STATED MEETING OF THE CORPORATION
THE TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA
May 3, 1974

A Stated Meeting of the Trustees of the University of Pennsylvania was held on Friday, May 3, 1974 at 2:00 p.m. in the Auditorium of the Wistar Institute.

Present were: Mr. Robert P. Adler, Gustave G. Amsterdam, Esq., Mr. Samuel H. Ballam, Jr., Mr. Julian S. Bern, Dr. Detlev W. Bronk, Mr. I. W. Durnham, II, Mr. Howard Dutcher III, Mr. Henry M. Chance, II, Mr. Paul J. Cupp, Milton T. Daus, Esq., Dr. Edgar Lee Dessen, Mr. Charles D. Dickey, Jr., Mr. Robert G. Dunlop, Mr. John W. Eckman, Mr. Thomas S. Gates, Mr. Warren S. Griffin, Dr. F. Otto Haas, Judge A. Leon Higginbotham, Jr., Mr. Reginald H. Jones, Mr. Charles A. Krause, Mr. Arthur M. Larrabee, Mr. Robert P. Levy, Mrs. Margaret R. Mainwaring, Mr. John A. Mayer, Mr. C. B. McCoy, Anthony S. Minisi, Esq., Dr. Franklin D. Murphy, Mr. Donald T. Regan, Bernard G. Segal, Esq., Mr. Wesley A. Stanger, Jr., Mrs. Ione A. Strauss, Mr. Sarkes Tarzian, Mrs. Marietta Tree, Robert L. Trecocher, Esq., Senator John H. Warc, III, Mrs. Jacqueline Wexler, Morton H. Wilner, Esq., Mr. Charles S. Wolf, Mr. Harold L. Zellerbach, Mr. William J. Zellerbach, President Martin Meyerson, Provost Eliot Stellar, Vice Presidents Paul O. Gaddis, John C. Hetherston, Harold E. Manley and E. Craig Sweeten; Dean Alice Emerson, Mr. Wm. Richard Gordon, Dr. John N. Hobstetter, Chaplain Stanley E. Johnson, Dr. D. Bruce Johnstone, Mr. Scott Lederman, Dr. Donald S. Murray, Mr. Curtis R. Reitz, Mr. Donald T. Sheehan, Mr. Donald T. Stewart, Robert G. Lorndale (Associate Secretary), Richard M. Sherman (Assistant Secretary) and William G. Owen (Secretary). John Ames Ballard, Esq. attended as Counsel.

Mr. Dunlop, as Chairman, called the meeting to order and asked Chaplain Johnson to offer a prayer. The Chaplain requested a moment of silence for James Skinner.

The minutes of the January 11, 1974 meeting were approved.

In executive session, the Board took action on the following matters:
Stated Meeting of the Trustees, May 3, 1974

Executive Session

1. A report from Mr. Dickey, Chairman of the ad hoc Committee on Organization and Structure of the Trustees.

2. A report from Mr. Segal, Chairman of the Nominating Committee.

In open session, Mr. Dunlop introduced Mr. Regan, the new Chairman, and Mr. Gates, Chairman of the Executive Board. He expressed pleasure that the recently-adopted change in the Statutes had served to make the President a member of the Board of Trustees. He went on to note the outstanding attendance during the two-days of meetings in that 90% of the Board membership was represented.

President Meyerson bespoke his great personal pleasure in the actions taken on officers of the Board. He went on to comment about the historical background of education across the world, pointing to various peoples and cultures which over the centuries had reflected a common faith and a common language through education.

Looking at present events in the world, he expressed sadness for the localism which is seen in countries like Canada, France and India, and this in spite of the casual ties which abound across the world in study abroad programs, multi-national institutions, and international fund-raising activities. He expressed the hope that the University of Pennsylvania would attempt to be more internationally-minded and go beyond its present strong bases like Southeast Asia Studies and cooperation in Iran. He suggested for the consideration of the Trustees a major effort to create "a most-favored nation arrangement" with another major institution, and he cited specifically the possibility of some form of interchangeability with the University of Edinburgh or University College (London); he said that the former seems to offer the most promise. He solicited the considered judgments of the Trustees as exploration by the administration proceeds.

Mrs. Tree reflected her feeling that such a cross-fertilization of people and ideas would bring many benefits to the University.

Upon presentation by Mr. Chance, Chairman of the Finance Committee, the following resolutions were adopted:

RESOLVED, That the sum of $20,850 be appropriated from University General Fund to complete a portion of the landscaping in the High Rise Dormitory Complex.

Secretary
RESOLVED, That, upon the recommendation of the President and the Board of Managers of the University Museum, the President or the Provost be authorized to approve the sale of the University Museum's Morgan Collection of Chinese Porcelains from the MING AND CH'ING Dynasties; and be it further

RESOLVED, That the proceeds from the sale of the porcelains be used for capital improvements of the University Museum as designated by the President and the Board of Managers of the Museum.

Mr. Chance reported that the administration had presented a tentative budget which is not in balance and that, although the budget had been approved, it is understood it will continue to be worked on and be brought back to the special meeting of the Trustees scheduled on June 13.

For the Honorary Degrees Committee, Mr. Gates presented the following resolution and it was adopted:

RESOLVED, That the following selection by the Trustees Honorary Degrees Committee of candidates for honorary degrees at the May 20 Public Commencement be confirmed:

Sadie Tanner Mossell Alexander Doctor of Laws
Louis Barkhouse Flexner Doctor of Laws
Richard Buckminster Fuller Doctor of Humane Letters
Talcott Parsons Doctor of Laws
Howard Charles Petersen Doctor of Laws
Cyril Stanley Smith Doctor of Science
Morris Wolf Doctor of Laws
Harold Lionel Zellerbach Doctor of Laws

President Meyerson directed attention to the following resolution:

WHEREAS, members of all faculties except the Faculty of the School of Medicine who received tenure before October 15, 1959 retired at the end of the fiscal year (June 30th) in which they attain to age of seventy; and

WHEREAS, all other faculty members and non-academic administrative officers retire at the end of the fiscal year in which they attain the age of sixty-eight; and

WHEREAS, all academic administrative officers retire from their administrative positions at the end of the fiscal year in which they attain the age of sixty-five; and

WHEREAS, all other members of the administrative
Stated Meeting of the Trustees, May 3, 1974

staff retire on the first of the month after they attain the age of sixty-eight; and

WHEREAS, the age of retirement in the public and private sectors generally is sixty-five or lower, and has been lowered to age sixty-five in many universities; and

WHEREAS, the median age of the faculty and administrative staff has been increasing and will continue to do so as a result of the end of the period of major expansion in the size of the total University; and

WHEREAS, retirements at age sixty-five would provide necessary opportunities for hiring and promotions of younger persons in both administrative and faculty positions which would otherwise not be available; and

WHEREAS, the Report of the University Development Commission issued in January 1973 recommended:

That the Board of Trustees immediately lower the normal retirement age to 65 for all faculty members who achieve tenure after June 30, 1974

and

WHEREAS, the University Senate on April 25, 1973 unanimously passed the following resolution:

That the Board of Trustees immediately lower the normal retirement age to 65 for all faculty members who achieve tenure after June 30, 1974 provided that the existing mandatory retirement age of 68 be applicable to all persons with tenure or who are in tenure accruing rank on or before July 1, 1973.

WHEREAS, policies setting forth mandatory retirement ages for all employees and related policies are most appropriately promulgated in standing resolutions than in the Statutes of the Corporation;

THEREFORE BE IT RESOLVED that Article X of the Statutes is repealed, and succeeding Articles are renumbered appropriately; and

BE IT FURTHER RESOLVED:

1. That the retirement age for all faculty members appointed as Assistant Professor or above prior to July 1, 1974 shall remain the 30th of June following their sixty-eighth birthday or, for faculty members except those in the School of Medicine who received tenure prior to October 16, 1959, the 30th of June following their seventieth birthday; and

2. That the retirement age for all faculty members appointed after July 1, 1974 and all faculty members presently holding appointments below the rank of Assistant Professor shall be June 30 following their sixty-fifth birthday; and

3. That the retirement age for all administrative staff, academic and non-academic, shall be June 30th following their sixty-fifth birthday; the effective date to be determined by the Executive Board upon recommendation by the President; and

SECRETARY
BE IT FURTHER RESOLVED, that a specific plan to provide supplemental retirement benefits to administrative staff at or near the new retirement age of 65 be presented to the Executive Board before the next Stated Meeting of the Corporation; and

BE IT FURTHER RESOLVED, that a plan to provide supplemental retirement benefits to permit voluntary retirement before the applicable mandatory retirement ages for both faculty and administrators be presented to the Executive Board before the next Stated Meeting of the Corporation; and

BE IT FURTHER RESOLVED, that employment may be extended beyond the date of mandatory retirement by action of the Trustees upon recommendation of the President for faculty members and by the President for members of the administrative staff.

It was suggested by Mr. Ballard that that portion of the resolution relating to Article X of the Statutes be replaced by the following language:

RESOLVED, that Article X of the Statutes be amended to read in its entirety as follows:

"Article X. Provisions With Respect to Retirement.

Subject to any vested rights or contractual restrictions which may exist, the Board of Trustees or the Executive Board shall have the power to fix and determine from time to time the age and provisions on which officers, faculty members and other employees of the University shall retire and to amend, modify or repeal any such action taken by it."

Various questions were raised concerning the financial effects of the early retirement proposal and cautionary notes were voiced in the light of experience in industry. The resulting discussion reflected the fact that additional analysis seems to be needed before reaching a definitive decision, although the point was made by Mr. Reitz that there would be no cost dimension associated with changing the retirement age for all faculty members appointed as Assistant Professor of above after July 1, 1974 and all faculty members presently holding appointments below the rank of Assistant Professor. President Meyerson and Mr. Dunlop concurred that the motion could appropriately be withdrawn and taken up for further consideration at the special meeting of the Trustees on June 13.

Provost Stellar presented for consideration the following resolutions:

RESOLVED, That Section 1 of Article VII in the Statutes of the Corporation be amended to read in its entirety as follows:

SECRETARY
Stated Meeting of the Trustees, May 3, 1974

"1. There shall be such faculties of instruction and such divisions of instruction as may be established from time to time by the Trustees and continued during their pleasure, including the following:

Statutes amended to establish Faculty of Arts and Sciences to succeed College and College for Women and Graduate School of Arts and Sciences and some Departments of Wharton School

(1) The Faculty of Arts and Sciences.
(2) The Faculty of the School of Medicine.
(3) The Faculty of the Law School.
(4) The Faculty of Engineering and Applied Science.
(5) The Faculty of the School of Dental Medicine.
(6) The Faculty of the Wharton School of Finance and Commerce.
(7) The Faculty of the Graduate School of Arts and Sciences.
(8) The Faculty of the School of Veterinary Medicine.
(9) The Faculty of the Graduate School of Education.
(10) The Faculty of the Graduate School of Fine Arts.
(11) The Faculty of the School of Social Work.
(12) The Faculty of the School of Nursing.
(13) The Faculty of the School of Allied Medical Professions.
(14) The Faculty of the Annenberg School of Communications."

Mrs. Mainwaring observed that certain concerns which she had heard expressed about the future of the College for Women have been alleviated as the result of conversations with members of the administration. The resolution was adopted.

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

RESOLVED, That Vartan Gregorian be named Dean of the Faculty of Arts and Sciences to serve at the pleasure of the President but for a term not exceeding seven years unless re-elected, with eligibility for reappointment, this election to be effective immediately.

A brief progress report was presented by the Provost on current searches for various academic administrators in the Health Affairs area, graduate studies and research, and University life.

Attention was next directed by the Provost to the following resolution:

WHEREAS, public policy is a field with increasing needs and opportunities for quality education and research nationally; and

WHEREAS, the University of Pennsylvania already has considerable strength in education and research in public policy, including the programs of the Fels Center of Government, the 1907 program in Transportation, and many programs and activities within the Wharton School, the Law School, the Graduate School of Fine Arts, and elsewhere; and

WHEREAS, in accord with a recommendation of the Report of the University Development Commission, a study was undertaken by Professor Almarin Phillips to survey the University's present and potential efforts in public policy and to recommend steps to consolidate and strengthen these programs; and

SECRETARY
WHEREAS, extensive discussion of the recommendations of Professor Phillips and ensuing recommendations by the President, the Provost, the director of the Fels Center for Government, the deans of the Wharton School and the Graduate School of Fine Arts, and others have supported the concept of a new School of Public and Urban Policy to be headed by a dean administratively responsible to the dean of the Wharton School and containing, at the outset, faculty currently holding primary or secondary appointments within the Wharton School; and

WHEREAS, a School of Public and Urban Policy under the framework of the Wharton School will consolidate and strengthen education and research in public policy; better attract faculty and students with established interest in this field; provide new opportunities for undergraduate programs in public policy, urban studies, and similar fields; lend strength and breadth to other programs within the Wharton School; and attract more funds to public policy than would be available in the absence of a school; and

WHEREAS, the new school can be established with essentially existing resources and can develop at such a pace as to not bring a financial drain upon other parts of the University; and

WHEREAS, the Academic Planning Committee, at the request of the administration and the Steering Committee of the University Council has examined the proposal to establish a School of Public and Urban Policy under the framework of the Wharton School and has reported favorably upon the general approach;

THEREFORE BE IT RESOLVED, that a new School of Public and Urban Policy be established within the framework of the Wharton School and be granted the authority to appoint faculty, admit students, grant degrees in course and in faculty, and other such rights and privileges as are normally vested in faculties of Instruction.

Mr. Regan observed that the Board of Overseers for the Wharton School had looked with favor upon the inter-play between the public and private sectors which will likely evolve under this proposal, along with the opportunities presented for application of techniques of management. The resolution was adopted.

Finally, it was reported by Provost Stellar that the faculty of the Wharton School has offered no objection to the creation of a Department of Decision Sciences. No negative reaction was voiced by the Trustees.

The following resolution was adopted:

RESOLVED, That the academic appointments and promotions for the period from April 11, 1974 to April 24, 1974, be approved.

On behalf of the Investment Committee, Mr. Stanger made the following report:

"We continue to maintain a fairly defensive position, i.e. . . ."
200

Stated Meeting of the Trustees, May 3, 1974

Investment Committee

28% in cash and bonds, 72% in stocks, of which 17% is in bank stocks, insurance stocks and public utility stocks, of which American Telephone & Telegraph is 5%. From June 30, 1973 to April 30, 1974, the AIF has declined 7.76% in total value against 9.87% for the Standard & Poors 500 stock index. It should be noted that the S & P index is entirely stocks whereas we gave 28% in cash and bonds. For the calendar year to date, the AIF has declined 7.62% vs. S & P 7.41%. The value of the Fund on April 30, 1974 was $85,303,820.

"Our ten largest stockholdings are as follows:

(1) International Business Machines Corp.
(2) American Tel and Tel. Co.
(3) Exxon Corp.
(4) Texas Instruments, Inc.
(5) Cleveland-Cliffs Iron Co.
(6) Citycorp
(7) Atlantic Richfield Co.
(8) Stone & Webster, Inc.
(9) Eastman Kodak Co.
(10) IU International Corp.

The total of these ten holdings is approximately $23,500,000.

"The Committee continues to retain control over purchases and sales in the account with advice from Franklin Capital Investors."

It was reported by Mr. Eckman, for the Development Committee, that the total of subscriptions, gifts, bequests and receipts as of May 3 was just over $18 million; included in this amount are donated gifts received from voluntary and health associations. Annual Giving, he noted, is at $1,809,000 from more than 18,000 donors. He said that the trend appears to be that the broad base of support is holding up but that several major gifts received in the previous year are lacking.

On behalf of the Corporate Responsibility Committee, Mr. Segal stated that the Committee had voted 34 separate proxy proposals and communicated in detail with 11 corporations on such subjects as corporate contributions to political campaigns, African-
operations, and minority employment. He said that the Committee has been studying its guidelines and has reached the conclusion that perhaps the Committee has been interpreting them too narrowly. In response to a question from Mr. Adler, he said that the view of the Committee is that, as a shareholder, the University has a responsibility to tell corporate managements how the interests of shareholders should be protected, and that this approach has brought letters of appreciation from various managements. Mr. Segal concurred in a thought expressed by Mr. Burnham to the effect that the letters written by the Committee to managements should be circulated among the Trustees.

Mrs. Strauss reported for the Alumni Affairs Committee that attention is continuing to be given Alumni Relations to the "One University" concept; that Dean of Admissions Peter Seely had shared with the Alumni Trustees his future plans for an enlarged recruitment effort across the country; and that a series of dinners involving staff members and student leaders are serving the purpose of indoctrinating students into the responsibilities of alumni.

The Secretary called attention to the following meeting dates for the academic year 1974-75:

October 24-25, 1974
January 9-10, 1975
May 1-2, 1975

He announced that a special meeting of the Trustees will be held on Thursday, June 13, at 10:30 a.m. to consider various items of major business which have developed during these two days of meetings.

The meeting was adjourned by Mr. Regan.

William G. Owen
Secretary