A meeting of the Executive Board of the Trustees of the University of Pennsylvania was held on Friday, December 15, 1972 at 2:00 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 Hutcher Ill, Mr. Henry M. Chance, II, Mr. John W. Eckman, Mr. James M. Skinner, Jr., President Martin Meyerson; Provost and Vice-President Curtis R. Reitz, Vice-Presidents Robert D. Dripps, Paul O. Gaddis, John C. Hetherston, and Harold E. Manley; Dr. Robert H. Dyson, Dean Alic F. Emerson, Mr. Donald T. Sheehan, Dr. Arnold Thackray and Mr. William G. Owen (Secretary). John Ames Ballard, Esq. attended as Counsel.

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

Upon presentation by the Secretary, the following resolutions were adopted:

RESOLVED, That Dr. John R. Brobeck be nominated for election to the Board of Managers of The Wistar Institute to replace Dr. Robert D. Dripps, who has recommended this action.

WHEREAS the Moore School of Electrical Engineering has been among the great innovators in its field since 1923, when it was established at the University of Pennsylvania through the estate of Alfred Fitler Moore; and

WHEREAS the Moore School was distinguished early by the social and cultural breadth of its undergraduate curriculum and by its evening graduate program, first in the nation to bring the master's degree within convenient reach of the practicing electrical engineer; and

WHEREAS the School has contributed importantly to scientific and technological progress in such varied fields as power, circuit theory, feedback control, sonics, systems analysis and electro-medical development; and

WHEREAS it was the Moore School that designed and built ENIAC, the forerunner of today's electronic digital computers -- an invention that has pervasively influenced the life and history of our times; and

WHEREAS the Moore School in 1973 will mark its Fiftieth Anniversary, a milestone it will observe by sponsoring a year-long program of scientific, professional and ceremonial events; therefore be it

Secretary
RESOLVED, that the Trustees of the University of Pennsylvania felicitate the Moore School of Electrical Engineering upon its first half-century of leadership and express the University's appreciation of the intellectual vigor and international recognition this pioneering School has brought to Pennsylvania.

President Meyerson commented upon the following matters:

1. At the recent meeting of Ivy Group Presidents, there was general agreement that detailed information on student athletes should be collected and disclosed in order to preclude distortion and misunderstanding. He indicated that in his presentation to the Presidents, he had specifically recommended that thresholds be set for admissions and student aid for those who are athletes in relation to the corresponding mediums and norms of each school; that a Group office be established, presided over by a coordinator drawn from one of the faculties; and that within a year baseball or golf be concerted to club status and be student managed and coached, with an evaluation to take place in two years. These proposals will be considered by the Presidents at their next meeting. At the same time, he noted there was discussion of the possibility of Group cooperation in terms of library facilities.

2. The President called upon Professor Robert Dyson, Chairman of the University Development Commission, who expressed regret that a Philadelphia newspaper had printed a distorted article concerning the future of certain of the schools. He noted, however, that there are certain benefits which have accrued from opening up the draft reports of the work teams to the University community at large. He expressed his conviction that the University has turned an important psychological corner in that educational programs are now being reviewed in a different way by the faculty and administrative officers. He said that he was heartened by the receipt of an official response from the Faculty Senate Subcommittee on Academic Priorities, which generally supports the recommendations of the Commission. He went on to indicate that meetings of the Commission are continuing, that the University Council will hold a third meeting next week to continue with its discussion of the reports, and that December 22 has been established as a cut-off date for receipt of initial responses. After the Commission report has been presented to the Trustees in January, Dr. Dyson concluded, there will commence a continuing process of review and reaction extending up to the end of March by means of some mechanism not yet devised. He indicated that it was the desire of the Commission members to terminate their formal activity in January.

Messrs. Eckman and Chance (members of the Commission) expressed their personal views that Commission members do not want to be a part of the "post-mastication process," but that perhaps a respected member of the faculty should be appointed to serve as a focal point for receiving additional commentary from the University community. Mr. Eckman emphasized the importance of having the Commission report presented in January, to the Trustees on an informal basis and not for action, to be followed by segmentation of the report into various categories for action, and clearly with the understanding that even by implication fund-raising objectives will not be considered at that time because of the need first to carry out feasibility studies.

The President said that he had recommended to the Commission that it not disband in January, but that it receive the comments of the University community and serve as a liaison group with the Trustees Resources Evaluation Committee until May. This is based on discussions in the University
16. Temporary Exclusion of a Faculty Member
(Source: The Executive Board of the Trustees, 12/15/72)

1. If the capacity of a faculty member to perform teaching or scholarly duties should become seriously impaired so that there is a risk of substantial harm to persons, including the faculty member, or to equipment or other property, the faculty member shall be temporarily excluded from classrooms, laboratories, or other facilities.

2. Where there is a threat of immediate injury to persons or to property, preventive action shall be taken by an appropriate academic administrator, department chairperson, or other person in charge of any classroom, laboratory, or other facility. In other cases, which are not of such emergency nature, the appropriate academic administrator shall seek the advice of the elected faculty Committee on Academic Freedom and Responsibility before taking action to exclude a faculty member. Exclusion may not exceed seven working days, unless extended by the provost, acting with the advice of the elected school Committee on Academic Freedom and Responsibility. The president and provost, by memorandum, may promulgate further procedures for temporary exclusion of faculty members.

3. Compensation of a faculty member shall not be discontinued as a result of a temporary exclusion.
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Council which have tended to suggest that the Commission should continue to be involved during the ensuing months. He reflected his understanding of the feeling of Commission members in wanting to become disengaged as soon as possible.

3. The new Commissioner of Higher Education for the Commonwealth will visit the University next Monday at the invitation of the President. The University will have a hearing on its budget request for 1973-74 with the Commonwealth's Budget Secretary on December 21. A luncheon for the Democratic City Chairman will be held toward the end of December, and a session with the Governor will be arranged following his return from abroad.

There was general affirmation of the proposal that the House of Representatives leadership and members of the Appropriations and Education Committees should be brought together with the Trustees at the time of their meetings in January.

4. Conversations have been held during recent months with members of the Aspen Institute staff concerning the possibility of establishing a similar program in the Philadelphia area. At the President's request, Dr. Thackray reported that plans are progressing for conducting such a program at the Sinkler House for six to nine groups yearly, such sessions to be on the order of five to eight days each. In essence, an attempt will be made to combine the expertise available at the University with the experience of the Aspen Institute, he noted, and in due course hard facts and figures will be brought to the Trustees. The President further indicated that, in the future, the Paley House will be devoted primarily for the use of the Visiting Boards.

5. The following resolution reflects a prior commitment made in acknowledgement of a pledge of unrestricted funds and with the likelihood that additional gifts could well be forthcoming from the same source:

RESOLVED, That the building which houses the School of Social Work be named in honor of the Harold J. Caster family in appreciation for their generous benefaction to the University.

Provost and Vice-President Heitz reported as follows:

1. Affirmative action was taken by the Board on the following statement:

Revised Rules on Temporary Exclusion of Faculty Members from University Facilities

Several years ago the Provost asked the Senate Committee on Academic Freedom and Responsibility to re-examine the present rule dealing with the above problem. Paragraph C (2) (e) of the Procedures Relating to Academic Tenure at the University of Pennsylvania now provides:

"A Faculty Member shall not be suspended during proceedings involving him unless immediate harm to himself or others is threatened by his continuance. Any such suspension shall be with salary."

The Senate Committee proposed that paragraph C (2) (e) be revised to read as follows:

(e) Temporary exclusion.

Secretary
Temporary exclusion of faculty members from University facilities

(1) The standard. If the capacity of a faculty member to perform his duties in his normal manner has been seriously impaired, he may be temporarily excluded from classes, laboratories and other equipment to the extent necessary to prevent substantial harm to persons or equipment. Any such exclusion shall not affect compensation.

(2) Procedures.

(A) Who determines. Where immediate physical harm to persons or to property is threatened, the determination to exclude under paragraph (e) (i) may be made by a Dean or Director of a faculty or during a period of emergency while it is impossible to contact a Dean or Director, by a faculty member or administrator in immediate charge of the classroom, laboratory or other University premises or property. In any other case a Dean or Director of a faculty may exclude a member of the faculty only in accordance with the recommendation of the standing Faculty Committee on Academic Freedom and Responsibility. If less than two members of the Faculty Committee are available, the Dean or Director of a Faculty may act. As soon as two or more members of the Faculty Committee are available the matter shall be submitted to the Committee for determination.

(B) Notification. Any exclusion for more than a day shall be reported immediately to the Provost. Where a determination to exclude is made by a Dean or Director of a faculty, the exclusion shall be reported immediately to the standing Faculty Committee on Academic Freedom and Responsibility.

(C) Duration. Exclusion may not continue for more than seven working days unless in the meantime proceedings for suspension or removal of the Faculty Member have been instituted. Thereafter, exclusion may be continued only by direction of the Provost in accordance with a recommendation by the Faculty’s standing Committee on Academic Freedom and Responsibility. If less than two members of the Faculty Committee are available, the Provost may make such determination until the Faculty Committee is available.

The University Council acted upon the above changes on December 13, 1972

2. Discussions are now underway with the prime candidate on the Consultative Committee’s list for the Deanship of the School of Social Work. The prime candidate for the Vice-Provostship of Graduate Studies and Research will be met with at an early date.

3. The University has been a participating institution in the Treen Trust, which contains a restriction calling for the awarding of scholarship monies to white, Christian young men. It was noted that the religious restriction is of particular concern to the University as it is faced with the choice of administering the trust fund in its own right. Mr. Ballard was requested to formulate a definitive statement for consideration by the Board.

Academic appointments

5. RESOLVED, That the academic appointments and promotions for the period from October 20, 1972 through December 7, 1972 be approved.

SECRETARY
Mr. Ballam stated that in a discussion of recent problems associated with reimbursement by the Blue Cross of costs incurred for patient care at Graduate Hospital during fiscal years 1971 and 1972, the Trustees' Health Affairs Committee had taken the position of encouraging prompt movement toward arbitration or other legal proceedings in order to achieve a satisfactory settlement. He noted that the Trustees' Finance Committee had concurred in this recommendation. Mr. Ballard observed that it is his position the University has exhausted the negotiation route and that it should now have a court make a judgment on the merits of the University's case; he urged prompt movement to implement the position taken by the Trustees' Committees. Mr. Gaddis noted that although the University Hospital is not mentioned in the Finance Committee resolution, the situation at HUP will likely come up for discussion.

The following resolution was adopted:

WHEREAS, representatives of the University have conferred in good faith with representatives of Blue Cross of Philadelphia since April, 1971, to settle on a mutually satisfactory basis the University's claim for reimbursement for patient care provided Blue Cross subscribers at Graduate Hospital during fiscal years 1971 and 1972; and

WHEREAS, the financial situation at Graduate Hospital is critical and further delay in obtaining payment from Blue Cross can endanger the continued operation of Graduate Hospital; now, therefore, be it

RESOLVED, that the Vice President for Management and such other officers of the University as he, in consultation with the President, may designate, shall pursue actively negotiations with Blue Cross to determine whether the University's claim for reimbursement from Blue Cross for the aforesaid periods may be settled to the satisfaction of both parties; and be it further

RESOLVED, that, failing such a settlement expeditiously achieved, the proper officers of the University, with the advice and assistance of University Counsel, be, and they hereby are, authorized and directed to take such further steps, including instituting arbitration or other legal proceedings, as may be required to secure payment to the University of all sums owed the University by Blue Cross for the aforesaid periods.

Mr. Manley called attention to the Budget Survey for fiscal 1973 as of November 30, which reflected a balance of $2,304 for 1972-73 operations. The following resolutions were adopted:

SECRETARY
Executive Board, December 15, 1972

WHEREAS, the Executive Board, on November 10, 1967, gave blanket authorization to the appropriate University officers to take all necessary steps to purchase certain parcels of real estate from the Philadelphia Redevelopment Authority, subject to approval of University counsel and subject to special authorization for the expenditure of the necessary funds by the Finance Committee:

Therefore be it

RESOLVED, That Redevelopment Parcel 17B, located at 40th and Locust Streets, and Parcel 11, located at 38th and Walnut Streets, be purchased at the approximate cost of $480,000; and be it further

RESOLVED, That the sum of $30,000 be appropriated from University General Fund toward the purchase price of these parcels; and be it further

RESOLVED, That the appropriate officers of the University be authorized to execute all necessary documents to borrow the sum of $450,000 from The Fidelity Bank at an interest rate 1/2% above the prime rate, to float with the prime rate, for a period of 3 years, to cover the balance of the cost of Parcels 11 and 17B; and be it further

RESOLVED, That the interest and amortization of the loan be paid from rentals from the temporary commercial facilities on Parcel 11 at 38th and Walnut Streets.

(Mr. Ballam abstained from voting on the above resolution).

WHEREAS, the Trustees, by action of the Executive Board on September 24, 1971, approved the development of Lot 8 as a motel and garage facility by the Frankel organization (Parcel Eight Associates) pursuant to a long-term ground lease between the University and the developer, which ground lease was subsequently executed under date of January 21, 1972; and

WHEREAS, negotiations have been actively pursued in the interval, involving the University, Parcel Eight Associates, the City of Philadelphia (as the holder of a possible reversionary interest under the terms of the original grant to the University) and Prudential Insurance Company of America (as the proposed permanent lender); and

WHEREAS, the developer and the University desire to amend the ground lease previously executed pursuant to authorization of the Trustees in order to facilitate financing for the project; and

WHEREAS, the University and the City of Philadelphia are prepared to enter into a settlement agreement disposing of the title impediment affecting the project site, which settlement agreement has been approved by ordinance of City Council dated August 17, 1972, the Attorney General of the Commonwealth of Pennsylvania by letter dated October 30, 1972, and the Orphans Court Division of the Common Pleas Court of Philadelphia (per Klein, President Judge) by decree dated November 6, 1972: Therefore be it

RESOLVED, That the University enter into such amendments of said ground lease with Parcel Eight Associates (including the amendment and replacement of said lease in its entirety) as may be required to obtain satisfactory financing provided, however, that said lease as amended shall conform substantially with the summary of its terms submitted to the Trustees and annexed hereto as Exhibit A, and provided further that, in the opinion of University Counsel, such amendments do not subordinate the University's fee interest to the leasehold financing obtained by the developer; and be it further

Secretary
RESOLVED, That the University enter into a settlement agreement with the City of Philadelphia disposing of the title impediment affecting the project site in consideration of the payment to the City of the sum of $157,000, which sum shall be advanced by the developer and offset against the first installments of rent due the University under the ground lease; and be it further RESOLVED, That the proper officers of the University be, and they hereby are, authorized and directed to execute and deliver on behalf of the University, subject to the approval of University Counsel, the aforesaid amendments to the ground lease, the settlement agreement with the City of Philadelphia (as well as the University's bond in the amount of $1,000,000 required under the court decree dated November 6, 1972), and all other agreements, assurances, and documents necessary or appropriate to carry out the foregoing resolutions.

WHEREAS, It has been established that a requirement for a petty cash account in the amount of $500 exists at The Morris Arboretum: Therefore be it RESOLVED, That this corporation maintain a bank account with The First Pennsylvania Banking and Trust Company, entitled "The Trustees of the University of Pennsylvania - Morris Arboretum 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 one of the following:

Treasurer
Assistant Treasurer
Manager, Morris Arboretum
Secretary, Morris Arboretum

and to receive the same when so signed for the credit of, or in payment from the same 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.

Reporting for the Trustees' Health Affairs Committee,

Mr. Ballam commented upon finances at the two hospitals. Dr. Dripps reported that Graduate Hospital is essentially filled at this time and that the University Hospital has been filled during the past three weeks: he noted that the patient census will continue to be monitored very carefully.

Reporting for the Investment Committee, Mr. Skinner said that $556,000 has been advanced from the Franklin Investment Company cash account for the purpose of adding to the $1,569,000 of income realized during the first quarter, so that the A.I.F. target amount established for fiscal 1972-73 has been satisfied.
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Investments

For the first quarter. He further stated that the Committee has refined the guidelines adopted for the Franklin Investment Company and they now comprise the following: 7% of the portfolio in short-term or long-term fixed income securities; 5% in convertible debentures; 8% in utilities; 25% in financial categories; 40% in general industrial stocks; and 15% in special equities.

Development Committee

For the Development Committee Mr. Eckman reported a grand total for the year to date of $7,182,000 in subscriptions, gifts, bequests and receipts; this compares, he noted, with a total of $3.1 million at the same time last year and $5.6 million two years ago. He noted that Annual Giving is moving forward at its usual opening pace and that subscriptions totalled $304,000 as of December 13.

Adjourned.

William G. Owen
Secretary