EXECUTIVE BOARD
OF THE
TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA
November 10, 1972

A meeting of the Executive Board of the Trustees of the University of Pennsylvania was held on Friday, November 10, 1972 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. Samuel H. Ballam, Jr., Mr. Howard Butcher III, Mr. Paul J. Cupp, Mr. Thomas S. Gates, Dr. Carl Kaysen, Bernard G. Segal, Esq., Mr. James M. Skinner, Jr., Robert L. Trescher, Esq.; President Martin Meyerson; Provost and Vice-President Curtis R. Reitz; Vice-Presidents Robert D. Dripps, Paul O. Gaddis, John C. Hetherston, Harold E. Manley and E. Craig Sweeten; Associate Provost John N. Hobstetter; Dr. D. Bruce Johnstone; Mr. Donald T. Sheehan; Dean Alice Emerson and Mr. William G. Owen (Secretary). John Ames Ballard, Esq. and David W. Maxey, Esq. attended as Counsel.

The minutes of the September 25, 1972 meeting were approved.

Upon presentation by the Secretary, the following resolution was approved:

RESOLVED, That the Trustees hereby confirm grateful acceptance of a grant in the amount of $118,844 from the John A. Hartford Foundation, Inc. as of April 6, 1972 for studies of dispersed fluorochemicals as substitutes for red blood cells to be used in accordance with the conditions of the grant as stated in letter of October 3, 1972 from the President of the Hartford Foundation to the Associate Provost for Academic Planning and Budget Administration of the University of Pennsylvania and be it further

RESOLVED, That the University accepts and agrees to abide by and carry into effect all of the terms and provisions set forth therein.

President Meyerson commented upon a recent meeting of the Commonwealth Council on Higher Education, noting that the Secretary of Education expressed the hope that additional college places can be found for students from minority and rural backgrounds. He indicated that the new Commissioner for Higher Education is seriously considering the establishment of an "Open University for minority students."
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Open University

for minority students

University" in the Commonwealth, possibly to be known as the Benjamin Franklin University, which would be non-residential in character and would provide a program of continuing education for the citizenry. The President indicated his sympathy with the idea, but suggested that the creation of a separate institution by the Commonwealth is to be seriously questioned and that existing institutions should make their views known. The President informed the Trustees that the Administration is considering proposals for maintaining effective relationships with the Federal and City governments, these will be brought to the Trustees in due course.

Dr. Hohstetter described the budgetary proposal which is being formulated for submission to the Commonwealth for fiscal 1974; he detailed expectancies relating to tuition income, salary increases, equipment and current expense, student financial aid, enrollments, size of faculty, and library budget. The expected asking of the Commonwealth, he noted, would be on the order of $16,668,000.

Commenting upon other relationships with the Commonwealth,

Budgetary proposal to Commonwealth

Mr. Sweeten suggested the need for various kinds of contacts with key persons in government during the ensuing months. Mr. Day commended Mr. Sweeten for his outstanding efforts in behalf of the University's interests during the past year as well as the accomplishments of the Commonwealth Relations Council, which functions under the Trustee leadership of Charles Wolf and the administrative direction of Edward Lane.

Mr. Day presented certain background information on Graduate Hospital, and the following resolution was adopted:

The Frederick S. Pepper, Jr. Memorial Pavilion at Graduate Hospital

WHEREAS, The last Will and Testament of Frederick S. Pepper, Jr. reveals a paramount concern for the care and treatment of sick and injured persons through the establishment of permanent facilities for such care under auspices of the University of Pennsylvania, a concern that is clearly consistent with its historic role as a leading medical institution;

WHEREAS, The deceased also specified that the building or buildings benefiting from his estate be known as the "Frederick S. Pepper Memorial";

WHEREAS, The Court has determined that the intent of Mr. Pepper's Trust is fulfilled by the programs of capital construction and renovation of the Graduate Hospital of the University of Pennsylvania;
WHEREAS, The Trust has been terminated by his trustees, and the residue tendered to the Trustees of the University by order of the Court;

WHEREAS, It is within the discretion of the Trustees to apply this residue to the capital program of the Graduate Hospital, and to designate a building or buildings of the Hospital in the manner desired by Mr. Pepper;

RESOLVED, That the Administration of the University be authorized to take the necessary and fitting measures to so apply these funds, and to identify the main building of the Graduate Hospital as "The Frederick S. Pepper, Jr. Memorial Pavilion", so as to perpetuate Mr. Pepper's abiding concern for the well-being of his fellow man.

President Meyerson addressed himself to the question of the use of University facilities by external organizations, and indicated difficulties which confront the University in its attempt to maintain a sense of neutrality in responding to requests. Specific concern was voiced by Mr. Skinner about the use of Houston Hall by the Gay Liberation Movement; various points of view were expressed about the position which the administration should take on this matter.

Mr. Ballard stated his opinion that this is likely not a constitutional issue and that the University can follow reasonable guidelines and exercise discretion in responding to requests from outside groups. Dr. Kaysen expressed the thought that it may be best to look upon such requests in a pragmatic way and grant students the use of space, but not approve the activity, and thereby stay out of any legal contest. The point was also made that the guidelines established by the University clearly do not permit the advertising of such meetings held in University facilities to the outside public; that is, such meetings are intended for the campus community alone. The point was made by Mr. Reitz that in setting forth these guidelines, the University in no way accredits the activities which use the space.

Mr. Meyerson indicated that the administration will review the guidelines in the light of the concerns reflected here and report back to the Executive Board.
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In his report, Mr. Reitz commented upon the following matters:

New Provost

1. The consultative committee appointed to advise in the selection of a new Provost is meeting on a regular basis.

Vice-Provost for Graduate Studies and Research and Committee on Provostship

2. The report issued by the consultative committee to advise in the appointment of a Vice-Provost for Graduate Studies and Research will be coordinated with the consultative committee on the Provostship before any offer is made to a nominee.

Coordination of Development Commission and Committee on Deanship of Social Work

3. As soon as last-minute coordination with the University Development Commission is accomplished, the report of the consultative committee to advise on the Deanship of Social Work will be acted upon.

International House

4. Careful attention is being given to the fiscal situation of International House in view of the University's contingent liability for a loan made to that institution by H.U.D.

Academic Appointments

5. RESOLVED, That the academic appointments and promotions for the period from August 3, 1972 through October 19, 1972 be approved.

In a combined report on several matters in the health affairs area, Mr. Gaddis and Dr. Dripps commented as follows:

Blue Cross and Graduate Hospital

1. A recent discussion with the head of Blue Cross clearly indicates that the financial stringency associated with Graduate Hospital is not of great concern to Blue Cross. However, they have promised to examine seriously once more the request of the University for payment of amounts due for costs incurred in 1970 and 1971. The point was made by Mr. Gaddis that the University's position must be firm on the possibility of arbitration and litigation if a satisfactory settlement is not otherwise realized. He noted that there must be some resolution of the matter within the next few months before the Statute of Limitations takes effect.

Cost of health care

2. In response to a question raised by Mr. Gates concerning the effect of wage and price controls on the cost of health delivery, Mr. Gaddis expressed the opinion that there is major indecision in Washington as to how health care costs should be regulated. He questioned how health care delivery institutions can best influence events at that level. President Meyerson expressed the view that the retrenchment efforts being made by hospitals across the country are largely the result of pressures from third-party payers rather than of actions of the Price Commission. He went on to suggest that these measures will very likely do harm to the hospitals inasmuch as they are expedients and are not directed to a long-range solution of financial difficulties.

Fiscal affairs at HUP

3. The Dean of the Medical Center is proceeding with a specific plan for bringing about an improvement in the fiscal affairs of the University Hospital so as to meet the mandate laid down by the Trustees' Health Affairs Committee. In essence, doctors at HUP are being forced to re-examine their admitting practices as the result of questions raised by third-party payers.

Silverstein Pavilion

4. Plans for the Silverstein Pavilion have been altered so as to provide for some expansion in order to utilize Hill-Burton funds. In response to a question about the need for a larger facility, Dr. Dripps stated that this

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will result in no net addition to the capacity of the University Hospital in that 90 non-conforming beds must eventually be moved or eliminated.

Following presentation of background information by Mr. Manley, the following resolution was adopted:

WHEREAS the University Budget Committee has been aware that certain of the benefits made available to University personnel are significantly inferior to those made available to personnel in comparable institutions; and

WHEREAS the Budget Committee had previously recommended to the Administration that there be an adjustment in benefits in 1972-73 once available income became more certain; be it therefore

RESOLVED, That the Administration be authorized to make adjustments in the benefits program once it has been clearly determined that adequate funds have been identified within the existing University budget.

In a brief report, it was indicated by Mr. Hetherston that the University's annual costs for steam and electric services are being carefully examined and that exploratory steps will be taken in an attempt to bring about some rate reduction. He further reported that a favorable decision has been received from the courts on a pending question relating to the Lot #8 motel complex and that plans for permanent financing should proceed; the structure is expected to be completed by the fall of 1974. He noted that the architectural plans are subject to review by the University Design Committee.

In a brief review of University Development activities, Mr. Sweeten noted that subscriptions, gifts, bequests and receipts for the year to date as of October 31 total $2,394,000. To this can be added $1,800,000 in additional subscriptions received through November 9. Annual Giving for the year, he noted, totalled $112,000 on November 3.

It was stated by Mr. Ballard that agreements had been drawn up between the University and the Leonard and Sophie Davis Foundation, Inc., relating to a recent gift of $1,900,000 for support of the Leonard Davis Institute of Health Economics. He described the basic details of the agreements and recommended that the Trustees authorize the President to execute them. The following resolution was adopted:
RESOLVED, That President Meyerson be authorized to execute agreements drawn up by University Counsel relating to a gift from the Leonard and Sophie Davis Foundation, Inc. for support of the Leonard Davis Institute of Health Economics.

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

WHEREAS, for the last several years the University has provided direct coverage for its Trustees, Associate Trustees, Board Members, Officers, certain medical personnel and others, all as set forth in the definition of "INSURED - SECTION III" in Article XV of the insurance policy between the University and the Insurance Company of North America, a copy of which definition has been presented to the meeting and is to be filed with the minutes thereof; and

WHEREAS, the most recent insurance policy covering the University and the additional insureds above referred to provides that liability insurance coverage for the risks set forth in Section III of the policy will be applicable only above certain stated limits known as "deductibles", and

WHEREAS, the insurance Committee of the Trustees has directed the establishment of reserves with respect to the liabilities within the deductible limit no longer covered by insurance.

AND NOW, THEREFORE, BE IT RESOLVED, that The Trustees of the University of Pennsylvania shall indemnify and save harmless the persons listed or described under the definition of "INSURED - SECTION III" in Article XV of the insurance policy (#UP-1001) carried by the University with INA with respect to the risks insured against under Section III of that policy as more fully set forth in the definition of INSURED - SECTION III in said policy, provided that such indemnification shall be limited to amounts which would have been payable by the insurer under the University's insurance policy in effect from time to time but for the existence of deductible provisions in such policy.

INSURED - SECTION III: The unqualified word "Insured" includes the Named Insured and also:

1. Except with respect to the ownership, maintenance or use, including loading or unloading, of automobiles or aircraft:
   a. All trustees, associate trustees, members of boards of managers, committee members appointed by the foregoing, executive officers, administrative officers, gray ladies and similar volunteer workers serving University of Pennsylvania hospitals without compensation, deans, directors, operators of motor launches with permission of Insured, residents and fellows, interns, therapists (physical and occupational, including students), registered nurses (only if fully salaried), student nurses, all technicians (including X-ray, anesthesia, laboratory and student), 3rd and 4th year medical students, 2nd, 3rd and 4th year dental students, 4th year veterinarian student, and all
other students engaged in patient contact
as part of their medical or technical education;

b. In respect of Coverage D only, all fully salaried
or fully affiliated personnel engaged in medical,
surgical, dental or veterinary activities, except
nurses aides, licensed and student practical
nurses, and orderlies; and

c. In respect of Coverages A, B, C and E only,
all fully salaried or fully affiliated personnel;
but only while acting in their capacity as such.

2. Any person while using an automobile or aircraft owned
by or loaned to the Named Insured or hired for use
in behalf of the Named Insured and any person or
organization legally responsible for the use thereof,
provided the actual use of the automobile or aircraft
is by the Named Insured or with the Named Insured's
permission, and any executive officer of the Named
Insured with respect to the use of an automobile or
aircraft not owned by the Names Insured in the business
of the Named Insured. The insurance with respect to
any person or organization other than the Named Insured
does not apply under paragraph 2 of this definition:

a. To any person or organization, or to any agent
or employee thereof, operating an automobile sales
agency, repair shop, service station, storage
garage or public parking place, with respect to
any occurrence arising out of the operation thereof;

b. With respect to any automobile or aircraft hired
by or loaned to the Named Insured, to the owner
or a lessee thereof other than the Named Insured,
or to any agent or employee of such owner or lessee;

c. With respect to any automobile or aircraft not
owned by the Named Insured, to any executive officer
if such automobile or aircraft is owned by him or
a member of his household:

d. To any manufacturer of aircraft, aircraft engines
or aviation accessories, or any aviation sales or
service or repair organization or airport or hanger
operator or their respective employees or agents,
with respect to any occurrence arising out of the
operation thereof.

President Meyerson expressed concern about a recent article
on undergraduate admissions in "The Pennsylvania Gazette," in
which he made the point that the picture portrayed therein can
be very misleading to alumni readers and that it behooves all
those who know the true facts to counter strongly the idea that
the caliber of the student body at Pennsylvania is deteriorating.
Various points of view were expressed about the publication of such
articles in the alumni magazine.

Adjourned.

William G. Owen
Secretary