EXECUTIVE BOARD
OF THE
TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA
March 12, 1971

A meeting of the Executive Board of the Trustees of the University of Pennsylvania was held on Friday, March 12, 1971 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. Henry B. Bryans, Mr. Howard Butcher III, Mr. Henry M. Chance, II, Robert Dechert, Esq., Mr. John W. Eckman, Mr. Paul F. Miller, Jr., Mr. James M. Skinner, Jr., President Martin Meyerson, Provost and Vice-President Curtis R. Reitz, Vice Presidents Carl C. Chambers, John G. Hetherington, Harold E. Manley and E. Craig Sweeten, Associate Provost John N. Hobstetter, Vice Provost John A. Russell, Jr., Dr. Samuel R. Sapienza, Mr. Donald T. Sheehan, Mr. Donald M. Stewart and Mr. William G. Owen (Secretary). David Maxey, Esq. attended as Counsel.

Messages of absence were received from Ernest Scott, Esq., Mr. Paul J. Cupp, Mr. Robert G. Dunlop, Dr. Carl Kaysen, Bernard G. Segal, Esq., and Robert L. Trescher, Esq.

The minutes of the meeting held on December 7, 1970 were approved.

The Chairman reported that Mr. Scott was progressing at a normal pace and was able to resume an increasing number of his former activities.

Attention was directed to a memorandum prepared by the Chairman on the subject of the Task Force on University Governance Report on the Trustees, which constituted a summary of recommendations submitted by review groups in the University and proposed actions to be taken by the Trustees. Various points of view were expressed about the recommendation relating to the election of young Alumni Trustees, and it was agreed that the Chairman, President, Provost and Vice-President, and the Secretary would devise a procedure which would meet as nearly as possible
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the various proposals which have been made. The Chairman stated that he would have the Secretary send this memorandum, as modified, to all of the Trustees and invite their reaction.

In reporting for the Committee on Corporate Responsibility,

Mr. Eckman noted that the first meeting of the Committee is now in the process of being called, that he had attended a meeting on this subject at Bryn Mawr College recently, and that there is the emerging question of General Motors Corporation - Round II to be considered by the Committee. In response to a question, it was agreed that the new Committee would assume the responsibility of instructing the Investment Committee on pertinent questions and that Mr. Eckman would be the spokesman on all questions relating to General Motors.

The Chairman described tentative plans for holding the Friday, May 7 Stated Meeting of the Corporation in Harrisburg for the purpose of having the participation of the Governor and for a luncheon meeting of the Trustees with the Governor and his Cabinet and key legislators. The Secretary and his administrative colleagues will proceed to refine details for the two days of meetings.

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

**Harold Prince Theatre**

RESOLVED, That the laboratory theatre in the Annenberg Center for Communication Arts and Sciences be designated as the Harold Prince Theatre.

**George Earle Robinette Lounge**

RESOLVED, That the first floor terrace lounge of Harrison House be designated as the George Earle Robinette Lounge.

**Lester W. Burket Wing**

WHEREAS the Executive Council of the School of Dental Medicine has recommended that the name of the present Dean be associated permanently with the east wing of the School of Dental Medicine Building, which includes the old museum area, lecture room 5-9, and the offices above it, in recognition of the Dean's twenty years of service in that position, he it RESOLVED therefore that the east wing of the School of Dental Medicine Building be designated as the Lester W. Burket Wing.

SECRETARY
The Vice-President for Business and Financial Affairs reported that the University holds several trusts, which, under the terms of the respective trust instruments, are required to be appraised annually. Provision is made for the restoration of principal, from income, in the event that the appraised value of the several trusts falls below the sums set forth in the foundation papers.

The following trusts were appraised as of December 31, 1970, by Carl K. Dellmuth, President of The Fidelity Bank:

1. CLARK RESEARCH PROFESSORSHIP OF ASSYRIOLGY FUND

   If this fund depreciates to such an extent as to reduce the invested sum to less than $100,000, then 10% of the income must be applied to the principal.

   The Appraised value is $253,489.02.

2. THE GEORGE L. HARRISON FOUNDATION FOR THE ENCOURAGEMENT OF LIBERAL STUDIES AND THE ADVANCEMENT OF KNOWLEDGE

   If this fund depreciates to such an extent as to reduce the invested sum to less than $1,000,000, then 10% of the income must be applied to principal. In making the appraisal no assets may be appraised above par in the case of bonds, or cost in the case of stocks.

   The Appraised value is $1,829,117.78.

3. WILLIAM PEPPER HALL ENDOWMENT FUND

   If this fund depreciates to such an extent as to reduce the invested sum to less than $50,000, then 10% of the income must be applied to principal.

   The Appraised value is $71,521.07.

4. WHARTON SCHOOL FUND

   If this fund depreciates to such an extent as to reduce the invested sum to less than $600,000 then 10% of the income must be applied to principal.

   The Appraised value is $2,116,201.36.

The following resolution was circulated by mail on February 19, 1971, and signed copies of endorsement were received from eleven members of the Executive Board:

RESOLVED, That with the approval of Counsel the appropriate officers of the University are authorized to transfer cash from the principal of restricted current funds to the administration cash account, with the understanding that the principal of the restricted current funds will be guaranteed by the assets of the following unrestricted funds and such other unrestricted funds as Counsel may from time to time approve:

Louis A. Duhring General Library Fund
Horace Phillips Fund
World War I Veterans Scholarship Fund
Emily B. Pepper Memorial Fund
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AND IT FURTHER RESOLVED, That the transfer of cash between restricted current funds and administration cash account be made only as necessary when the University's approved bank line of credit has been exhausted or when the use of such funds will eliminate all current bank borrowing.

Upon presentation by President Meyerson, the following resolution was adopted:

RESOLVED, That Dr. John N. Hobstetter be elected Associate Provost for Academic Planning and University Budget Administrator, effective March 12, 1971.

It was reported by Mr. Sweeten that a number of activities have been held recently involving members of the General Assembly; that following the present legislative recess, the University will likely be reimbursed for bills which have been incurred, but that the remainder of the University's appropriation for the current year likely will not be received until summer; that the Governor's budget message is expected in early April and that legislation for fiscal 1972 will likely be passed in May and June; that at a recent meeting of the presidents of State-related institutions, attention was directed to the funding of the independent colleges and especially in terms of contracts for services rendered; and that the University will soon be called upon to provide certain expertise from its faculty for a committee of the House.

Dr. Hobstetter gave a brief report on budget planning, noting that a subcommittee is developing contingency plans in response to varying levels of appropriations by the Commonwealth.

It was reported by Mr. Manley that pursuant to discussions with the Ford Foundation, various loan possibilities are being explored with local and New York City banks, as well as mortgage refinancing possibilities with certain institutions.

Reporting also on fiscal affairs in the Moore School of Electrical Engineering, Mr. Manley noted that as manager of the Moore School Trust, the University faces an accumulated uncovered deficit on the order of $100,000. He suggested that the relation-
ship between the University and the Moore School is an appropriate subject for consideration by the Academic Planning Committee.

Reporting on the recent meeting of Ivy Group Presidents, Mr. Meyerson noted a common desire to reduce expenditures in intercollegiate athletics; in certain varsity sports freshmen will be permitted to compete; and the Ivy Group of Presidents is being expanded informally to include certain other institutions, for a total of thirteen, the purpose being primarily for a broader interchange on educational matters.

Dean Winn explained the details of a proposal involving the Wharton Graduate Division, and the following resolution was adopted:

RESOLVED, That after consultation with the Committee on Tuition and Fees, it is the advice of the Budget Committee that the President recommend to the Executive Board that he be given authority to increase the tuition and general fee for the MBA Program in an amount up to $3,200.00 per academic year for students entering the program in the fall of 1971 and to raise tuition and general fee for the MBA Summer Program up to an amount not to exceed $235.00 per course if additional investigation of funding for an enlarged loan program and additional consultation with faculty and students indicate that such a move would appear to be in the best interests of the University in general and the further academic development of the MBA Program in particular.

Mr. Stewart was asked to report on a new Committee on Community Relations of the University Council. He stated that, following the formal demise of the Quadripartite Commission on February 8, 1971, the Steering Committee of the Council was asked by the President to establish such a committee, which will advise on how the University might work most fruitfully in assisting in a wide variety of improvements and development activities in West Philadelphia. The Committee will also insure that University-sponsored community development efforts will be in consonance with the University's main educational purposes. There will also be established a panel of community development advisers, the membership for which will reflect a broad interdisciplinary approach to community problems. These plans are still very much in the early stages and the guidance and suggestions of Trustees are welcome.

Provost and Vice-President Reitz indicated that a two-day Conference on undergraduate education...
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Conference on undergraduate education

A conference on undergraduate education is being planned for a weekend in April to consider various aspects of this subject which have been considered by the Task Force on Governance and certain ad hoc groups in the University. He noted also that, in preparation for an impending visit from the Department of Health, Education and Welfare, attention is being given to employment procedures, grievance mechanisms, and related questions of equal opportunities for women and minority groups.

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

Academic appointments approved

RESOLVED, That the academic appointments and promotions for the period from January 13, 1971 through March 10, 1971 be approved (Appendix A).

It was indicated by Mr. Russell that a statement was issued early in March by his office concerning the use of drugs by University students, which essentially took the position that the University is not a sanctuary from enforcement of civil laws, that University officials would communicate with civil authorities in this area, and that additional kinds of support mechanisms for students will be developed.

Reporting for the Finance Committee, Mr. Skinner directed attention to the Budget Survey for 1970-71 and the Statement of University Operating Fund 1970-71, and the following resolutions were adopted:

Authorization to sign on Petty Cash Account - Management and Behavioral Science Center

WHEREAS, The establishment of a bank account with the First Pennsylvania Banking and Trust Company, a/c #321-615-1, entitled The Trustees of the University of Pennsylvania, Management Science Center - Petty Cash Account was authorized by the Executive Board on September 11, 1970; and

WHEREAS, two of the three persons authorized to sign are no longer available to do so, and the name of the organization has been changed; be it therefore

RESOLVED, that the name of the account be changed to The Trustees of the University of Pennsylvania - Management and Behavioral Science Center - Petty Cash Account and that either the Accounting Supervisor or the Administrative Assistant be authorized to sign on this account.

Secretary
WHEREAS the need for space for the Program of Continuing Education for Women is critical; and

WHEREAS their present location in the Dean of the College for Women's office is creating operational and moral problems in that office because of overcrowding; and

WHEREAS a request for $102,000 for renovations of Room 116 in College Hall has been reduced to $25,000; Therefore be it

RESOLVED, That, upon the recommendation of the University Budget Committee, the sum of $25,000 be added to the University operating budget for 1970-71 to cover the minimum renovations necessary in Room 116, College Hall to accommodate the Program of Continuing Education for Women and the Dean of the College.

WHEREAS the University incurs expenses for employee benefits such as Social Security, retirement, etc., on salaries paid by the University; and

WHEREAS certain of these salaries are charged to restricted funds such as endowed funds or funds created by gifts: Therefore be it

RESOLVED, That, effective with the current fiscal year, the Comptroller be authorized to charge against all restricted funds of the University appropriate charges for employee benefits at rates approved by government agencies.

RESOLVED, That the appropriate officers of the University be authorized to take such action as may be necessary to the end that title to the Nu Sigma Nu fraternity-dormitory, 3904 Spruce Street, be reconveyed to the fraternity under the terms of the contractual provisions which apply between the University and the fraternity, this authorization being given subject to further study by the University Administration and to be exercised if this direction, after study, seems appropriate.

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

RESOLVED, That the Investment Transactions for the period January 5, 1971 to March 1, 1971 be approved. (Appendix B)

The suggestion was made that it would be well for the Executive Board to receive periodic reports of the University's investment portfolio and that at the close of the fiscal year all of the Trustees should have attention directed more specifically to the total portfolio.

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On behalf of the University Development Committee, Mr. Eckman reported that total gifts during the current year amount to almost $11 million as compared to $13 million at the same time last year. Several substantial gifts are in sight which will be recorded within the fiscal year. The current list of gifts includes a $1 million grant from Oppenheimer and Company, which will facilitate further expansion of the financial research center in the Wharton School. Also the first large deferred gift received since the Tax Reform Act of 1969 was passed is in the form of a $300,000 unitrust. The Annual Giving total is about the same as last year on the same date, and the Benjamin Franklin Associates total is slightly ahead of a year ago. The fact that the number of contributors in the $100 and under category is well behind the number for the same date last year points up the continuing efforts to obtain larger contributions before June 30.

Mr. Eckman reported briefly also on the ad hoc Committee on Deferred Gifts, which is chaired by Mr. Ballam, noting that the Committee has recommended appointment of a permanent committee on deferred gifts consisting of a Trustee, the Provost and Vice-President, the Vice-President for Business and Financial Affairs and the Vice President for Development and Public Relations, with University Counsel to serve as adviser. This Committee will be charged with the approval of the terms of life income trusts and pooled income fund agreements to which the University has to become a party. Approval was given to the creation of such a committee.

It was noted by Mr. Miller that there has been a good reaction in the University Hospital to the problem presented by the refusal of Blue Cross to reimburse the hospitals for the established rate of daily care in the sense that economy measures are receiving serious attention.

Mr. Day stated that because of the Good Friday holiday, the next meeting of the Executive Board will be held on April 16.

Adjourned.

William G. Owen
Secretary