A meeting of the Executive Board of the Trustees of the University of Pennsylvania was held on Friday, November 13, 1970, at 3:00 p.m. in the Board Room of The First Pennsylvania Banking and Trust Company.

Present were: Mr. William L. Day (Chairman), Mr. Howard Butcher III, Mr. Robert G. Dunlop, Dr. Carl Kaysen, Mr. Paul F. Miller, Jr., Bernard G. Segal, Esq., Mr. James M. Skinner, Jr., Robert L. Trescher, Esq., John Ames Ballard, Esq., Mr. Francis M. Bets II, Mr. Stuart H. Carroll, Dr. David R. Goddard, Mr. John C. Hetherston, Dr. John N. Hobstetter, Mr. Harold E. Manley, Mr. Martin Meyerson, Mr. John A. Russell, Jr., Dr. George A. Schlekat, Mr. Donald M. Stewart, Dr. Luther L. Terry, and Mr. William G. Owen (Secretary).

Messages of absence were received from Mr. Henry M. Chance II, Mr. Paul J. Cupp, Robert Dechert, Esq., Mr. John W. Eckman and Ernest Scott, Esq.

Mr. Skinner presided in the temporary absence of Mr. Day at the beginning of the meeting.

Upon presentation by the Secretary, the following resolutions were adopted:

RESOLVED, That Richard P. Brown, Jr., Esq. and Robert J. Dodds, Jr., Esq. be appointed to the Board of Law for three- and one-year terms respectively and be elected also as Associate Trustees.

RESOLVED, That Frederic L. Ballard, Esq., the Honorable William H. Hastie, Baldwin Maul, Esq., and the Honorable Samuel J. Roberts be reappointed for three-year terms to the Board of Law.

RESOLVED, That the Honorable Francis L. Van Dusen be appointed to the Board of Social Work and as and Associate Trustee.
RESOLVED, That the Trustees hereby confirm grateful
acceptance of a grant in the amount of $109,236 from
the John A. Hartford Foundation, Inc. as of August 9,
1970 for studies of the natural history and treatment
of progressive chronic glomerulonephritis to be used
in accordance with the conditions of the grant as
stated in letter of October 7, 1970 from the President
of the Foundation to the Vice President for Medical
Affairs of the University of Pennsylvania (Appendix A)
and be it further

RESOLVED, That the University accepts and agrees to
abide by and carry into effect all of the terms and
provisions set forth therein.

RESOLVED, That the Trustees hereby confirm grate-
ful acceptance of a grant in the amount of $98,362
from the John A. Hartford Foundation, Inc. as of
September 10, 1970 for use by its School of Medicine
for studies of the effects of hemorrhagic shock and
hypoxia on the metabolism of adipose tissue and other
organs to be used in accordance with the conditions
of the grant as stated in letter of October 7, 1970
from the President of the Foundation to the Vice
President for Medical Affairs of the University of
Pennsylvania (Appendix B) and be it further

RESOLVED, That the University accepts and agrees to
abide by and carry into effect all of the terms and
provisions set forth therein.

WHEREAS the School of Medicine of the University of
Pennsylvania is a beneficiary of the Dr. Leiser Founda-
tion, under the Will of the late Dr. William Leiser, III;
and

WHEREAS Section 4 of the By-Laws of the Dr. Leiser Founda-
tion provides as follows:

"The Board of Directors of the Foundation shall consist
of seven members. The original Board shall consist of
Mrs. Martha L. Leiser, who shall be a member for life;
two members appointed by Bucknell University, one for
a term of one year and one for a term of two years, two
members appointed by the University of Pennsylvania
Medical School, one for a term of one year and one for
a term of two years; and two members appointed by the
Union National Bank of Lewisburg, Pennsylvania, one for
a term of one year and one for a term of two years.
After the term of each original Director has ended, each
institution above named shall yearly thereafter appoint
one member to the Board of Directors for a term of two
years." and

WHEREAS the term of office of Dr. William D. Kennedy as
a Director will have expired on December 9, 1970; There-
fore be it

RESOLVED, That Dr. William B. Kennedy be appointed to
the Board of Directors of the Dr. Leiser Foundation, to
succeed himself, for a term of two years commencing on
December 9, 1970 and expiring on December 9, 1972, or
until his successor shall have been appointed retroactive
to December 9, 1970 and his actions as the University's
Director, since that date are confirmed and ratified.
Executive Board of the Trustees of the University of Pennsylvania, November 13, 1970

The Provost reported upon the following matters with actions being taken as indicated:

1. RESOLVED, That Craig R. Thompson be appointed Felix E. Schelling Professor of English Literature effective November 13, 1970.

2. RESOLVED, That the recommendations for academic appointments and promotions for the period from October 7, 1970 through November 10, 1970 be approved (Appendix C).

3. The University Senate has considered the report of the ad hoc Committee on Black Studies, as well as a separate statement drawn up by two of its members, and a statement of intention formulated by the Committee of Undergraduate Deans. The Senate voted to endorse the positions taken by Professors Mundheim and Schriefer and the Deans, which call for a clear-cut commitment by the University to "the goal of creating an organized, academically sound program in Black Studies." Doubt was expressed about a proposed two-year school. The report must still be discussed by the University Council.

4. The Department of Health, Education and Welfare is in the process of investigating complaints of sexual discrimination in employment, and has had discussions in recent weeks with some 25 institutions. HEW is assessing the qualifications of employees to determine if men are being hired and promoted in preference to women. A document is being prepared which formulates the University's policy on fair employment practices, and this will eventually be sent out to all offices.

5. The Student Committee on Undergraduate Education has proposed an experimental college which would provide for "unstructured learning and self-discovery," into which students could transfer from their present undergraduate schools. A student-faculty committee is being appointed to continue research on this proposal. Hopefully a final report will become available for faculty review before the end of the academic year.

6. The Commission for Independent Colleges and Universities in the Commonwealth has agreed to finance a study to be made by McKinsey and Company on the status of the private sector of higher education in the State. Eventually real cost data on a comparable basis will be presented to the Board of Higher Education in Harrisburg.

7. WHEREAS, David R. Goddard, Provost of the University of Pennsylvania and William R. Kintner, Director of Foreign Policy Research Institute have entered into a preliminary Memorandum of Understanding, dated June 23, 1970, whereby the Foreign Policy Research Institute (FPRI) is to be separated from the University; AND WHEREAS, the separation is to be achieved in an orderly efficient and amicable fashion during the 1970-71 academic year; AND WHEREAS, the University in consideration of the undertakings assumed by FPRI in the Memorandum of Understanding is desirous of transferring to FPRI certain assets of the University as outlined in the Memorandum of Understanding, including (1) certain furniture and equipment; (2) title and certain other rights to ORBIS; and (3) title and certain other rights to publications previously produced under the direction of FPRI;

SECRETARY
Separation of Foreign Policy Research Institute from University

RESOLVED, that it is in the best interests of the University that the Foreign Policy Research Institute be separated from the University; and it is further

RESOLVED, that the Trustees of the University of Pennsylvania proceed to effect the separation of the Foreign Policy Research Institute from the University of Pennsylvania in a manner mutually acceptable to the President and/or the Provost of the University and the Director of the Foreign Policy Research Institute.

It was suggested by Dr. Kaysen that in due course attention should be given to the gap created in the University's instructional offerings by removal of the Foreign Policy Research Institute.

Assuming the Chair, Mr. Day commented upon the state of health of Messrs. Scott and Cupp and welcomed Mr. Miller to the Executive Board.

He indicated that Counsel had been requested to express a formal opinion on the activities of the University's investment counsel in the disposition of University holdings of Penn Central stock. He referred to two letters written by Mr. Ballard, which have been shared with the Trustees' Investment Committee, and discussed with individual members of that Committee in some detail, all of whom have expressed satisfaction with the summary opinion contained in the final paragraph of Mr. Ballard's letter, which was read to the Executive Board by Mr. Day. It was agreed that copies of both letters from Counsel should be sent to all of the Trustees; these letters are contained in Appendix D to these minutes.

President Meyerson reported upon the following matters with actions being taken as indicated:

Survey of graduate education

1. A recent survey of graduate education by the American Council on Education reflects the fact that there are gradations of achievement by departments at the University; this information should be of assistance to the Budget Committee.

Provostship

2. It is hoped that a firm recommendation concerning the Provostship can be presented to the Trustees for consideration before the end of the month.

Philadelphia Plan

3. WHEREAS, The University of Pennsylvania has an operating policy of requesting adherence to the Philadelphia Plan in general construction contracts for all work over $500,000, as the best plan currently available, whether or not federal or state funds are involved, and,
WHEREAS, The President's Committee on Minority Workers and the Trustees' Committee on Urban Affairs recommends implementation of an equal employment opportunity plan on all University construction projects at the earliest possible time having due regard for the possible legal and financial consequences of such action; Therefore be it

RESOLVED, That the officers of the University of Pennsylvania should include and enforce the conditions of the Philadelphia Plan or an equal employment opportunities plan of at least equal effectiveness in all construction work regardless of source of funds; and

FURTHER, That the officers of the University of Pennsylvania should establish an effective plan of enforcement including (a) assuming leadership in a cooperative effort with other colleges, universities and institutions to which the "Philadelphia Plan" applies to develop a consistent approach to enforcement and to encourage the participation of the Federal government in such enforcement proceedings; and/or (b) inclusion in all University Contract documents of the specific provisions of the equal employment opportunity plan to be enforced and requirements of such additional assurances of compliance by the contractor, such as contractor's affidavits or performance bonds, as are deemed necessary, and

FURTHER, That the President of the University of Pennsylvania be asked to take such action as necessary to implement this policy.

4. A small administrative committee has been constituted to work with the Chairman of the Quadripartite Commission in evolving realistic proposals which hopefully will attract the necessary support for a community development program. The Trustees will be kept informed of these developments.

5. In view of the fiscal implications associated with the University's medical complex, and in view of various problems which have arisen in that area, it has been determined to undertake a major review of the managerial character of the medical division, including the two Hospital Boards; initial decisions have been made to curtail the use of operating funds for construction purposes, to curtail equipment purchases, and to freeze jobs. Trustees Bronk and Murphy have agreed to serve as consultants to the President, and hopefully a person of recognized stature in the field of medical education can be engaged as special consultant to coordinate the work of all those who may become involved.

Dr. Terry expressed his complete agreement with these observations made by President Meyerson, indicating that the University's problems are not greatly different from those of other institutions, and emphasizing that we bear an obligation to examine our present efforts to assure that they are as efficient and economical as possible. He expressed the hope that within three months certain critical decisions can be reached.

6. Dr. Terry was asked to comment upon negotiations with Philadelphia General Hospital; he recalled that in August the University had been asked whether or not it would be interested in assuming the full responsibility for professional staffing at P.G.H. as of July 1, 1971. A working committee has looked into all aspects of the situation and will likely recommend that a response be made to the effect that the University will not be in a position to take over such staffing in 1971, that it would like to consider this...
end, all of this being predicated on a renewal of the present contract for one year. At the same time, the committee has taken the position that funding by the City for University services has not made for a harmonious relationship and hopefully fiscal arrangements can be made more certain in the future.

7. At the request of the President, Mr. Hetherston outlined a proposed course of action relating to the Graduate Center and the Computer Center as reflected in his memorandum to the President dated October 27, 1970 (Appendix D). There was concurrence by the Trustees with the proposal outlined by Mr. Hetherston.

8. As the result of a gift received from Leonard Davis, a new facility in the Wharton School will be established to be known as Colonial Penn Center. The point was made by the President that, in the future, there should be no inadvertent naming of new facilities, but that a clear policy must be formulated.

9. Dr. Hobstetter was asked to present certain background information on behalf of the Budget Committee, pointing out particular alternatives for maximizing income and reducing expenditures which were under consideration.

10. Addressing himself to the subject of student financial aid, the President called attention to the fact that the University Senate had considered those portions of the Clelland Committee report which relate to tuition grants for members of the University, as well as persons employed by affiliated institutions. He emphasized that quality must be preserved in the process of reducing the amount to be spent for financial aid, and he called upon Dean Schlekat to elaborate. The Dean referred to the size of the national pool of able students who are in a position to pay their own way, compared Pennsylvania's relative position with the other Ivy institutions, and indicated how changes in admissions policy would likely affect various segments of the entering class.

It was noted by the President that, in view of the Clelland Committee report and various discussions of it which have taken place, it is his recommendation that a relationship be established in 1971-72 between (a) student aid grants and subsidy costs of an increased program of student loans from University-supported budgets and present endowments and (b) income from the general fees and tuition in University-supported budgets. He emphasized that, in making such a proposal, it should be understood that tuition and fees will have to be increased and that a major move for substituting student loans for direct grants must occur, to the end that something in excess of $2 million can be realized in the coming year. Various points of view were expressed by the Trustees, after which the following resolution was moved by Dr. Dunlop, and seconded by Mr. Skinner and adopted:

WHEREAS the Trustees' Finance Committee requested the administration to study in depth the amounts appropriated for student aid in University budgets with a view towards establishing a limit on student financial aid; and
WHEREAS the faculty-student-administration Financial Aid Policy Study Committee subsequently appointed by the President has submitted a report containing general recommendations where changes in the scholarship budget could be made if necessary; and

WHEREAS the report of the Committee has been accepted by the University Council, with the understanding that this action does not necessarily indicate concurrence with all aspects of the report; and

WHEREAS the University Senate has given advice on certain recommendations in the report; and

WHEREAS the administration, with the advice and concurrence of the Presidential Budget Committee, the University Council Steering Committee and the Council in plenary session, believes there is a need to enunciate a clear principle on the granting of aid to students in 1971-72; and

WHEREAS in the current budget year the ratio of student aid from University supported budgets and present endowments represents approximately 33 per cent of the income derived from tuition and general fees in University supported budgets, exclusive of income from summer and evening school sessions and from other charges; be it therefore

RESOLVED, that the Trustees support in principle the recommendation of the administration that in 1971-72 student aid grants and subsidy costs of an increased program of student loans from University supported budgets and present endowments shall not exceed one-third of the income from the general fees and tuition in University supported budgets with the understanding that dollar expenditures for the above student aid in 1971-72 will not exceed those for the current year if student numbers and tuition levels remain constant; policies for student loans and other aid as related to admissions practices should be under continuing examination to supplement the report of the Financial Aid Policy Study Committee with the intent of implementing procedures for making the best use of financial aid at or below the above maximum; and be it further

RESOLVED, that the Trustees acknowledge that, in order for the ceiling placed on student financial aid as recommended above to result in savings and increased revenue in 1971-72, it will be necessary for the administration to recommend a concomitant increase in the general fees and tuition and an increase in the ratio of student loans to direct aid grants thereby realizing in excess of $2,000,000 which would reduce the University's over-all cumulative deficit by that amount; with the understanding that the one-third ratio enunciated above shall be maintained if tuition is increased so as to restrict total direct student aid to approximately 48 per cent of tuition income in accordance with present practice; and be it further

RESOLVED, that the administration be authorized to determine specific allocations for student financial aid and for tuition grants to University faculty and staff and to persons primarily associated with other institutions.

SECRETARY
Speaking on behalf of the Nominating Committee, Mr. Segal indicated that he has in hand a detailed analysis of the present Board of Trustees and he will likely call a meeting of the Committee early in December so that a report can be made at the December meeting of the Executive Board.

Upon presentation by Mr. Dunlop, the following resolutions of the Finance Committee were approved:

RESOLVED, That the Finance Committee recommend to the Executive Board that the appropriate University officers be authorized to borrow from The First Pennsylvania Banking and Trust Company at the prime rate and as a temporary accommodation the sum of one million dollars ($1,000,000) for seasonal operating cash requirements, such temporary accommodation to be in addition to but not in modification of the existing lines in Philadelphia aggregating $6,300,000.

WHEREAS, it is the desire of the Division of Recreation and Intercollegiate Athletics to allow the purchase of Palestra basketball tickets by charging against Bank Americards;

AND WHEREAS, such an arrangement requires the opening of an account with The Philadelphia National Bank: Therefore be it

RESOLVED, That the Finance Committee recommend to the Executive Board that an account in the name of this corporation designated The Trustees of the University of Pennsylvania - Palestra Basketball be opened with The Philadelphia National Bank and that all checks, notes and orders for the payment of money, drawn or payable against said account, to the order of any person, firm or corporation whatsoever, including without limitation those drawn or endorsed to the order of any person signing the same, shall be signed by any one of the following:

Director of Division of Recreation and Intercollegiate Athletics
Associate Director of Division of Recreation and Intercollegiate Athletics
Assistant Director of Division of Recreation and Intercollegiate Athletics

and the said The Philadelphia National Bank is hereby authorized and directed to pay all checks, notes and orders so signed.
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RESOLVED, That the Finance Committee recommend to the Executive Board that the first phase of the New Bolton Center Utilities Project, at an estimated cost of $56,000, be put out to bid with the understanding that the required funding will be certified by the Dean of the School of Veterinary Medicine to the Financial Vice-President before contracts are signed and construction begins.

Upon motion by Mr. Dunlop, and seconding by Mr. Skinner, the following resolution was adopted:

RESOLVED, That the Investment Transactions for the period September 9, 1970 to November 2, 1970 be approved (Appendix F).

Mr. Skinner reported briefly for the University Development Committee, noting that results as of this date are essentially the same as for the comparable date last year.

The Chairman suggested that, in view of the Pennsylvania Society Dinner which will be held on December 11 in New York City, perhaps the next Executive Board meeting should be scheduled for luncheon on Thursday, December 10. The Secretary was requested to clear this date.

Adjourned.

William G. Owen
Secretary