The Executive Board of the Trustees of the University of Pennsylvania  
March 10, 1972

A meeting of the Executive Board of the Trustees of the University of Pennsylvania was held on Friday, March 10, 1972 at 3:00 p.m. in the Board Room of the Corporate Headquarters of the Sun Oil Company.

Present were: Mr. Robert G. Dunlop (Vice-Chairman), Mr. Samuel H. Ballam, Jr., Mr. Howard Butcher III, Mr. Henry M. Chance, Robert Dechert, Esq., Mr. Charles D. Dickey, Mr. John W. Eckman, Ernest Scott, Esq., Mr. James M. Skinner, Jr., John Ames Ballard, Esq., President Martin Meyerson, Provost and Ylvisaker-Curtis R. Reitz, Vice-Presidents Paul O. Gaddis, John C. Hetherston, and Harold E. Manley, Dean Alfred Gellhorn, Mr. Donald T. Sheehan, and Mr. Robert G. Lorndale (Associate Secretary). John Ames Ballard, Esq. represented counsel.

Messages of absence were received from Mr. Paul J. Cupp, Mr. William L. Day, Dr. Carl Kaysen, Mr. Paul F. Miller, Jr., Bernard G. Segal, Esq., and Robert L. Trecoher, Esq.

Mr. Dunlop called the meeting to order, expressing particular pleasure upon the return of Mr. Scott.

The minutes of the meeting held on February 11, 1972 were approved.

Mr. Lorndale read a letter from Mr. Henry T. Bryans expressing his appreciation of the resolution adopted by the Executive Board in memory of his father, Henry R. Bryans.

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

WHEREAS the University has signed a contract with Academic Financial Services Association for collection of Student Loans through a Postoffice lock box; and

WHEREAS a new bank account is required for deposits so received: Therefore be it

RESOLVED, that a bank account in the name of this Corporation titled The Trustees of the University of Pennsylvania - Student Loan Lock Box be opened with The City National Bank and Trust Company of Kansas City, Kansas City, Missouri (hereinafter called the "Bank"); that

Bank account for Student Loan Lock Box

[Signature]

Secretary
Bank Account for
Student Loan Lock
Box

Resolution regarding Dr. Joseph
Stokes, Jr.

of this Corporation, each of whom is the duly acting and
elected officer of this Corporation as stated after his
name, or any one of them are hereby authorized to sign
checks of this Corporation and orders for the payment of
money withdrawing funds as aforesaid from the Bank and that
the Bank is hereby authorized and directed to honor and pay
checks and orders so executed or drawn, whether such checks
be payable to the order of the persons signing or counter-
signing the same, or any of said persons or officers of
this Corporation in their individual capacities or not, and
whether the same are deposited to the individual credit of
any officer or employee of this Corporation or not; and
any one of said officers is hereby authorized to endorse
for credit or negotiation any and all checks, drafts, notes,
hills of exchange or other evidences of indebtedness or
orders for the payment of money belonging to, payable to or
in the possession of this Corporation, and that all endorse-
ments for credit may be made by the written or stamped
endorsement of the name of this Corporation without designa-
tion of the person making the same; and

RESOLVED FURTHER, that the foregoing resolution shall remain
in full force and effect until written notice of the amend-
ment or rescission thereof shall have been delivered to and
received for by the Bank; and

RESOLVED FURTHER, that the Secretary be and he is hereby
authorized and directed to certify to said Bank this resolu-
tion and that the provisions thereof are in conformity with
the Charter and By-Laws of this Corporation.

Upon motion by Mr. Eckman, the following resolution was adopted:

RESOLVED, that the Executive Board of the Trustees of the
University of Pennsylvania express their deep appreciation
of the service of Dr. Joseph Stokes, Jr., Emeritus Professor of
Medicine, to medical science and to the education of generations
of medical students and further express their regret upon the
loss of so valued a member of the University family.

President Meyerson reported that the University Development
Commission is in operation and expects to report to the Trustees
University Develop-
ment Commission

at the October meeting of the Trustees. He noted that it is the
intention that the Chairman, Dr. Robert Dyson, and Vice-Chairman,
Dr. Eliot Stellar, will outline their preliminary report to the
Executive Board in April. He expressed his appreciation for the
wholehearted support and cooperation of the Trustees who are
serving on the Commission.

Graduate Hospital
health care center

President Meyerson recalled the action by the Trustees

approving the role of Graduate Hospital as an urban community

health care center. He noted that negotiations had been undertaken
with Blue Cross toward more realistic compensation for the
cost of patient care, that Hill-Burton funding by the Federal
Government has been assured, and that efforts to raise matching
funds in the private sector have been quite successful. He
expressed regret that notification had just been received from
Blue Cross indicating an unwillingness to increase compensation
for patient care. Dean Gelhorn explained that, while the
net cost per day for care of a patient at Graduate Hospital
is $97, the net compensation by Blue Cross has been set at
$87, which would result in an annual operating deficit for Graduate
Hospital of $400,000. He explained further that an essential
part of the problem is that Blue Cross, in setting the rate of
compensation for Graduate Hospital, has compared costs of operation
with those of non-university hospitals.

In discussion, there was agreement that continued operation of
Graduate Hospital at a deficit of $400,000 per year would be unten-
able. President Meyerson pointed out that, in order to reduce
the cost of patient care at Graduate Hospital to a level matching
Blue Cross compensation, it would be necessary to make Graduate
Hospital clearly a community hospital with no research or teaching
functions, a change which would probably not be acceptable to many
physicians on the staff. It was emphasized that the deadline
for acceptance of the Hill-Burton funding is March 31, which
places a severe time limitation on further negotiation toward
an increase in Blue Cross compensation or consideration of a modified
and therefore more economical role for Graduate Hospital. Mr.
Sweeten suggested that support for the University's position
in relation to Blue Cross he sought so that Graduate Hospital
can assume the important role intended for it in providing health
care to the urban community.

The sense was reached that a full and concerted effort should
be made by the University Administration to arrive at a rate
of compensation with Blue Cross which would permit Graduate Hospital
to operate as an urban health care center on a break-even basis and
that acceptance of Federal funding should not be undertaken until
there is assurance that Graduate Hospital can be run on such a viable financial basis. It was agreed that the Committee on Health Affairs should be fully informed on the situation when it first meets on March 21 but that, while the Committee is expected to assume a role of major responsibility in the future, it would be unrealistic to expect the Committee to assume an immediate role in the resolution of this matter.

The following resolution was adopted:

RESOLVED, that the Chairman or Vice-Chairman of the Executive Board be empowered to appoint a committee with the authority to act, with the advice of the University Administration, on the acceptance of Federal funding in connection with the establishment of Graduate Hospital as a comprehensive urban health care center, with the decision of the committee to be in conformance with the outlook as it develops through the efforts of the University Administration for the future operation of Graduate Hospital on a viable financial basis.

Upon presentation by President Meyerson, the following resolutions were adopted:

RESOLVED, that, upon recommendation of the President as advised by the University Budget Committee, the combined tuition and general fee for full-time undergraduate students in all schools of the University be increased from $2750 to $3000 for the academic year 1972-73.

RESOLVED, that, upon recommendation of the President as advised by the University Budget Committee, the combined tuition and general fee for full-time graduate and graduate-professional school students be increased from $2750 to $3050 for the academic year 1972-73, except that special rates may be established by the President for programs where he finds that special circumstances prevail.

RESOLVED, that, upon recommendation of the President as advised by the University Budget Committee, the combined tuition and general fee for students in the Evening School of Accounts and Finance and in the College of General Studies be increased from $110 to $122 per course unit for the academic year 1972-73.

RESOLVED, that, upon recommendation of the President as advised by the University Budget Committee, the tuition for students in the Summer School be increased from $135 to $200 per course unit for the year 1972.

RESOLVED, that, upon the recommendation of the President, the combined tuition and general fee for full-time graduate students entering the programs of the Wharton Graduate Division in the fall of 1972 be increased from $3,200 to $3,300 and the tuition for the MBA summer program be raised from $235 to $300 per course.

RESOLVED, That approval be given to increased dormitory rentals for the year 1972-73 in varying amounts as deemed appropriate by the President as advised by the University Budget Committee.

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

RESOLVED, That approval be given to increased dormitory rentals for the year 1972-73 in varying amounts as deemed appropriate by the President as advised by the University Budget Committee.
Executive Board, March 10, 1972

Provost and Vice-President Reitz reported that the consultative committees which are considering nominees for the deanships of the Wharton School and Engineering Schools are pursuing their work, with the search committee for the Engineering Dean now perhaps being closer to completion of its work than the search committee for the Wharton Dean.

Upon presentation by Mr. Reitz, the following resolutions were adopted:

RESOLVED, That the academic appointments and promotions for the period February 10, 1972 through March 8, 1972 be approved.

WHEREAS the President of the University of Pennsylvania has served as Chairman of the Advisory Board of the Morris Arboretum since the establishment of the Arboretum and its Board in 1932; and

WHEREAS there was no stipulation in the establishment of the Arboretum and the Advisory Board as to the chairmanship; and

WHEREAS the Advisory Board of the Morris Arboretum now wishes to pattern its organization more closely on that of the other operating and advisory boards of the University and to this end has nominated one of its members, Dr. F. Otto Haas, as Chairman; and

WHEREAS President Meyerson who presently serves as Chairman concurs in the view that this change, which would enable the Chairman to devote substantial time to the work of the Advisory Board, would enhance the effectiveness of this body; therefore be it

RESOLVED, That Dr. F. Otto Haas be elected Chairman of the Advisory Board of the Morris Arboretum.

On behalf of the University Development Committee, Mr. Eckman reported that total subscriptions, gifts, and bequests as of March 9 totaled $14,285,353. He noted further that Alumni Annual Giving receipts to date totaled $1,293,000, a sum $77,000 over a year ago.

Adjourned.

Robert G. Lorndale
Associate Secretary