A Stated Meeting of the Trustees of the University of Pennsylvania was held at 10:30 a.m., on Friday, May 7, 1971 in the Dauphin Room of the Holiday-Inn Town in Harrisburg.

Present were: Gustave G. Amsterdam, Esq., Mr. Samuel H. Ballam, Jr., Mr. Julian S. Bers, Dr. Detlev W. Bronk, Mr. Henry B. Bryans, Mr. I. W. Burnham, II, Mr. Howard Butler III, Windsor F. Cousins, Esq., Mr. Paul J. Cump, Mr. William L. Day, Robert Dechert, Esq., Mr. Charles D. Dickey, Jr., Mr. Robert G. Dunlop, Mr. Marcus A. Foster, Mr. Hugonold H. Jones, Dr. Carl Kaysen, Mr. Robert F. Levy, Mr. John A. Mayer, Mr. Paul F. Miller, Jr., Mr. Walter F. O'Malley, Dr. D. Sergeant Pepper, Mr. Donald T. Megan, Mr. James A. Salingier, Bernard G. Segal, Esq., The Honorable Milton J. Shapp, Mr. James M. Skinner, Jr., Mr. Woolcy A. Stanger, Jr., Mr. Sarkes Tarzian, Mrs. Marietta Tree, Robert L. Trescher, Esq., Mr. Henry T. Vance, Morton H. Wilner, Esq., Mr. Charles S. Wolf, President Martin Meyerson, Provost and Vice-President Curtis R. Reitz, Vice Presidents Carl C. Chambers, John C. Hetherston, Harold E. Manley, E. Craig Sworton and Luther L. Terry, Vice Provosts John N. Hobstetter and John A. Heswell, Jr., Chaplain Stanley E. Johnson, Mr. Donald T. Sheehan, Mr. Donald M. Stewart, Assistant Secretary Richard M. Sherman, Associate Secretary Robert G. Lorndale and Secretary William G. Owen. Attending as guests were Dr. David Kurtzman (Secretary of Education), and Dr. George W. Taylor. John Ames Hallard attended as Counsel.

Messages of absence were received from: Mr. Orville H. Bullitt, Mr. Henry M. Chance, II, Dr. George A. Coleman, Milton T. Davis, Esq., Mr. John W. Eckman, Mr. Thomas S. Gates, Mr. James W. Gray, Jr. The Honorable A. Leon Higginbotham, Jr., Mr. C. B. McCoy, Dr. Franklin U. Murphy, Mr. William B. Patterson, Mr. Richard S. Reynolds, Jr., Maurice B. Saul, Esq., Ernest Scott, Esq., The Honorable John H. Ware, 3rd, Mrs. Jacqueline Wezler, Dr. Alfred H. Williams, and Mr. Harold L. Zellerbach.
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The Chairman spoke of the honor of having Governor Milton J. Shapp present at this meeting, noting that his office as President of the Trustees was created in 1791. He went on to describe the mutually beneficial partnership between the State and the University and concluded by presenting the Governor with a gavel as a symbol of his office.

Governor Shapp responded in personal terms and went on to describe the priorities in higher education in the Commonwealth. He urged that the University work to have its alumni orient members of the legislature on the problems of the private institutions; he then discussed the concept of a changed means of financing education, suggesting that if education is short-changed then other costs of government will rise. He pledged to work cooperatively with the University in achieving its objectives.

President Meyerson described the readiness of the University to provide services to the Commonwealth, stressed the need for a "mixed economy" of higher education, and suggested that the private colleges provide a yardstick of quality for all colleges. He referred to the University's relative position on the national scene by several measures and described efforts to improve quality. Finally, he pointed to various savings which have been realized in recent years. (At this point the Governor excused himself from the meeting).

Mr. Wolf was asked to comment on the Commonwealth Relations Alumni Council, and he reported that individual meetings with legislators are now underway. It was noted by Mr. Sweeten that University students have been helpful in talking with legislators.

Dr. Rohrer introduced the subject of budget planning for 1971-72 by referring to the remarkable strides which have been made in realizing quality on several essential fronts during the past decade or so, and then observed that the University's present problem is that quality bears a high price tag, as represented in faculty, students, and such special facilities as libraries and computers. It was noted that the traditional portion of aid from the State has declined, that recent efforts have been
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designed to reduce costs, and that hereafter the fruits of academic
planning will largely control further economies. At the same time,
the University must find means of cooperating with other institu-
tions, perfect new methods of instruction, stabilize incremental
costs, and strengthen its partnership with the Commonwealth. He
then directed attention to "Deficit Summary 1971-72 Budget," which
reflects an anticipated deficit of $1.0 million.

Mr. Day thanked Dr. Hobstetter for his presentation and
invited Dr. Kurtzman to comment. Dr. Kurtzman indicated a concern
on the part of the State for private institutions, noting that they
represent a "big bargain." He noted, however, that the University's
of Pennsylvania is viewed by many legislators as being an elite
institution and that this misconception must be corrected.

The President made the point that if the proposed budget was
adopted, it is the intention of the administration to proceed with
salary adjustments independent of final action by the State, since
salaries of faculty and staff can not be permitted to deteriorate
farther.

The following resolution was adopted:

RESOLVED, That the University budget for 1971-72,
as presented by the Administration and approved by the
Finance Committee, be approved.

Reporting for the Medical and Hospital Affairs Committee,
Mr. Miller commented on discussions about the role of the Graduate
Hospital and presented the following resolution, which was adopted:

WHEREAS the role of the Graduate Hospital within the context of the
University of Pennsylvania Medical Center has been under study and
consideration for some months; and

WHEREAS the Medical Staff of the Hospital and its Board of Managers
have approved a specified mission for the Hospital which includes
participation in a University sponsored prepaid health plan which
would be appropriate to the future operation and development of
the Hospital; and

WHEREAS the Executive Board has authorized, subject to certain
understandings, the officers of the University to take such steps
as may be required to bring a University sponsored Health
Maintenance Organization into being; and

WHEREAS the Executive Board of the Trustees has referred with
power to the Trustees' Medical and Hospital Affairs Committee
action regarding the future role of the Graduate Hospital;
Therefore be it

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RESOLVED, That the Committee acting in behalf of the Trustees approve the proposed role of the Graduate Hospital within the over-all concept of the University Medical Center, and be it further

RESOLVED, that the physician participation in the program be on an entirely voluntary basis and without prejudice, and be it further

RESOLVED, that the University pledges its cooperation to assist the Graduate Hospital in raising the funds necessary to plan, activate and operate such a program.

On behalf of the University Development Committee, Mr. Skinner noted a promising outlook in that gifts and bequests for all purposes stand at about $15.3 million. Attention was directed to various major gifts and to charts showing yearly totals of gifts and bequests since 1944. During this period, Pennsylvania has consistently ranked among the nation's top universities in both alumni and total voluntary support. At this point, Annual Giving is working uphill to match last year's all-time high which included several large non-recurring gifts; finally he noted that 60 percent of the University's contributions come from outside the Commonwealth and that Pennsylvania has more than held its own in comparison with other institutions.

Reporting for the Investment Committee, Mr. Skinner said that the market value of the Associated Investments Fund has increased from $92,100,000 at June 30, 1970 to $125,100,000 at March 31, 1971. Net investment income generated for the 12 months ending March 31 was $13.09 per share, down slightly from $13.58 for the year ended June 30 last. Other investments held by outside corporate fiduciaries for its account when added to our own total have recovered from the aggregate of $158,800,000 reported at June 30 last to an estimated $197,000,000, closely approaching the all-time high of $200,500,000 recorded on June 30, 1968.

The following resolution was adopted:

RESOLVED, That the investment transactions taken during the period from March 2, 1971 to April 26, 1971 be approved (Appendix A).

Mr. Skinner further reported that the Investment Committee determined that it was advisable to attempt to dispose of the so-called Woolman Tract, which comprised in all about 300 acres located in Tredyffrin Township, Chester County, fairly close to
the development at King of Prussia. The tract which had been held by the University for many years as a possible site for a suburban campus or department location had been bisected by the Pennsylvania Turnpike, with 30 acres lying north and approximately 270 acres south of the Turnpike. Following extensive negotiations, the University has entered into an Agreement of Sale under which the land will be sold to Richard J. Fox, who has undertaken to obtain title to a substantial tract in the area, of which this is one portion. The sale is subject to Mr. Fox obtaining approval of a land use and development plan for the entire tract prior to December 31, 1972. The purchase price is $10,000 an acre, paid in cash within two years after the land use and development plan has been approved. In authorizing the sale of the 270 acres south of the Turnpike, the Executive Board formally noted that the 30 acres north of the Turnpike and closest to the historic Valley Forge area were not included in the sale and recorded the desire and hope of the University that this acreage might at some future time be acquired by a public body as an addition to the Valley Forge Park or otherwise for a use in keeping with its historic location.

Recent work of the Committee on Corporate Responsibility was described by Mr. Segal, in which he noted that contact has been made with other institutions, the Ford Foundation, and a group of Yale professors who have written on the subject. The voting of corporate shares held by the University is an immediate concern and specifically those of the Gulf Oil Corporation and General Motors Corporation. A hearing was held by the Committee last month, at which an opportunity was provided members of the campus community to express their views. The continuing work of the Committee will be reported to the Trustees at regular intervals.

Dr. Kaysen commented briefly on the productive meeting held by the Educational Policy Committee on Thursday, at which student members of S.C.U.E. presented views during a lively consideration of recent proposals formulated for consideration by the President and Provost and Vice-President.

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Upon presentation by Mr. Segal, Chairman of the Nominating Committee, the following resolution was adopted:

Paul Miller and Henry Vance re-elected Term Trustees

RESOLVED, That Paul F. Miller, Jr. and Henry T. Vance be re-elected as Term Trustees effective with the expiration of their present terms on May 13, 1971.

Honors earned

Provan and Vice President Reitz reported upon recent honors earned by members of the faculty and Chairman Day (election to membership in the American Philosophical Society); noted that a consultative committee to advise in the search for a new Dean of the School of Dental Medicine has been constituted, that an Acting Dean for the School of Social Work will be appointed, and that a consultative committee will be appointed in view of the retirement next year of Vice President Carl C. Chambers. The following resolutions were adopted:

RESOLVED, That Paul F. Miller, Jr. and Henry T. Vance be re-elected as Term Trustees effective with the expiration of their present terms on May 13, 1971.

RESOLVED, That Peter F. Shepheard be appointed Dean of the Graduate School of Fine Arts effective September 1, 1971.

RESOLVED, That the recommendations for academic appointments and promotions for the period from April 12, 1971 through May 2, 1971 be approved (Appendix B).

RESOLVED, That the recommendations for academic appointments and promotions for the period from April 12, 1971 through May 2, 1971 be approved (Appendix B).

Search for new Dean Dental Medicine

Academic appointments approved

RESOLVED, That the recommendations for academic appointments and promotions for the period from April 12, 1971 through May 2, 1971 be approved (Appendix B).

RESOLVED, That Peter F. Shepheard be appointed Dean of the Graduate School of Fine Arts effective September 1, 1971.

Task Force on University Governance

RESOLVED, That the recommendations for academic appointments and promotions for the period from April 12, 1971 through May 2, 1971 be approved (Appendix B).

RESOLVED, That the recommendations for academic appointments and promotions for the period from April 12, 1971 through May 2, 1971 be approved (Appendix B).

RESOLVED, That the Trustees take the following actions in response to recommendations contained in the report on the Trustees of the Task Force on University Governance:

One - Agree that the basic structure be retained under which the University of Pennsylvania is governed by the Trustees having the ultimate legal authority for University affairs.

Two - In view of the recommendation that the present body of Trustees be expanded to include six young alumni trustees, two to be elected each year, it is proposed that, on a trial basis, the Trustees elect in 1971 for three-year terms one alumni of the undergraduate schools and one alumni of the graduate and professional schools. The General Alumni Society will be asked to invite nominations from members of recent graduating classes in all schools and forward to the Trustees names of the three candidates receiving the greatest indication of support for each of the two positions. In due course the Trustees' Nominating Committee will evaluate the experiment and make a recommendation to the Trustees as to whether the procedure should be discontinued, modified or made permanent.

Three - Agree that a formal mechanism should be established for terminating the trusteeship of an individual who becomes incapacitated.

Four - Agree that vacancies on the Trustees should be promptly filled and that the Nominating Committee should develop mechanisms to more formally solicit recommendations from other interested bodies.

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Five - State that a continuing effort should be made to broaden the membership of the Trustees to include educators and recent graduates.

Six - Note that a formal mechanism has already been developed to deal with conflict of interest.

Seven - State that the Trustees should continue to invite students and members of the faculty to participate in all committee meetings where appropriate, and that the participation of these groups in stated meetings should be confined to occasions when their presence would contribute directly to business under discussion.

Eight - Recommend that a review of the role and effectiveness of the various advisory boards be deferred until the President has had an opportunity to examine this question and advise the Trustees.

Nine - Agree that the Trustees should actively develop additional opportunities for informal meetings between its membership and the faculty, student body and others.

Ten - Refer for the present any action on the recommendation that the Trustees codify the procedure for the selection and election of a new President.

By way of implementation of item Two in the preceding resolution, attention was directed at proposed resolutions prepared by Mr. Ballard. Based upon concerns expressed with details of the experiment for a new class of Trustees, certain changes were made, and the final resolutions, as adopted, follow:

WHEREAS in order to permit the immediate implementation of the proposal to include as Trustees of the University recent graduates to be designated Young Alumni Trustees, it is necessary to amend the Statutes of the Corporation; and

WHEREAS because no formal notice of any such proposed amendment was given to the Trustees in connection with this meeting, it is necessary to secure unanimous consent to the suspension of certain provisions of the Statutes which require such notice; now therefore be it

RESOLVED, that unanimous consent, pursuant to Section 2 of Article XIII of the Statutes of the University, is hereby given to the suspension of the notice provisions of Section 1 of Article XIII with respect to proposed amendments to Article I of the Statutes necessary to provide for a class of Young Alumni Trustees on a temporary basis.

WHEREAS the notice provisions of the Statutes concerning amendments have been duly suspended by unanimous consent; and

WHEREAS it is desired to amend the Statutes to provide for a new class of Young Alumni Trustees, to be composed of persons (to be nominated by members of the graduating classes through the General Alumni Society and elected by the Trustees) who have received degrees in recent years from the graduate and professional schools and the undergraduate schools; now therefore be
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RESOLVED, that effective only during the period commencing May 7, 1971, and ending with the date of the stated meeting of the Trustees to be held in October 1974, Article I of the Statutes of the Corporation shall be amended by adding thereunto the provisions hereinafter set forth, at the indicated points within said Article I:

(a) At the end of Section 1: "Notwithstanding the provisons of the next preceding sentence, the aggregate number of Trustees, in addition to ex-officio Trustees, shall not exceed forty-two, and in addition to the three classes of Trustees enumerated in the next preceding sentence, there shall be a fourth class, to be known as Young Alumni Trustees, elected as hereinafter provided to serve for terms expiring on the date of the stated meeting of the Trustees to be held in October 1974."

(b) At the end of Section 2: "The terms of Young Alumni Trustees shall begin from the dates of their respective elections."

(c) At the end of Section 3: "In addition, during the period commencing May 7, 1971, and ending with the date of the stated meeting of the Trustees to be held in October 1974, the Trustees shall include not more than two Young Alumni Trustees."

(d) At the end of Section 4: "Each vacancy in the Young Alumni Trustees caused by death or resignation shall be filled by the election by the Trustees, at the next stated meeting thereof following the creation of such vacancy, from among persons having the same qualifications as the Young Alumni Trustee whose death or resignation caused the vacancy, such successor to be similarly nominated by the General Alumni Society."

(e) Between Sections 6 and 7: "6.1. One Young Alumni Trustee shall be a person who has received an undergraduate degree in course from the University in the years 1969, 1970, or 1971 and the other Young Alumni Trustee shall be a person who has received a graduate or professional degree in course from the University in one of such years. Each Young Alumni Trustee shall be elected by the Trustees from among three nominees fulfilling the qualifications of such office to be nominated to the Trustees."

Upon presentation by President Meyerson the following resolution was adopted:

WHEREAS action has been taken by the University Council on the Task Force on Governance report on the Legislative Function, which has been subsequently endorsed by the administration and the Executive Board, be it therefore

RESOLVED, That in accordance with Article XIII, Section 1 of the Statutes of the Corporation, the following changes be made to the Statutes of the Corporation:

That in Article V, Sections 2 and 3 be amended to read as follows:

2. The University Council shall consist of: the President, the Provost and Vice-President, and ten members of the administration to be appointed annually by the President, at least five of whom shall be the Deans of Faculties; thirteen representatives of the faculty at large, who shall be the Chairman, Chairman-elect, Past Chairman, Secretary, Secretary-elect, and the eight

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members of the Advisory Committee of the University Senate who have served the first year of their three-year term on the Advisory Committee of the Senate; twenty-seven members of the faculty elected by mutually exclusive constituencies in a manner to be designated by the Council; four Assistant Professors to be designated in accordance with the bylaws of the Council; and nineteen undergraduate and graduate and professional school students, in good standing, to be elected in accordance with the bylaws of the Council.

3. The presiding officer of the Council shall be a Moderator who shall be appointed by the President with the advice of the Steering Committee and the consent of the Council; he shall thereby become a member of the Council if he is not already a member. There shall also be a Parliamentarian and the Secretary of the Corporation shall serve as Secretary; they shall not be members of the Council.

HAROLD L. ZELLERBACH

WHEREAS Harold L. Zellerbach of the Class of 1917 has long played a starring role in the progress of the University of Pennsylvania as a distinguished alumnus and a wise and conscientious Trustee; and

WHEREAS the versatile Mr. Zellerbach in his role as a cultural leader has given inspiration and support to the development of the performing arts on the Pennsylvania campus, culminating in the dedication of the Zellerbach Theatre; be it therefore

RESOLVED, That his fellow Trustees extend to Harold Zellerbach a hearty "Bravo!" and wish him a long run on the many stages that his presence brightens.

Upon presentation by Dr. Kaysen, Chairman of the Honorary Degrees Committee, the following resolution was adopted:

RESOLVED, That the following selection by the Trustees' Honorary Degree Committee of candidates for honorary degrees at the May 24 Public Commencement be confirmed:

<table>
<thead>
<tr>
<th>Name</th>
<th>Degree</th>
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<tbody>
<tr>
<td>Robert Dougherty Cross</td>
<td>Doctor of Laws</td>
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<tr>
<td>William Lang Day</td>
<td>Doctor of Laws</td>
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<tr>
<td>Haldan Keffer Hartline</td>
<td>Doctor of Science</td>
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<tr>
<td>Philip Bernhard Hofmann</td>
<td>Doctor of Laws</td>
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<tr>
<td>Louis Isadore Kahn</td>
<td>Doctor of Fine Arts</td>
</tr>
<tr>
<td>Virginia Harrington Wright Knauer</td>
<td>Doctor of Laws</td>
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<tr>
<td>Harold Smith Prince</td>
<td>Doctor of Fine Arts</td>
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<td>David Riesman</td>
<td>Doctor of Laws</td>
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<td>Leon Howard Sullivan</td>
<td>Doctor of Laws</td>
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<tr>
<td>George William Taylor</td>
<td>Doctor of Laws</td>
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<tr>
<td>Rexford Guy Turell</td>
<td>Doctor of Laws</td>
</tr>
<tr>
<td>Francis Clark Wood</td>
<td>Doctor of Science</td>
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Resolution regarding Harold L. Zellerbach

Honorary Degree candidates

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

WHEREAS, certain sister institutions have for many years followed the practice of conferring an honorary Master of Arts degree upon members of the faculty with professorial tenure who hold no degree from the institution, and

WHEREAS, this has proven to be an important means of affiliating such faculty members more closely to the institution; and

WHEREAS, the leadership of the University Senate has concurred with the Administration in the desirability of establishing this tradition at the University; be it

RESOLVED, therefore, that effective in 1971, members of the University faculty with professorial tenure who hold no degree from the University of Pennsylvania have conferred upon them an honorary Master of Arts degree, and that a diploma with appropriate inscription be granted to them.

Upon explanation by Mr. Hetherston, the following resolutions were adopted, each having been approved by the appropriate Trustee committee:

RESOLVED, That, upon the recommendation of the President and the Board of Managers of the University Museum, the President or the Provost and Vice-President be authorized to approve the sale of American Indian paintings in the collections of the University Museum; and be it further

RESOLVED, That the proceeds from the sale of these paintings be used for capital improvements of the University Museum as designated by the Board of Managers.

WHEREAS it has been proposed that a major facility development be implemented in the area of Lot #8, said facilities to include such items as parking, motel, and offices which would be complementary to the University Hospital; and

WHEREAS it is proposed that the financing and construction be accomplished through the use of a private developer; and

WHEREAS a careful review of proposals submitted by a number of private developers seeking to be selected by the University has been undertaken; and

WHEREAS the magnitude of investment required by the private developer to formulate specific physical and financial plans is such that it is at this point necessary to designate a single organization with which to conduct future negotiations; and

WHEREAS the University reserves the right to participate in the planning of the facilities and to approve the final proposals at no cost or liability to the University; therefore be it

RESOLVED, That E. J. Frankel Enterprises be designated as a single source with whom the University will negotiate looking toward the development of a mutually satisfactory plan.
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WHEREAS it has been proposed that an emergency and ambulatory services facility (JERASF) be constructed for joint use by the Philadelphia General Hospital, the University Hospital, and possibly Children's Hospital; and

WHEREAS initial discussions have been held with City officials and officers of the Children's Hospital which are sufficiently encouraging to believe that the possibilities of the joint operation should now be investigated in depth; and

WHEREAS one of the objectives of such further investigation would be a specific identification of the funds for possible construction as well as operation of the facility; and

WHEREAS it is believed that the costs of investigation and planning activity can be funded from non-University sources: Therefore be it

RESOLVED, That the appropriate officers of the University be encouraged to continue to negotiate with City officials and administrators of the Children's Hospital, with the understanding that the concept of JERASF is approved in principle by the Trustees of the University subject to an identification of the sources of funding of any costs which might need to be borne from University sources.

WHEREAS the Hospital of the University of Pennsylvania is in need of additional physical facilities: and

WHEREAS a potential donor has expressed possible interest in making a major financial contribution to a proposed new structure to be located on 34th Street south of the Havdin Institute; and

WHEREAS the proposed structure would house activities related to the Department of Surgery and provide physical quarters which could be used to house a Cancer Institute: Therefore be it

RESOLVED, That if the potential gift is forthcoming in the $5,000,000 magnitude solicited that the University be committed to proceeding with the project in the location and at the approximate cost presented to the potential donor: and

be it further

RESOLVED, That the name of the potential donor be prominently associated with the structure.

WHEREAS the University has accepted responsibility for providing teaching and patient care at the Philadelphia General Hospital ("PHG") since 1959;

WHEREAS it is now proposed that the University accept a substantially increased responsibility at PHG for the period July 1, 1971, to June 30, 1972, upon such conditions and with such contractual assurances as may be acceptable to both the University and the City :

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WHEREAS the University is prepared to proceed with the new contract provided that there is adequate funding; therefore: Now Therefore Be It

RESOLVED, That the proper officers of the University be and they hereby are authorized and directed to execute a contract with the City of Philadelphia for providing teaching and patient care at PGH on an expanded scale but subject to the following specified conditions:

1. That such contract be for a period of one year only;
2. That the contract be adequately funded by the City and approved by the Chairman of the Trustees' Finance Committee prior to its execution;
3. That the contract be approved both as to form and as to substance by Counsel for the University.

In adjourning the meeting, Mr. Day acknowledged the presence of Mrs. Tree and Mr. Levy at their first stated meeting. Chaplain Johnson pronounced a benediction.

Adjourned.

William G. Owen
Secretary