EXECUTIVE BOARD
OF THE
TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA

April 14, 1972

A meeting of the Executive Board of the Trustees of the University of Pennsylvania was held at 3:00 p.m., on Friday, April 14, 1972 in the Board Room of the First Pennsylvania Company.

Present were: William L. Day (Chairman), Samuel H. Ballam, Jr., Howard Butcher III, Henry M. Channe, Jr., Paul J. Cupp, Bernard G. Segal, Esq., James M. Skinner, Jr., Robert L. Trescher, Esq., Charles S. Wolf, President Martin Meyerson, Provost and Vice-President Curtis R. Reits; Vice Presidents Paul O. Gaddis, John C. Hetherston, Harold E. Manley, and E. Craig Sweeten; Vice-Provosts John A. Russell, Jr., and Humphrey Tonkin; Executive Assistant to the President Donald M. Stewart, and William G. Owen (Secretary). Messrs. Randolph Driver, Gerald Robinson and George Budd of the University attended as guests. John Ames Ballard, Esq. represented Counsel.

The minutes of the meeting of March 10, 1972 were approved.

The Secretary directed attention to a statement of appraisal, as of December 31, 1971, of the following trust funds:

- Clark Research Professorship of Assyriology Fund
- The George L. Harrison Foundation for the Encouragement of Liberal studies and the Advancement of Knowledge
- William Pepper Hall Endowment Fund
- Wharton School Fund

President Meyerson reported upon the following matters:

1. Discussions with Blue Cross concerning Graduate Hospital are continuing, and it appears that Blue Cross is attempting to be accommodating for both the present and the next financial years. There continues to be a problem concerning reimbursement for past expenditures incurred. Hopefully it will be possible to present some recommendation to the Committee on Health Affairs at its meeting on April 20.

2. Only limited time was available to the University for its presentation before the House Appropriations Committee earlier in the week. The President indicated that he hesitates to present to the Trustees in May a budget recommendation based only on a partial picture of expected income: if an assumption were to be made of only a conservative figure for the State appropriation, this could

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Commonwealth Appropriations

present the Commonwealth with an opportunity to cut back on the final amount. On the other hand, it was noted, the academic deans feel strongly that faculty salaries cannot be made to appear as the lowest priority item in the thinking of the administration.

The suggestion was made by Mr. Day that perhaps the figure recommended by the Governor should be used as an assumption. Mr. Wolf expressed his agreement with this thought, indicating that it should be explained to University personnel as an assumption and not a specific allocation until it has been confirmed by legislative action. Mr. Ballam suggested that if this particular approach were to be followed, then the administration could proceed to identify possible savings in operational areas in the event it becomes necessary to make such savings. By way of summary, the Chairman indicated there was a consensus the administration should proceed to construct a budget which is predicated upon the amount of appropriation recommended by the Governor.

University Development Commission

3. The University Development Commission will make available a printed report to the University community early in May and will then report informally at luncheon with the Trustees on May 4.

Guidelines on Open Expression

4. There continues to be concern in the administration about the "Guidelines on Open Expression," which are considered to be an excellent set of procedures, but which continue to create doubts in the minds of the Committee on Open Expression about their applicability to labor unions and other groups. The President noted that it has been his position that the standards enunciated in the "Guidelines" are fully applicable to every member of the University. Others continue to say, however, that the "Guidelines" do not apply to unions and certain other employees, in view of present negotiations with the union of library workers, and with the approach of final examinations and the termination of that particular contract, the issue of open expression is a critical one.

Mr. Ballard expressed the view that when the "Guidelines" were written, it was not anticipated they would be applicable to labor unions; however, he noted, labor law is generally in accord with the rules of conduct contained in the "Guidelines." Provost and Vice-President Reitz observed that the "Guidelines" serve both to protect expression and to place limitations upon conduct; in the present situation, he noted, mass picketing and possible violence at building entrance ways are the most likely possibilities. The central question, it was noted, is that of how students are to be treated who identify with the union cause and participate in these kinds of activities.

Mr. Segal and Trescher that such students should not be insulated from civil action. At this point, Messrs. Gaddis and Robinson presented background information relating to the library employees' union contract, indicating that there has been contingency planning in the event of a strike. Attempts are being made to educate the union concerning the financial plight of the University. It was indicated that there is a possibility of a sympathy strike by other unions and of student involvement in such a strike. A clear statement is needed on the question of student involvement and the issue of amnesty.

The view was expressed by Mr. Segal that although he had not studied the "Guidelines" in detail, it appeared that the unions are neither protected by nor subject to the
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"Guidelines;" on the other hand, he said, students appear to have a choice of being subject to the "Guidelines" or to an external process like that of the injunction. There were other expressions of opinion relating to a clear statement in advance of the possible use of the injunctive process and of the need to place before the University community a statement of exactly what will apply in the event of a strike. Mr. Segal indicated his willingness to examine the "Guidelines" and to convey his thoughts to the administration.

5. There is a need for the creation of a special admissions pool, of perhaps 3%, for all schools in the University, which would permit the Provost and Vice-President, in consultation with the respective Deans, to have certain students admitted based upon criteria to be established by the Provost and Vice-President. There was unanimous agreement by the Trustees that such an authorization should be granted.

Provost and Vice-President Reitz reported upon the following matters:

1. The consultative committees which are advising in the search for deans of the Wharton and Engineering Schools are close to a final resolution of those positions. The Committee which is dealing with the Vice-Presidency for Health Affairs is now working on a short list of candidates.

2. The recent undergraduate admissions cycle has produced certain concerns of some consequence relating to the quality of the entering class and to the reduced pool of applicants at the upper end of the academic spectrum. Careful evaluation of this year's results will be made promptly in order to determine upon steps to be taken in the future.

3. A grant from the Sloan Foundation has been received for the creation of additional programs of thematic studies.

4. Attention was called to the appointment of Dr. Vartan Gregorian as Tarzian Professor in Armenian History and Culture, a new chair which has been established by Trustee Sarkes Tarzian.

5. The following resolution was adopted:

RESOLVED, That the academic appointments and promotions for the period from March 9, 1972 through March 29, 1972 be approved.

Vice-Provost Tonkin called attention to his recent statement on the Advancement of Undergraduate Education, copies of which were supplied to the members of the Executive Board, and to the Sloan Foundation grant, which represents a first attempt to draw the undergraduate professional schools and the arts and sciences together in a unique educational undertaking, which will include also the use of graduate resources at the undergraduate level.

It was reported by Mr. Russell that the residence center for black students, which has now been approved by the administration, will carry the designation of W. E. DuBois. He reported that the
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Proposal had been reviewed by several groups within the University and modifications have been made so as to open the experimental living project to all freshmen who wish to investigate the black lifestyle. He further noted that the A.C.L.U. has raised no objection to the plan, but that the Pennsylvania and Philadelphia Human Relations Commissions and the N.A.A.C.P. are continuing to express negative views.

Mr. Sweeten expressed serious reservations about the name which has been proposed for this project, in the light of the individual's background, and the Chairman suggested that President Meyerson take under advisement whether or not this designation is an appropriate one.

On presentation by Mr. Skinner, acting for the Finance Committee, the following resolutions were approved:

WHEREAS The Division of Recreation and Intercollegiate Athletics wishes to fund a petty cash account to be established for the Class of 1923 Ice Rink in the amount of $3,000: Therefore be it

RESOLVED, That this corporation maintain a bank account with The First Pennsylvania Banking and Trust Company in the name of The Trustees of the University of Pennsylvania - Ice Rink Petty Cash for the deposit of any money, checks, drafts, notes and acceptances, or other evidences of indebtedness which may now or hereafter be in possession of this corporation; and that until otherwise ordered, said Bank be and hereby is authorized to make payments from said account upon and according to the check, draft, note or order of this corporation when signed by any one of the following:

Director, Division of Recreation and Intercollegiate Athletics
Assistant Director, Division of Recreation and Intercollegiate Athletics
Assistant Director and Business Manager, Division of Recreation and Intercollegiate Athletics
Program Director, Class of 1923 Ice Rink
Secretary of the Program Director, Class of 1923 Ice Rink

and to receive the same when so signed for the credit of, or in payment from the payee or any other holder without inquiry as to the circumstances of their issue or the disposition of their proceeds, whether drawn to the individual order or tendered in payment of individual obligations of the officers above named or other officers of this corporation or otherwise.

Secretary
RESOLVED,

1. That an account be opened and maintained with Provident National Bank (hereinafter called the Bank), titled THE TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA - SILVERSTEIN PAVILION ACCOUNT, and there may be deposited to its credit any monies, checks and other instruments which may come into possession of this corporation. Any other property may be deposited with the Bank for safekeeping, custody and other purposes. Items for deposit, collection or discount may be endorsed by any person authorized to sign checks, or endorsement thereof may be made in writing or by a stamp without designation of the person so endorsing.

2. Mr. Louis Silverstein and the Treasurer or Associate Treasurer of this corporation are authorized, on behalf of this corporation and in its name (a) to sign checks, drafts, notes, acceptances and other instruments and orders for the payment of money or for the withdrawal or delivery of funds or other property at any time held by the Bank for the account of this corporation and to receive any thereof, and to issue instructions for the conduct of any account of this corporation with the Bank; (b) to accept drafts, and other instruments payable at the Bank, and to waive demand protest, and notice of protest or dishonor of any instrument made, drawn, or endorsed by this corporation; and (c) to endorse, negotiate, and receive, or authorize the payment of, the proceeds of, any negotiable or other instruments or orders for the payment of money payable to or belonging to this corporation.

3. The Bank may honor all such checks and other instruments for the payment or delivery of money or property when signed as authorized above, including any payable to the Bank or to any signer or other officer or employee of the corporation or to cash or bearer, and may receive the same in payment of or as security for the personal indebtedness of any signer or other officer of employee or other person to the Bank or in any transaction whether or not known to be for the personal benefit of any such person, without inquiry as to the circumstances of their issue or the disposition of their proceeds, and without liability to the corporation, and without any obligation upon the Bank to inquire whether the same be drawn or required for the corporation's business or benefit.

4. Any action heretofore taken by any officer of this corporation with respect to any of the matters stated above is hereby ratified and confirmed.

RESOLVED, That the University be, and it hereby is, authorized to sell the property located at 8212 St. Martins Lane, Philadelphia, Pennsylvania for the gross sales price of $105,000; and be it further

RESOLVED, That the appropriate officers of the University be, and they hereby are, authorized and directed to execute the deed for said property and to execute and deliver such other documents and take such other action as may be required to carry out these resolutions.

WHEREAS the Tredyffrin Township Municipal Authority desires to erect a sewer pumping station on a portion of the Valley Forge property not now under option; and
WHEREAS the Authority has indicated that they could legally condemn the property; and

WHEREAS the price offered by the Authority has been evaluated and approved by the University’s real estate consultants. Therefore be it

RESOLVED, That the appropriate officers of the University be authorized to convey to the Tredyffrin Township Municipal Authority 31,373 square feet of the University’s property on Wilson Road, Tredyffrin Township, for the sum of $8,500.

WHEREAS the fees for the student Blue Cross contracts have been payable in two installments, at the beginning of each term; and

WHEREAS this procedure has caused considerable difficulty in assuring continuity of coverage for the students; and

WHEREAS Blue Cross of Greater Philadelphia has agreed to the following change in procedures. Therefore be it

RESOLVED, That, on the recommendation of the Student Health Advisory Committee, the total annual Blue Cross fee for students be collected at the beginning of the fall term; and be it further

RESOLVED, That this fee is not refundable.

WHEREAS TIAA/CREF has announced a Retirement Transition Benefit for participants who retire on and after June 1, 1972; and

WHEREAS this option will be available only to retiring individuals age 55 or older on that date and will be in a one-sum payment for each TIAA or CREF contract not exceeding 10% of the contract’s accumulation then being committed to annual payments; and

WHEREAS the Personnel Benefits Committee has studied this option and is of the opinion that any of our participants wishing to select such a retirement transition benefit should be so permitted. Therefore be it

RESOLVED, That upon the recommendation of the President, effective June 1, 1972, all participating staff members be permitted to elect a one-sum payment of up to 10% of their TIAA and CREF accumulation at the time they start their annuity income at age 55 or over.

RESOLVED, That the sum of $200,000 be appropriated from the following sources to replace roofs on 11 houses in the Men’s Dormitory Quadrangle:

$128,000 from University General Fund
72,000 from the Reserve for Depreciation on Endowed Dormitories
RESOLVED, That the sum of $45,000 be appropriated from University General Fund for renovations to Stouffer and Van Pelt Dormitories to provide facilities for the college house programs in those facilities.

WHEREAS the former Zion Hill Baptist Church, located at 3925 Walnut Street, is owned by the University; and

WHEREAS the condition of the property is such that it has become a severe security hazard: Therefore be it

RESOLVED, That the sum of $35,000 be appropriated from University General Fund for demolishing the former church building at 3925 Walnut Street.

WHEREAS University General Fund - Section 2 holds a mortgage in the amount of $16,500 on the Kappa Sigma Fraternity property at 3704-06 Locust Street; and

WHEREAS the terms of an understanding with the Fraternity indicate that the University at some time would consider cancelling the mortgage: Therefore be it

RESOLVED, That the mortgage on 3704-06 Locust Street held by University General Fund - Section 2 be cancelled.

Reporting for the Investment Committee, Mr. Skinner noted the continuing discussion of the contemplated bill which will permit the spending of realized capital gains by institutions and the need for a careful examination of the University's investment fund and, in due course, for the management of the accounts of other institutions, the fees from which would accrue to the University. He emphasized that the success of such an undertaking would depend primarily upon obtaining the right investment management personnel.

The resolution of the Investment Committee follows:

RESOLVED, That the Trustees of the University of Pennsylvania

1. Form an independent corporation for investment management purposes; with the understanding that:

2. A majority of its ownership be held by the University;

3. The new corporation obtain the best talent to manage the University's portfolio;
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4. Such corporation avail itself of all appropriate resources offered by the Wharton School of Finance and Commerce and other University departments and affiliates; and that

5. The corporation be encouraged in due course to obtain additional accounts.

Mr. Butcher observed that the resolution had been adopted unanimously by the Investment Committee; that if the independent corporation should have any difficulty, there would still be the Investment Committee to serve as a back-up to it; and that there is a standing agreement with Counsel concerning the fees paid to present advisers. Mr. Ballard noted that in order to avoid any possible conflict of interest, existing agreements are being terminated. The Board expressed approval of this action.

There was no objection voiced to the position of the Investment Committee as represented in the above resolution.

Reporting for the Development Committee, in the absence of Mr. Eckman, Mr. Skinner stated that gifts and subscriptions presently recorded for the year total in excess of $16,000,000 and that there is good reason to expect a total of at least $20,000,000 in hand by the end of the fiscal year.

It was noted by Mr. Skinner that basketball player Corky Calhoun, who recently signed with a professional team, has indicated his desire to establish a scholarship fund because of the fine personal experience he has enjoyed at the University. He suggested that it would be appropriate for some recognition to be given to this unique step on the part of a student who has not yet graduated. There was agreement that the administration should consider how best to provide such recognition, keeping in mind the outstanding performance of the entire basketball team.

In closing, the Chairman called attention to the Trustees' meetings scheduled on May 4 and 5 at the Wharton Sinkler Conference Center in Chestnut Hill.

Adjourned.

William G. Owen
Secretary