A meeting of the Executive Board of the Trustees of the University of Pennsylvania was held on Friday, April 10, 1970 at 3:00 p.m. in the Board Room of the First Pennsylvania Banking and Trust Company.

Present were: Ernest Scott, Esq. (Acting Chairman), Mr. Henry B. Bryans, Mr. Paul J. Cupp, Robert Dechert, Esq., Mr. Robert G. Dunlop, Mr. James M. Skinner, Jr., John Ames Ballard, Esq., Dr. David R. Goddard, Mr. Wm. Richard Gordon, Dr. Caylord P. Harnwell, Mr. Donald K. Angell, Mr. John C. Hetherston, Mr. Harold E. Manley, Mr. E. Craig Sweeten, Mr. John A. Russell, Jr., Dr. John N. Hobstetter, and Mr. William G. Owen (Secretary).

The minutes of the meeting held on March 13, 1970 were approved.

Unanimous consent was given to adoption of the following resolution:

RESOLVED, That High Rise East in the new undergraduate housing development be officially designated as Harnwell House, an action which has received the approval of the University Committee on Naming Buildings and Facilities and the Chairman of the Trustees.

President Harnwell commented upon several matters and the following resolutions relating thereto were adopted:

RESOLVED, That the Director of Residence be authorized to change the use of 67 rooms in Speakman, Butcher and Class of '28 dormitories from double to single occupancy and to raise the single occupancy rate to $650 per year.

RESOLVED, That the Dissertation Fee shall be $100 per semester for students on campus and $70 per semester for others.
Executive Board, April 10, 1970

WHEREAS, The Trustees of the University have learned of the munificent offer of Mrs. Wharton Sinkler to give to the University her property located at East Gravers Lane and Flourtown Road, Chestnut Hill, as well as funds in the amount of $140,000 to partially meet the estimated costs of converting and improving the property if the property is accepted, and

WHEREAS, The University is actively engaged in negotiations with a number of foundations which have indicated a deep interest in providing supplementary funds to be used for the development of the property as a center for a unique educational program be it

RESOLVED, That subject to the approval of the Chairman of the Finance Committee, the appropriate officers of the University be authorized to enter into a formal agreement with Mrs. Wharton Sinkler to accept her kind offer provided the present on-going efforts to obtain adequate supplementary funds necessary for the establishment of the proposed center are successfully consummated.

As the request of the President, Mr. Hetherston presented a progress report on medical planning, in which he gave assurance that the necessary steps were being taken to present to the Trustees at the end of the month a meaningful picture of hospital planning developments. He referred to discussions which have taken place concerning the likely availability of the Pennsylvania Higher Education Facilities Authority for long-term financing and he indicated that several study groups were due to report on relationships with the Children's Hospital and on the formulation of a timetable for any necessary reprogramming in connection with the Centennial Plan. He reflected that the nature of the recommendations which would likely be presented to the Trustees would call for suspension by the architect of detailed drawings for the Centennial Plan and a resolution yet to be made on JIM: advising the architect to keep available his key personnel for consultation with committees and coordination with the Planning Office; and a reduction of consultants' services. A Preliminary report will be made to the Task Force of the Trustees on April 15.
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Provost Goddard reported upon the following matters:

1. RESOLVED, That the recommendations for academic appointments and promotions for the period from March 11, 1970 through April 7, 1970, be approved (Appendix A).

2. In the broad area of relationships with Black students, there will possibly be four reports emanating from the ad hoc Committee on Afro-American Studies and it appears unlikely that any special program can be initiated for the next academic year. Discussions are underway concerning the establishment of an ombudsman for Black students, and talks are continuing about changes in the advisory program for these students. He made the point that there are certain expectations expressed here by the students involved which may not correspond with what the administration believes should and can be done and every effort is being made to minimize tension.

Committee Reports

Finance

Mr. Dunlop called attention to the Budget Survey for 1969-70, which anticipates an excess of estimated operating deficit over estimated income of $2,881,372. He referred to discussions which took place at the Finance Committee meeting on Monday relating to the budget for 1970-71 and to the thoughts which were expressed at that time by the Trustees concerning the need to economize further. Subsequent to that meeting he discussed the situation with Messrs. Manley and Hobstetter and he now presented a resolution reflecting his own crystallization of the action which should be taken by the Trustees at this time. The following resolution was adopted:

WHEREAS the report of the Finance Committee sets forth the decision of that Committee to require:

(1) the preparation and adoption of a budget for the fiscal year ending June 30, 1971 which will keep the indicated accumulated operating deficit of the University as of June 30, 1971 at or below $2,500,000; and

(2) the subsequent preparation and adoption of an operating budget for the fiscal year ending June 30, 1972 showing a diminishing deficit and an operating budget for the fiscal year ending June 30, 1973 which will be substantially balanced; and

WHEREAS one of the procedures being considered by the Finance Committee for the reduction of the operating deficit in the fiscal year ending June 30, 1971 is to direct the expenditure of available funds presently controlled by budget administrators in various departments of the University which would be legally available for current operations; and

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WHEREAS the achievement of the cost savings necessary to produce the desired operating results for the fiscal years ending June 30, 1972 and 1973 is dependent to a large extent upon certain changes in academic departments, programs and policies which are currently being studied by the Academic Planning Committee of the University. Therefore be it RESOLVED, That the Vice President for Business and Financial Affairs of the University be and he hereby is requested to prepare, with the advice and assistance of University Counsel, and present to the Finance Committee not later than May 1, 1970 a report identifying and specifying the amount of funds not currently being fully expended for operations of the University which are legally available for such expenditure, including (without limitation) current funds restricted for particular purposes and the accumulated income from restricted endowment funds the use of which may (under the terms of the donative document) be directed by particular administrative or academic personnel or departments of the University; and be it further RESOLVED, That the Academic Planning Committee be and the same hereby is requested to render an interim report not later than December 31, 1970 with respect to the relative financial effect and advisability of various academic and policy changes suggested as necessary to permit the University's operation on a budget for the fiscal year ending June 30, 1972 with a diminished deficit and a substantially balanced budget for the fiscal year ending June 30, 1973.

During the preceding discussion, Mr. Sweeten responded to a particular question by indicating that it is planned that Mr. Day will speak with Messrs. Fineman and Amsterdam concerning the introduction of certain legislation relating to the allocation to income of realized capital gains. President Harnwell reported that a committee of the administration and faculty will soon meet with a high official from Harrisburg for the purpose of evolving a rationale for the support of the private sector of high education in the Commonwealth.

WHEREAS, the present medical insurance program for University academic and supporting staff personnel includes basic coverage with Blue Cross-Blue Shield and a supplemental Major Medical Plan with the Provident Life Insurance Company; and

WHEREAS, the Personnel Benefits Subcommittee of the Faculty Affairs Committee has studied and recommended a modified program of comprehensive coverage with a single carrier; and

(resolution continued on next page)
WHEREAS, the revision could be introduced at no appreciable increase in the institutional cost. Therefore be it

RESOLVED, That effective June 30, 1970, the Major Medical Plan with the Provident Life Insurance Company be discontinued and that on July 1, 1970, a comprehensive medical insurance program be instituted with Blue Cross of Greater Philadelphia and Blue Shield of Pennsylvania.

RESOLVED, that the purchase of approximately 8 acres of real estate in East Marlborough Township, Chester County, Pennsylvania, from Mr. and Mrs. C. Laurence Martin for the total consideration of $100,000 be, and it hereby is authorized and approved.

RESOLVED FURTHER, that the proper officers of the University be, and they hereby are, authorized and directed to execute and deliver a note in the amount of $70,000 with respect to the balance of the purchase price payable over a period of five years following settlement, together with interest at the rate of 5% per annum, and a purchase-money mortgage securing said obligation, both documents to be in such form and to contain such provisions as may be approved by University counsel;

RESOLVED FURTHER, that the proper officers of the University be, and they hereby are, authorized and directed to take such further action and execute such additional documents as may be required to carry out the foregoing resolutions.

RESOLVED, That upon recommendation of the Insurance and Loss Prevention Subcommittee a $100,000 deductible per occurrence applying to public and professional liability loss exposures be adopted effective 1 April 1970 subject to a $3,000,000 aggregate stop-loss applying over a three year period.

Investment

Reporting on the April 6 meeting of the Committee, Mr. Skinner indicated that the Committee had authorized the Chairman to vote the General Motors proxy, when received, in accordance with his best judgment. He stated that the authority so delegated included the authority to vote "for" two resolutions for placing three new members of the General Motors Board and the establishment of a Shareholders Committee for Corporate Responsibility, which the management opposes, if they are written as outlined in the newspapers, and if the Investment Committee Chairman deems such a vote appropriate after he reviews the proxy material.

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Various members reported upon conversations with and messages received from other Trustees who are deeply concerned about what they had read in the newspapers concerning the action of the Investment Committee. Various suggestions for bringing clarification were made, and it was finally determined to delegate to Messrs. Gordon, Owen and Sweeten the responsibility of communicating orally with concerned friends of the University, with the right to call upon other individuals, to the end that a clear understanding of what the Investment Committee intended by its action.

Development and Public Relations

Subscriptions and gifts for the year as of March 24 total approximately $13,100,000. It is anticipated that the total in May will be at about the $16,000,000 level. It was reported also that the letter sent by the Chairman of the Finance Committee to B.F.A. prospects has brought encouraging results. Plans are underway to solicit members of the faculty who are not alumni. The current total of $1,555,000 for Annual Giving is about $35,000 ahead of last year.

Mr. Ballard reported upon conversations being held with representatives of the Annenberg Foundation concerning continuing problems concerning their preferred tax status with the Internal Revenue Service and noted that the University is making every appropriate effort to cooperate in portraying the fundamental relationship between the two contracting parties. It is indicated that the University is prepared to be represented with the Foundation in any presentation made directly to the Internal Revenue Service in order to clarify remaining questions at an early date.

Upon presentation by Mr. Skinner, the following resolution was adopted:

RESOLVED, That the Investment Transactions for the period February 20, 1970 through March 30, 1970 be approved (Appendix B).

Adjourned.

William G. Owen
Secretary