Committee on Personnel Benefits.

V. Some Caveats

The recommendations outlined above are based on the assumption that we have a reasonably good idea of how faculty members will behave when faced with the option of delaying retirement indefinitely. In fact we have no reliable information about how many faculty members will wish to continue in full employment well beyond the age at which retirement was formerly mandated. The proposed retirement income allowance program will probably maintain the past rate of "early" retirements and stimulate retirement by some faculty members who would otherwise not retire until in their seventies. All of the other recommendations should help promote earlier retirement. In the event that the overall program does not sufficiently reduce the potential problem, additional solutions will have to be found. On the other hand, if the program stimulates too many retirements, it will not be easy to throttle it back.

The attractiveness of the University's overall retirement program for faculty depends very much on the rates of future inflation perceived by faculty members who consider retirement. If rates significantly higher than current rates were anticipated it is likely that a great many more faculty members would choose full-time employment to ages well in excess of 70.

The legal status of the proposed retirement income allowance plan (and that of most other similar plans) will probably not be well established for a number of years. While the most conservative course would be to do nothing until the situation is clearer, we believe that moving ahead with the recommendations, although somewhat risky, is in the best interests both of the University and of its faculty members.

VI. Members of the Task Force

Jean A. Crockett, Professor Emeritus of Finance
Debra F. Fickler, Associate General Counsel
Stephen T. Golding, Vice President for Finance
John Wells Gould, Director of Planning, Office of the President
David K. Hildebrand (Spring, 1994), Professor of Statistics (past Chair, Faculty Senate)
Benjamin T. Hoyle, Deputy Director, Research Planning and Budget
Dennis F. Mahoney, Manager, Benefits Office
Gerald J. Porter (Fall, 1994), Professor of Mathematics (past Chair, Faculty Senate)
Jerry S. Rosenbloom, Professor of Insurance and Risk Management
Sheldon Rovin, Professor of Dental Care Systems
Daniel Shapiro, Director for Planning and Analysis, Institutional Research and Policy Studies
Walter D. Wales (Chair), Deputy Provost (Professor of Physics)
Frank W. Warner, Associate Dean, SAS (Professor of Mathematics)
Gordon D. Williams, Vice President and Executive Director, Medical School Administration

Class of ’39 Doctoral Fellowships for Recent Penn Alumni

In honor of their 55th Reunion, the members of the Class of 1939 have contributed over $300,000 to the University to create a fund providing two fellowships per year to doctoral students who have earned a Penn undergraduate degree within three academic years prior to the start of their doctoral programs.

The Class of 1939 fellowship moneys will cover tuition for the first year of study and will be matched by University, School and departmental fellowship funds to cover tuition and provide a stipend for the first four years of study, if the student maintains exemplary academic performance.

Application for this fellowship is the same as for other University fellowships. Applicants request consideration for fellowships and/or assistantships on their application forms and the graduate chair forwards nominations from the graduate group to the Dean, who in turn forwards nominations to the Vice Provost for Graduate Education. Questions should be addressed to Karen Lawrence, Assistant Vice Provost for Graduate Education, at 303 College Hall/6381; phone 898-2061 or e-mail *lawrence@pobox.upenn.edu*.

Crime Alert: Attempted Robbery

On Monday, January 30, at approximately 7:55 p.m., in the Unit block of North 36th Street, two actors attempted to rob a female with a black semi-automatic handgun.

The actors are described as: African American male and female, both in their 20s. The male is approximately 5’9” tall, weighing about 140 lbs. He was wearing a black Afro hairstyle, a tan 3/4 length coat and a baseball cap. The female is approximately 5’4” tall, weighing 120 lbs. She has a thin build and dark complexion and was wearing a dark coat.

The actors were last seen leaving the scene west from 36th and Market Streets.

If you can provide *any* information regarding this crime, please contact the Penn Police at 898-7297.

As always, we encourage you to continue to utilize safety precautions, to be aware of your environment and to promptly report any suspicious activity.

- Report anyone who behaves suspiciously to the Penn Police. Remember the person’s appearance and relay it to the dispatcher.
- Use the Outdoor Blue-light Telephones: Open the box and lift the receiver or push the button for direct connection to the Penn Police.
- Use Penn’s Escort Services: 898-RIDE or 898-WALK.
- Use Penn’s twenty-four (24) hour Victim Support/Crime Prevention Unit (Telephone: 898-6600).

— Division of Public Safety

The University of Pennsylvania Police Department Community Crime Report

This summary is prepared by the Division of Public Safety and includes all criminal incdents reported and made known to the University Police Department between the dates of ***January 30, 1995 and February 5, 1995.*** The University Police actively patrol from Market Street to Baltimore Avenue, and from the Schuylkill River to 43rd Street in conjunction with the Philadelphia Police. In this effort to provide you with a thorough and accurate report on public safety concerns, we hope that your increased awareness will lessen the opportunity for crime. For any concerns or suggestions regarding this report, please call the Division of Public Safety at 898-4482.

About the Crime Report: Below are all Crimes Against Persons listed in the campus report for the period ***January 30, 1995 to February 5, 1995***. Also reported were Crimes Against Property including 38 thefts (including 3 of auto, 2 from auto, 4 of bikes and parts), 1 incident of trespass and loitering, and 3 incidents of criminal mischief and vandalism. Full reports are in *Almanac* on PennInfo.—*Ed.*

Crimes Against Persons

34th to 38th/Market to Civic Center: Robberies (& attempts)—2, Simple assaults—1, Threats & harassment—3

01/30/95	9:22 AM	3405 Walnut St.	Patron scratched complainant on neck
01/30/95	9:44 PM	Grad B Tower	Unwanted phone calls received
01/31/95	7:00 AM	Houston Hall	Employee threatened
02/01/95	3:49 AM	3400 Blk. Walnut	Unknown male took backpack
02/03/95	12:06 AM	Lippincott Dorm	Unwanted phone calls received
02/03/95	9:57 PM	Grad B Tower	Unknown male took wallet

38th to 41st/Market to Baltimore: Robberies (& attempts)—1, Simple assaults—1, Threats & harassment—1

01/31/95	2:26 AM	4044 Walnut St.	Driver threatened complainant
02/01/95	8:59 PM	39th & Sansom	Group of males assaulted complainant
02/02/95	7:59 PM	40th & Walnut	Robbery by unknown male/fled in vehicle

41st to 43rd/Market to Baltimore: Threats & harassment—1

02/01/95	12:20 PM	4247 Locust St.	Obscene phone calls received

30th to 34th/Market to University: Threats & harassment—2

01/30/95	4:03 PM	Hill House	Threats received over PPD radio
02/02/95	5:24 PM	Hill House	Unwanted calls received

Outside 30th to 43rd/Market to Baltimore: Robberies (& attempts)—1

01/30/95	7:55 PM	Unit Blk. N. 36th	Attepmted robbery attempt by unknown male & female w/gun

Update

FEBRUARY AT PENN

CHANGE

13 *Roots of Brazil Dance Troupe*; replaces Grupo Corpo Brazilian Dance Theatre in Dance Celebration ’95 Series; rhythms, rituals and movements of Afro-Brazilian culture; 8 p.m.; Zellerbach Theatre, Annenberg Center; $24, $12/students, $19/senior citizens; tickets/info: 898-6791.

FITNESS/LEARNING

13 *Tactics for Increasing Profitability*; Sam Silvers, Heller, Etskovitz & Casterline; effective management with focus on bottom-line profit by reducing internal and external costs and increasing revenues through asset and credit management; $185; 6:30-9 p.m.; info: 898-4861 (Wharton SBDC). *Mondays through February 27.*

MUSIC

15 *Quintessence*; 19th and 20th century woodwind quintet music with works by Ibert, Beethoven, Hindemith and Arnold; 7:30 p.m.; Bodek Lounge, Houston Hall (Quintessence).

SPECIAL EVENT

13 *Black History Month Keynote Speech;* Kwame Ture (formerly known as Stokely Carmichael); 8 p.m.; Irvine Auditorium; info: 898-3357 (Greenfield Intercultural Center).

TALKS

7 *Memory and History;* James Ingo Freed, architect, Pei, Cobb, Freed & Partners; discussion of the United States Holocaust Museum; 6 p.m.; Room B-1, Meyerson Hall (GSFA).

10 *Treatment of Hypothermia*; Charles Simmons, emergency medicine; noon; Medical Alumni Hall, Maloney (Medicine).

13 *Injury Biomechanics: An Interdisciplinary Approach*; Susan Sheps Margulies, bioengineering; 3 p.m.; Room 337, Towne Building (Chemical Engineering).

14 *G-Protein–Coupled Signal Transduction: Basic and Clinical Aspect*; Allen Spiegel, NIH/NIDDKD; noon; Austrian Auditorium, Clinical Research Bldg. (Biochemistry and Biophysics).

Straddling: Music as Ethnic and National Negotiator in the Israeli Context; Amy Horowitz, Jerusalem Program, Smithsonian Institution; 4:30 p.m.; Room 421, Williams Hall (Middle East Center).

Almanac

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Making the Right Things Happen: Research and the Undergraduate Nursing Student

by Linda P. Brown and Lorraine J. Tulman

At a research university, what is the typical undergraduate student's involvement in research? What should it be? And what could it be for a student who desires more than the typical experience?

At the School of Nursing, the core courses in the undergraduate curriculum include statistics (including using computers to analyze a data set from a faculty research study funded by the NIH) and research methodology. The knowledge gained from these courses is then applied to nursing practice in the undergraduate core clinical courses.

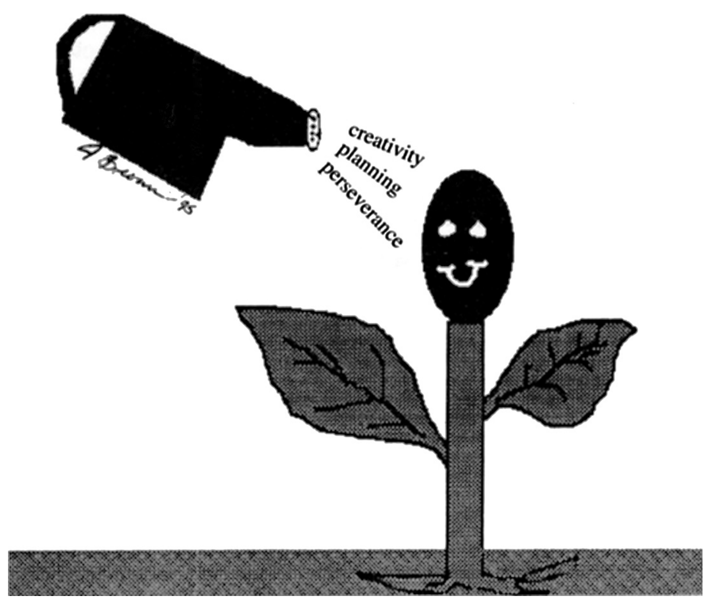
Not all students desire individualized research experiences, nor could (probably) all students be accommodated if that were the case. In considering the type of student who might gain from more extensive involvement in research, we usually seek out those students who can increase their academic load over the required plan of study—academic standing is certainly a consideration but also a high level of persistence, tolerance of ambiguity, and maturity is needed as well. In addition, building individualized research experiences for the undergraduate student requires both student and faculty creativity, planning, and perseverance. The University offers various opportunities for the undergraduate student that can be combined in creative ways to expand the contact between faculty and student for intellectually meaningful work. The Nassau Fund Award, the University Scholars program, and independent study courses can be combined as a means of pooling both time and money, and offer both prestige and academic credit for a unique experience.

Unfortunately, many faculty may view incorporating the undergraduate student into their research team as having a net effect of slowing down their research productivity. However, if complementary agendas can be achieved, incorporating an undergraduate into a faculty's research team can enhance the faculty's program of research and provide an opportunity for the student to acquire hands-on experiences in that discipline's research process.

An example of how this can work follows. One of us (L.B.) and colleagues were investigating jaundice in healthy breast-fed infants during the first month of life using a transcutaneous bilirubinometer (TcB; Air Shields/Minolta Inc.), a non-invasive instrument for the measurement of serum bilirubin. Because the reliability of the TcB varies with skin pigment, the first funded study focused on Caucasian infants, as the TcB was most reliable in this population. When second stage funding was requested from the National Institute for Nursing Research at the NIH to expand the sample, the reviewers suggested that the study population be expanded to include breast-feeding infants from diverse ethnic backgrounds. This required that the TcB be normed on such infants. The first step was to calibrate the instrument on non-white breast-fed infants. This posed a serious problem, as few non-white breast-fed infants were available at our study site. However, it also created an opportunity for student involvement in a circumscribed research project appropriate for an undergraduate student.

At this time, one of our students expressed an interest in working on faculty research projects. Additionally, the School had recently initiated a faculty exchange program with the Kamuzu College of Nursing in Malawi, Africa. The time was ripe, the question immediate—would this student consider traveling to Malawi to obtain TcB calibration data on a population of Malawian infants? Her response was also immediate—show me the way. With only nine months until departure for Malawi, preparations needed to move quickly. Undergraduate research dollars were obtained through the Nassau Fund and through the University Scholars Program. The School of Nursing faculty liaison to Kamuzu College assisted the student in obtaining Malawian Ministry of Health approval for the proposed study, which involved four months of intensive negotiation. Laboratory equipment was purchased and the student was trained in the research protocols. Upon arrival in Malawi, the student spent a productive month identifying subjects, obtaining informed consent from study participants, implementing the research protocol to collect the data and handling equipment emergencies. For example, one of the TcB's internal battery failed and the student was able to find one of the few electrical engineers in Malawi who happened to have familiarity with the TcB and who was able to repair the meter. The outcome of all of this: a jointly authored (faculty and student) manuscript reporting the findings of this study is currently under review. In addition, the findings of this work were included in the proposal resubmitted to the NIH by the faculty.

We have an immense intellectual resource at the University—the undergraduate student population. Involving undergraduate students in faculty research not only can further faculty research but assist in the recruitment of the best and brightest, bolster the intellectual atmosphere of the university, and may entice a few young minds to consider research as a career goal.



This article is the fifth in a series developed by the Lindback Society and the College of Arts and Sciences.
Drs. Brown and Tulman are Associate Professors in the School of Nursing. Dr. Brown is also a Lindback Award recipient.