A meeting of the Executive Board of the Trustees of the University of Pennsylvania was held on Friday, March 9, 1973 in the Board Room of the First Pennsylvania Banking and Trust Company.

Present were: Mr. William L. Day (Chairman), Mr. Henry M. Chance, II, Mr. Paul J. Cupp, Robert Dechert, Esq., Mr. John W. Eckman, Mr. James M. Skinner, Jr., President Martin Meyerson, Provost Eliot Stellar, Vice Presidents Robert D. Dripps, Paul O. Gaddis, John C. Hetherston, and Harold E. Manley; Associate Provost John N. Hobstetter, Dr. D. Bruce Johnstone, Mr. Curtis R. Reitz, Mr. Donald T. Sheehan, and Mr. William G. Owen (Secretary). John Ames Ballard, Esq. attended as Counsel.

The minutes of the February 9, 1973 meeting were approved.

President Meyerson reported upon the following subjects:

1. Follow-up consideration of the Development Commission report is continuing; University Council has held two special meetings for this purpose.

2. WHEREAS, Mr. Orville H. Bullitt, Chairman of the Board of Trustees of the University of Pennsylvania Press, Inc., has asked to be relieved of that responsibility; be it

RESOLVED, Therefore that in accordance with Article 7 of the Bylaws of the University of Pennsylvania Press, Incorporated, Mr. W. S. Woods, Jr. be appointed Chairman of the Board of the Press; and be it further

RESOLVED, That the Executive Board convey to Mr. Bullitt an expression of appreciation for his constructive leadership in directing the reorganization of the Press during the initial eighteen months of its incorporation.

There was agreement to having either Mr. Carroll Bowen or Mr. Joseph Lippincott serve as Vice-Chairman of the University Press Trustees.

3. There is continuing concern among institutions about the Commonwealth's plan for establishing an "Open University" for continuing education outside of the present higher educational system in the State.

4. Serious attention needs to be given to the future form of financial support by the Commonwealth to the University. There is the possibility of a contract arrangement, as called for in the Master Plan for Higher Education, but because of a lack of enthusiasm for this on the part of certain key officials, consideration must be given to other possibilities.

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In a review of the fiscal outlook for 1973-74, Dr. Hobstetter described the likely effects of Federal government cutbacks on training grants, capitation grants, general research support grants, area studies, and programs associated with the National Science Foundation, Department of Defense, Atomic Energy Commission, and Office of Economic Opportunity. He noted that the Academic Deans are planning to meet their original budget targets except in the Schools of Veterinary Medicine and Nursing, where particularly acute problems exist. He referred to a cost of living factor on the order of 5 to 5 1/2%, which is increasingly being assumed by institutions, and to the question of anticipated returns on endowment. He concluded by stating that the Budget Committee continues to be hopeful that at the next meeting of the Finance Committee the outline for a balanced budget in fiscal 1973-74, with an approximate reserve of $1 million for uncertainties, can be presented. Such an outline budget will come to the Executive Board in April.

Attention was directed by Dr. Hobstetter to the following resolution:

RESOLVED, That upon the recommendation of the President, as advised by the University Budget Committee, the following changes be made in tuition and general fee:

1. The tuition for full-time undergraduate students in all schools of the University be increased from $2700 to $2850, and the general fee be increased from $300 to $315 for the academic year 1973-74.

2. The tuition in the Evening School of Accounts and Finance and in the College of General Studies be increased from $117 to $124 and the general fee from $5 to $10 per course unit for the academic year 1973-74.

3. The tuition for students in the Summer School be increased from $200 to $220 and the general fee from $20 to $25 per course unit effective the first summer session of 1973.

4. Students enrolled in the R.N.-09 program of the School of Nursing be charged the regular undergraduate tuition and fee per course unit for daytime courses taken within the School of Nursing, and financial aid be made available, if required, to students affected by this change from the increased revenues generated.

Various questions were raised about the proposed levels of tuition and general fee in the undergraduate schools, and

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discussion ensued about raising the tuition close to $200 and/or the general fee to $325. In response, Dr. Hobstetter explained that the University's primary competition comes from public institutions, which have relatively low tuitions, that the financial aid budget would need to be increased substantially if tuition is increased markedly; and that the Budget Committee has assumed a rational policy of attempting to relate tuition to the student market. He further explained that the proposed general fee would adequately cover the cost of student services for which, by definition, the fee is intended. The President noted that the student newspaper carried an article several weeks ago relating to a tuition increase of $150, and he said that there has been general acceptance of an increase of this magnitude and that there may be reaction to a larger amount. Mr. Manley noted that an additional complicating factor is the recommendation that the general fee be increased by $10 in order to undertake a renovation program in Houston Hall; the administration does not wish to proceed at this time with such an arrangement. By way of summary, the President stated that clearly a case could be made for approving a higher tuition and general fee at this time, but that the "politics" within the campus community are such that the administration would prefer to stand behind the recommended level of increases.

The proposed resolution was approved, with the understanding that the Administration will recommend increases also in tuition/general fee for the graduate and professional schools.

In response to a question raised by Mr. Eckman concerning the future of the School of Nursing, Dr. Dripps said that both the School of Nursing and the hospital program in nursing must be carefully examined. He made the point that time does not permit taking any definitive action on the School of Nursing in terms of 1973-74.

In a review of Federally-insured student loan plans, Dr. Johnstone indicated that the crux of the present problem is that the administration wishes to have University loans guaranteed

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by the Federal government and that the necessary lines of credit must be ascertained. He said that the University would be a lender of last resort next year and that the credit lines have been secured for this purpose; this will serve to supplement other loan sources. Meanwhile, he said, continuing research is being undertaken toward long-term arrangements for a Federally-insured student loan program.

Upon presentation by Provost Stellar, the following resolution was adopted:

RESOLVED, That the academic appointments and promotions for the period from February 8, 1973 through February 28, 1973 be approved. (Appendix A)

Mr. Gaddis introduced the subject of implications associated with possible taxation of University properties by the City of Philadelphia, in which he indicated that the potential impact has not yet been quantified and that the situation bears close watching. Mr. Ballard stated that informal inquiries with the City administration indicate that the City is serious about undertaking a test case associated with taxing income-producing properties of all educational institutions in Philadelphia. He expressed the view that the University is in a sound position in terms of the present law concerning taxation of dormitories and similar revenue-producing real estate. Attention was directed to the statement prepared by Mr. Hetherston in February 1971, which delineates a posture for the University on this question.

Mr. Hetherston reported on the following matters:

1. Consideration is underway of a proposed four-year extension of the University's contract with the Philadelphia Redevelopment Authority.

2. The outlook for a resolution of questions associated with 3401 Walnut Street is encouraging. Favorable rulings have been received on the overall development plan and on the enjoinder on the demolition of Potter Hall; there remains the need to obtain a valid permit for the actual demolition which, he noted, will then proceed at once.

3. Two appeals made by the Community Involvement Council for delay in the Lot #8 development have been rejected and the developer has indicated a desire to proceed with construction.
In the absence of Mr. Dunlop, Mr. Manley presented the following resolutions, which were adopted:

WHEREAS, the Graduate Hospital has commitments from the Federal Government through the Hill-Burton Program for a grant of $1,200,000 and a guaranteed loan with a 3% interest subsidy in the amount of $2,040,000;

AND WHEREAS, these funds will lapse or be reallocated by the State Commission by the end of the current fiscal year unless a construction commitment is made by the University;

AND WHEREAS, the first phase of the renovations call for the reconstruction of the fire tower and work on the elevators in the approximate amount of $900,000;

AND WHEREAS, $300,000 of the Hill-Burton grant and up to $680,000 of the guaranteed loan may be used toward the first phase of this project;

AND WHEREAS, pledges in the approximate amount of $350,000 toward the Graduate Hospital renovations are in hand in addition to approximately $850,000 from the Pepper Estate;

AND WHEREAS, the recovery of additional depreciation expense will be sufficient to amortize the loan: Therefore be it

RESOLVED, That the appropriate officers be authorized to take the actions necessary to prepare all documents, secure Federal agency approval therefor and put out to bid the first phase of the project, which includes reconstruction of the fire tower and elevators, at an estimated cost of $900,000; and be it further

RESOLVED, That the appropriate officers be authorized to secure proposals for a mortgage commitment in the amount of $2,040,000; and be it further

RESOLVED, That before the construction contract or a loan commitment is signed, the Finance Committee will be advised as to the status of the program.

RESOLVED, That the action of the Chairman of the Trustees' Finance Committee in approving the attached room rate schedule for 1973-74, averaging a 6% increase, be confirmed. (Appendix B)

RESOLVED, That the action of the Chairman of the Trustees' Finance Committee in authorizing the appropriation of $25,000 from University General Fund to complete the renovations of Hayden Hall, be confirmed.

Brief explanation was given by Mr. Manley of the Budget Survey for fiscal 1972-73 as of the end of February.

In the absence of Mr. Ballam, the Chairman commented upon the recent meeting of the Health Affairs Subcommittee on Planning and its attention to the Silverstein Pavilion project; he noted that a final resolution of this matter will come before the Subcommittee...
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In his report for the University Development Committee, Mr. Eckman said that a sizeable bequest from the Winterstein estate has been reported to the University, although this year's fiscal total can be increased by only about $100,000 since a firm pledge for the larger amount of the anticipated bequest was entered on the University's books in 1963. He stated that Annual Giving has reached $1,450,000 from more than 13,000 donors; this is almost $200,000 ahead of last year at the same time. Contributions from the Benjamin Franklin Associates of $740,000, he noted, are running well ahead of last year.

By way of concluding the meeting, Mr. Day observed that even though there have been some real difficulties faced during recent months and years, he is personally most encouraged about the future of the University as he observes the outstanding appointments to the faculty which are being made, the way in which the administration is proceeding to put the University's financial house in order, and the fact that University life on the campus has become much more normalized in terms of the interests and activities of the student body.

Adjourned.

William G. Owen
Secretary