A meeting of the Executive Board of the Trustees of the University of Pennsylvania was held on Friday, June 11, 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. Brevan, Mr. Howard Butcher III, Mr. Henry M. Chance, II, Mr. Paul J. Cupp, Mr. Robert G. Dunlop, Mr. John W. Eckman, Bernard G. Segal, Esq., Mr. James M. Skinner, Jr., Robert L. Trecher, Esq., President Martin Meyerson, Provost and Vice President Curtis R. Heitz, Vice Presidents John C. Hetherston, Harold E. Manley, and Luther L. Terry, Mr. Stuart H. Carroll, Mr. John A. Russell, Jr., Mr. Donald T. Sheehan, Mr. Donald M. Stewart, Mr. Edwin Taylor, and Mr. William G. Owen (Secretary). John Ames Ballard, Esq. attended as Counsel.

Messages of absence were received from Robert Dechert, Esq., Dr. Carl Kaysen, Dr. Paul F. Miller, Jr., and Ernest Scott, Esq.

The minutes of the meeting of April 16 were approved.

The Chairman reported upon the state of health of Ernest Scott and expressed appreciation to Mr. Dunlop for chairing the meetings of April 16 and May 1. He called attention to the imminent retirement of Mr. Walter P. Miller, Jr. as Chairman of the Board of Managers of the Graduate Hospital. It was noted by Dr. Terry that he is recommending to the President the retirement be postponed for one year. In response to a question raised by Mr. Day, the Secretary indicated that plans are being formulated for the nomination procedure associated with the new class of Young Alumni Trustees.

President Meyerson reported upon the recent hearing before the House Appropriations Committee and directed attention to a summary statement on Commonwealth relations which was distributed to members. The President suggested the possibility that Trustees may wish to be hosts for tenured members of the University faculty.
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Conferring of Honorary Masters' Degrees

at a dinner in the fall, at which time the plan to confer honorary Master's degrees on members of the faculty who do not hold University degrees could be carried out. Messrs. Day and Eckman responded affirmatively and the consensus was that plans should proceed for such a function.

Mr. Manley presented certain background information on the University Press and called attention to a proposed three-year budget, which projects a gradually declining deficit in operations as a result primarily of increased sales. As Chairman of the Finance Committee, Mr. Dunlop reflected his concurrence with the proposed reorganization of the University Press: he observed that the Press must be viewed as a business operation and that it will require an autonomous board of directors in order to accomplish the projected program. He suggested that the Finance Committee be given an opportunity to discuss the membership of such a board. Mr. Meyerson expressed his agreement with these views, and the following resolution was adopted:

WHEREAS, the Executive Board, at its meeting on April 16, 1971, authorized the administration to investigate the feasibility of establishing the University of Pennsylvania Press as an autonomous operation, with the understanding that any proposal would be brought to the Trustees' Finance Committee before final action; and

WHEREAS, the legal and financial implications of this action have been reviewed and approved by the Chairman of the Trustees' Finance Committee; Therefore be it

RESOLVED, That the formation of a separate non-profit corporation to be known as University of Pennsylvania Press, Inc. be established as a wholly-owned subsidiary of the University; and be it further

RESOLVED, That the University will grant a subsidy of $90,000 for the fiscal year 1971-72 and $50,000 for the fiscal year 1972-73 to University of Pennsylvania Press, Inc. with the understanding that subsequent years' operations will be self-supporting; and be it further

RESOLVED, That the University will advance working capital to University of Pennsylvania Press, Inc. in an amount not to exceed $500,000, with the understanding that the corporation will reimburse the University for interest expense on this advance; and be it further

RESOLVED, That the operating results of University of Pennsylvania Press, Inc. be reviewed semi-annually by the Trustees' Finance Committee.

Agreement was expressed to the appointment of Messrs. Meyerson, Beitz and Manley as interim directors of the Press.

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The Provost and Vice-President described various efforts which have been underway relating to an affirmative action program, some of which are the direct result of the examination being made by the Department of Health, Education and Welfare and others which have been initiated independently. These efforts include a second-party census based on classifications of the Federal Government; the evolution of an affirmative action plan; the consideration of recommendations contained in a University Council committee report on the status of women on the University faculty; a proposal that each department and school establish its own goal for the next five years in terms of a ratio of women to men; revision of the nepotism rule; possible establishment of a day-care center and creation of a maternity leave policy; appointment of an ombudsman; and articulation of the fact that the academic freedom machinery will provide the best judicial assistance for clarifying questions of promotion involving race and sex.

A brief review of labor relations problems at the University was presented by Mr. Manley, in which he indicated that a full-time labor relations expert is now being sought. Furthermore, an attempt is being made to clarify University policies in this area, and members of the faculty with expertise are being asked for guidance and insight. Mr. Day suggested that the matter of University labor relations be made a regular item on future agendas of the Executive Board.

In a review of current negotiations between the Graduate Hospital and Blue-Cross Blue-Shield, Mr. Ballard explained that Blue-Cross is attempting to reduce reimbursements both retroactively and currently and that the sum total of retroactive reimbursement approaches $600,000. The Board of Graduate Hospital has authorized a suit against Blue-Cross to test the legality of the retroactive feature, but such a suit has been postponed by the University because of the sensitive nature of the University's appropriation request before the legislature. At the same time, the Medical College of Pennsylvania has instituted such an action on its own and it is expected that
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the issues will be clarified following a final hearing on June 21. Mr. Taylor supplemented the information provided by Mr. Ballard and expressed the need for legal action in order to restrain Blue-Cross. President Moycrnon proposed the following action, which was moved by Mr. Eckman, seconded, and adopted:

RESOLVED, That if the Chairman of the Trustees, the President, the Provost and Vice-President, and Counsel determine that court action against Blue-Cross Blue-Shield becomes necessary to protect the interests of the Graduate Hospital, they are authorized to proceed with such action.

Mr. Russell gave a brief report on the status of occupancy of the new residence halls for next fall, in which he noted that a 93% occupancy figure is anticipated.

Mr. Reitz reported that Dr. Louise Shoemaker has been appointed as Acting Dean of the School of Social Work; Dr. Willis J. Winn has resigned as Dean of the Wharton School in order to accept the Presidency of the Federal Reserve Bank in Cleveland and that an acting deanship will likely have to be established; and the consultative committee which is advising in the selection of a new head of Admissions and Financial Aid has made an interim report.

Upon presentation by the Provost and Vice-President, the following resolution was adopted:

RESOLVED, That the academic appointments and promotions for the period from May 3, 1971 through June 6, 1971 be approved (Appendix A).

Upon request by Mr. Ballard, the following authorizing resolution was adopted:

RESOLVED, that the President, Provost and Vice-President, Vice-President for Business and Financial Affairs or Treasurer be, and they hereby are, authorized to effect the borrowing for operational purposes of funds being held in the Temporary Investments Fund and in connection with such borrowings, to assign as security for the same units of participation in the Associated Investments Fund representing "Funds Functioning as Endowment" - all with the approval of University Counsel with respect to the legal documents and procedures involved.

Upon presentation respectively by Mr. Hetherston and Mr. Manley, the following resolutions were adopted:

WHEREAS the late Paul B. Hartenstein, alumnus of the University of Pennsylvania, served successively from 1921 to 1942 as Assistant Director of Houston Hall, Business Manager of Houston Hall, and Director and Business Manager of Houston Hall; and

Paul B. Hartenstein

SECRETARY
WHEREAS following service as a Naval Officer in World War II Mr. Hartenstein returned to the University and served in a number of important administrative posts for a number of years prior to accepting the call to public service; and

WHEREAS Mr. Hartenstein's Will provides that the balance of his estate after meeting certain specified obligations be given to the University of Pennsylvania preferably for purposes related to student activities, the allocation to be at the discretion of the Trustees of the University; and

WHEREAS several areas on the third floor of Houston Hall are presently not in useable condition: Therefore be it

RESOLVED, That the Trustees earmark the funds to be received under the portion of Mr. Hartenstein's Will referred to above for renovations in Houston Hall, with the understanding that an appropriate plaque be installed to acknowledge the grateful appreciation of the University community for Mr. Hartenstein's services to the institution, as well as a public acknowledgement of his generosity to his alma mater.

WHEREAS at the Stated Meeting of The Trustees of the University of Pennsylvania held on January 16, 1970 a resolution was adopted by this corporation creating and authorizing the issuance of its bonds in the aggregate principal amount of $2,735,000 as part of its Serial System First Mortgage Bonds, to be known as its Serial System First Mortgage Bonds 3% Series E, due 1971-2008; and

WHEREAS the settlement with Housing and Urban Development and the Girard Trust Bank, Trustee has been postponed until June or July 1971 and previous estimates have accordingly been updated: Therefore be it

RESOLVED, That this Board approves the calculations of estimates under subdivision (f) of Section 2 of Article V of Part One of the indenture of November 1, 1963 presented to this meeting.

The Chairman of the Investment Committee, Mr. Skinner, directed attention to a statement of performance data, indicating that the figures represent the results of Investment Committee operations.

For the Committee on Development and Public Relations, Mr. Eckman noted that recorded gifts total $13 million and unrecorded subscriptions total $5.6 million for a total of $18.6 million. Anticipated gifts and commitments suggest that by June 30 another $20 million year will be realized. Annual Giving is presently short of its goal by about $450,000.
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Although dollar figures are holding up well, the number of donors continues to fall behind. This trend can be attributed largely to the economy, public disenchantment with colleges generally, and perhaps the emphasis which has been placed on large rather than token gifts.

It was noted by the Chairman that the following dates have been scheduled for the meetings of the full Board of Trustees for the next academic years:

- October 14 and 15, 1971
- January 13 and 14, 1972
- May 4 and 5, 1972

Adjourned.

William G. Owen
Secretary

Secretary