A meeting of the Executive Board of the Trustees of the University of Pennsylvania was held on Friday, December 14, 1973 at 2:15 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. Henry M. Chance, II, Mr. Paul J. Cupp, Mr. John W. Eckman, Mr. James M. Skinner, Jr., Mr. Wesley A. Stanger, Jr., Robert L. Trescher, Esq., President Martin Meyerson, Dr. James Davis, Mr. Paul O. Gaddis, Dr. D. Bruce Johnstone, Mr. John C. Hetherston, Mr. Harold E. Manley, Mr. E. Craig Sweeten, Dean Peter T. Seely, and Mr. William G. Owen (Secretary).

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

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

WHEREAS, Marcus Albert Foster was a renowned public servant who devoted himself to the community, particularly in education; and

WHEREAS, he achieved outstanding results for all citizens through his work and especially the young men and women he served most notably in Philadelphia as Principal of Simon Gratz High School and as Associate School Superintendent for Community Affairs, and in Oakland, as Superintendent of Schools; and

WHEREAS, he served the University from which he earned his master's and doctor's degrees in Education as Trustee sitting on the urban affairs, educational policy and student affairs committees, and won further deserved recognition from his institution through the 1971 Award of Distinction of Penn Education Alumni; now therefore be it RESOLVED, That the Trustees express their bereavement over the untimely and tragic death of their gifted colleague in November, 1973, and record this official minute in grateful memory of Marcus Albert Foster, asking the Secretary to convey to his family their admiration for the lasting contributions of this extraordinary man.

Authorization was granted to the Nominating Committee to present a candidate to fill the term vacancy created by the death of Dr. Foster.

In a summary report on the recent meeting of the Ivy Group Presidents, President Meyerson noted that the proposal made by the Ivy Group Presidents was:

Memorial resolution for Marcus Foster
Executive Board, December 14, 1973

Report of Ivy Group presidents

the University concerning an interchange of performing arts events was accepted. He reported a growing concern among the Presidents about the professional orientation of pre-medical education, and commented also on the continuing attention being given by the Presidents, and the heads of other private institutions who were present, to the development of common strategies for representation of mutual interests on the Federal scene. On the subject of Ivy Group athletics, he reported that the majority of the group are desirous of a more literal adherence to the Ivy Group agreement: President Kemeny of Dartmouth has been requested to formulate a policy statement on the awarding of financial aid to athletically-talented students. He said that he had expressed his opposition to any change in the method of awarding financial aid, but that he had been unable to engender tangible support from other of the Presidents. Various points of view were expressed by Trustees concerning this development.

The President also indicated that he had received no specific advice from the group concerning the installation of advertising-type scoreboards in athletic facilities; the matter will be resolved soon with the Chairman and the Director of Intercollegiate Athletics.

Following explanation by Mr. Manley, the following resolutions were approved:

1. The base market value of the A.I.F. to be used for computing total return beginning with the 1973-74 fiscal year shall be the average market value of the A.I.F. of the three-year period ending the June 30 prior to the beginning of the fiscal year (June 30, 1973) taken at six-month intervals. The average to be used for 1973-74, therefore, would be the average of the market values computed at the following periods:

<table>
<thead>
<tr>
<th>Market value</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/70</td>
</tr>
<tr>
<td>6/30/71</td>
</tr>
<tr>
<td>12/31/71</td>
</tr>
<tr>
<td>6/30/72</td>
</tr>
<tr>
<td>12/31/72</td>
</tr>
<tr>
<td>6/30/73</td>
</tr>
</tbody>
</table>

2. The percentage of the average market value computed in paragraph 1 to be used for 1973-74 will be 7.8% of the computed market value of $120,088,550.

The formula for ultimate computation of the total return percentage to be used each year would be as follows:

   a. Total return estimated to average 9%.

   b. Amount to be retained for the inflationary factor to be the three year average of the
Implicit Gross National Product Deflator using the last two historical figures available and one year's estimate. The source of these figures will be the Wharton Econometric Forecasting unit.

3. The first year the above formula would be used for 1976-77. To phase in to this formula, the following percentages of total return would be used:

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973-74</td>
<td>7.8%</td>
</tr>
<tr>
<td>1974-75</td>
<td>7.2%</td>
</tr>
<tr>
<td>1975-76</td>
<td>6.6%</td>
</tr>
<tr>
<td>1976-77</td>
<td>Formula</td>
</tr>
</tbody>
</table>

WHEREAS, the Wharton School has determined that it is necessary and desirable for it to have use, on a substantially full-time basis, of a DEC system-10 computer system (the "Computer") manufactured by the Digital Equipment Corporation ("DEC") of Maynard, Massachusetts; and

WHEREAS, the University has arranged financing for such Computer through Provident National Leasing Corporation ("PNLC"), which will purchase the Computer, and Uni-Coll Corporation ("Uni-Coll"), which will lease the Computer from PNLC and act as facilities manager for the Computer, making it available to the University; and

WHEREAS, the University has negotiated an Agreement of Purchase with DEC for the purchase of the Computer for an aggregate purchase price of $492,820 (the "Purchase Agreement"), substantially in the form presented to this meeting, to which is attached as exhibits an Assignment of such Purchase Agreement to Uni-Coll (the "Assignment") and a reassignment of such Agreement to PNLC (the "Reassignment"); and

WHEREAS, Uni-Coll has negotiated a lease of the Computer from PNLC, substantially in the form presented to this meeting, providing for the lease of the Computer for an 8-year term with variable termination and indemnification provisions at an approximate monthly rental of $6,120 (the "Uni-Coll Lease"); and

WHEREAS, the Uni-Coll Lease is subject to and dependent upon the pledging of the University's credit to assure that PNLC and its assigns receive the rent payment stipulated and agreed to in the Uni-Coll Lease; and

WHEREAS, this Committee has determined that it is in the best interest of the University to pledge its credit by entering into a separate lease (the "University Lease") with PNLC by which the University would become the lessee of the Computer upon the happening of an event of default under the Uni-Coll Lease for the remainder of the Uni-Coll Lease term, would pay all sums then due and payable under the Uni-Coll Lease and cure all other defaults and would thereafter be lessee upon the same terms and conditions of the Uni-Coll Lease, such University Lease to be substantially in the form presented to this meeting; Therefore be it

RESOLVED, That the University enter into the Purchase Agreement, the Assignment and the University Lease, all substantially in the form presented to this meeting; and be it further

RESOLVED, That the appropriate officers of the University be and hereby are authorized and directed to execute and deliver the Purchase Agreement, the Assignment and the University Lease and to take all such other actions as may be necessary or desirable, and to execute such other agreements or documents as may be required, to effectuate the financing and leasing of the Computer.
WHEREAS, the University on May 1, 1965 signed a 20-year lease for South Hall with University City Associates; and

WHEREAS, the University, since May 1970, has not found it necessary to use South Hall as a residence facility; and

WHEREAS, University City Associates has negotiated with the West Philadelphia Mental Health Consortium for a net net lease of South Hall as a site for its drug and alcohol addiction programs: Therefore be it

RESOLVED, That the University approve the leasing of South Hall to the West Philadelphia Mental Health Consortium by University City Associates and agree to guarantee rental payments to University City Associates for the remainder of the original University lease term (May 1985) in the amounts and on the terms included in the original lease.

The following resolution was presented by Mr. Manley for the record:

WHEREAS, the appropriate officers of the University were authorized by the Trustees on October 26, 1973 to execute a note or bond and mortgage to be secured upon premises 3940 Spruce Street, Philadelphia, Pennsylvania, in the principal amount of $100,000 with interest not to exceed 7-3/4%; and

WHEREAS, the commitment offered in June 1973 by Provident National Bank has expired and the rate of interest offered at that time is no longer available: Therefore be it

RESOLVED, That the rate of interest be changed from 7-3/4% to "not to exceed 9%," with all other terms and conditions to remain the same as those contained in the resolution of October 26, 1973.

In the report of the administration, President Meyerson directed attention to the following matters:

1. Mr. Sweeten reported that the University's Commonwealth appropriations for the current fiscal year have essentially been approved and will soon undergo final action. A message received by him during the meeting indicated that the several bills had been signed by the Governor and that payments for the first two quarters would be available next week. President Meyerson expressed appreciation to Mr. Sweeten for his continuing efforts on Commonwealth matters.

2. At their recent meeting, the Trustees of the University Press authorized their chairman to appoint a committee to conduct a search for a successor to the late Fred Wieck; Mr. Curtis Reitz will chair this group which will include also Mr. Carroll Bowen and Dr. Werner Gundersheimer. President Meyerson expressed the hope that it will be possible to attract an entrepreneur-type person with university press experience, who possesses academic credentials and may be able to gain an appointment to the University faculty.

3. The Honorary Degrees Committee has concurred in a proposal that Morris Wolf be granted an honorary degree at a special ceremony to be convened in the Law School early in 1974.

4. Budget planning for 1974-75 to date is being considered in the context of a likely rise in family income of about 8%, so that a tuition increase on the order of $250, with an offsetting increase in financial aid, is a possibility. A modest increase in the number of undergraduate students
Executive Board, December 14, 1973

up to a maximum of 100 and a decreased return on investments are being taken into account. He noted that the questions of greatest uncertainty relate to what can be expected from the Commonwealth, utility costs, and what can be done by way of amount and form of adjustments in salary compensation.

In his report, Provost Stellar directed attention to the following:

1. Dean Seely presented a statistical review of the present freshman class and noted that a wide variety of talent and strength is represented therein. Students from across the nation and around the world continue to bring to the University intellectual ability as well as talent in music, art and athletics and potential for leadership and community service. They have come from 43 states and 15 countries, from varied economic and social strata and from different ethnic and religious cultures. The class itself is a microcosm of American society, a microcosm which contributes significantly to Pennsylvania's unique cultural and intellectual environment. He concluded by voicing optimism about the future of the applicant pool based on plans for qualitative improvements in recruitment efforts. He solicited the reactions of the Trustees in terms of what they hear on the general subject of Pennsylvania admissions.

2. The following proposal was presented for action and, following brief discussion, was approved:

RESOLVED, That the statement entitled Academic Tenure and Procedures Relating to Academic Tenure at the University of Pennsylvania, approved October 16, 1959, be amended as follows:

Amendment to statement relating to academic tenure

5(a) Except as provided in (d) below, the probationary period referred to in paragraph 4 is seven years in the case of a faculty member initially appointed as an Assistant Professor or Associate or Instructor;

5(d) The probationary period in the case of faculty members initially appointed as an Assistant Professor or Associate or Instructor having very substantial clinical duties in the School of Medicine in the School of Dental Medicine or in the School of Veterinary Medicine is a maximum of ten years.

RESOLVED further, That the President and Provost are authorized and directed to establish administrative procedures for implementation of the extended probationary period, including procedures for application of this provision to faculty members presently in probationary status.

3. Approval was given to the appointment of Dr. William Castetter, Professor of Education, as Acting Dean of the Graduate School of Education, effective January 15, 1974, succeeding Dean Neal Gross, who has resigned from the position and who will remain as a member of the University faculty.

4. RESOLVED, That the academic appointments and promotions for the period from November 10, 1973 to December 5, 1973 be approved.

It was announced by Vice-President Gaddis that an Office of Publications Services is being established at the University pursuant to the resolution of the Board of Trustees.
Executive Board, December 14, 1974

Curtis Barnes
as Director of Publications

For the past five years, has been appointed to the new position of Director of Publications effective in December. He will be responsible for developing and directing an organization which will offer editorial, creative and design services and serve as the printing procurement office.

The following constitute the highlights of a report made by Mr. Hetherston on the energy shortage:

The principal forms of energy consumed on campus are steam and electrical energy purchased from the Philadelphia Electric Company. Amounts of natural gas, fuel oil, and gasoline consumed by the University are minor in comparison to electrical and steam energy. Our efforts are primarily directed at the conservation of steam, which is used in heating both water and space, and electrical energy, which is used for lighting and as a source of energy for driving equipment and for experimental purposes. The steam and electric bill of the University for the current year including the hospitals will exceed $5,000,000.

Measures taken to date:
1. Have shut down or cut back the heating, air conditioning and ventilating systems in twelve University buildings through the use of automatic timers during unoccupied periods.
2. Have extensively inspected and repaired heating, ventilating and air conditioning system controls.
3. Have reduced general lighting to the point of maintaining acceptable illumination for security.

The following additional energy saving measures are being pursued:
1. Installation of demand-limiting orifices in steam service to 25 buildings.
2. Accelerated inspection and repair of controls.
3. Installation of additional timers to permit timed shutdown and setback of heating, ventilating and air conditioning systems in additional buildings.
4. Reduction of thermostat settings, where feasible, to 68°.
5. Installation of thermostatic valves in convectors.
6. Reduction of residual steam pressure in steam heating systems.
7. Disconnection of unnecessary lighting fixtures in common spaces of campus buildings.
8. Reduction of hot water temperatures in heating systems and for domestic use.

Through the Almanac, as a result of action by the University Council Committee on Facilities, a publicity - educational program is underway to ask members of the University community to turn off...
unnecessary lights, check thermostat settings, and keep the Department of Buildings and Grounds informed of instances where persons feel additional energy savings can be made. The Personnel Energy Director is in the process of organizing a system which will make car pool arrangements more readily available. Additionally, certain of the dormitory units will be closed down during the Christmas recess.

A number of institutions are considering extending the length of the Christmas recess, making the Easter recess longer and lengthening the school year. Most institutions who have decided to adjust their academic schedules are doing so because they run their own power plants fueling them for the large part by use of oil. Allocations are based on some reduction in the amount consumed in the preceding year and, thus their availability of energy is restricted, which is not our situation. An adjustment to our academic calendar would bring no real reduction in the amount of total energy consumed, and the cost savings would be minimal because of little likelihood that we would be able to close down major units of physical plant.

The Finance Committee in January will be asked to consider borrowing perhaps up to $400,000 for the purchase and installation of a central monitoring and control system for many of the newer buildings on campus. It is estimated that one position of three shifts per day could be eliminated at a savings of approximately $60,000 a year as well as economies achieved in purchased electric power of at least a similar amount per year.

Mr. Day reported that the Resources Evaluation Committee held a planning meeting prior to the Executive Board meeting, in which Associate Provost Hubstetter had addressed himself to the subject of academic planning in the Schools of Engineering and Applied Science, Dental Medicine and Veterinary Medicine. He noted that a second open session for all Trustees will take place during the January meetings.

Brief comments were made by Mr. Stanger on behalf of the Investment Committee and he solicited the suggestions of individuals Trustees for the guidance of his committee.

In his report for the University Development Committee, it was noted by Mr. Eckman that the total of subscriptions, gifts, bequests and receipts as of December 14 in the amount of $8,600,000, compares with the amount of $7,100,000 for this date last year. He noted, however, that this encouraging report cannot reflect the effect of the economy on year-end giving. He said that although Annual Giving is some $60,000 ahead of last year at the same time, the number of donors is down. Additionally, he said that pledges to the Benjamin Franklin Associates are running about $20,000 behind last year at the same time. Year-end figures from Annual Giving will provide a much better feel of
Executive Board, December 14, 1973

the impact of the economy on the broad base of givers, he con-
cluded.

For the Health Affairs Committee, Mr. Ballam reported that
consultative committees are at work on the Deanship of Medicine
and the Vice-Presidency for Health Affairs. He commented briefly
upon the continuing impasse between the Blue Cross of Philadelphia
and the Delaware Valley Hospital Council. Finally he referred
to the effective way in which Vice-President Thomas Langfitt has
taken hold of his responsibilities.

It was noted by Mr. Ballam that the Committee on Deferred
Giving, at a recent meeting, gave attention to the need to create
some vehicle for the investment of funds in which the donor
retains an interest for his lifetime.

Adjourned.

William G. Owen
Secretary