A meeting of the Executive Board of the Trustees of the University of Pennsylvania was held for the purpose of discussion on Friday, September 12, 1975 at 10:00 a.m. in the Faculty Club.

Present were: Mr. Donald T. Regan (Chairman), Mr. Robert G. Dunlop (Vice-Chairman), Mr. Samuel H. Ballam, Jr., Mr. Henry M. Chance, Mr. John W. Eckman, Dr. Carl Kaysen, Bernard G. Segal, Esq., Mr. Wesley A. Stanger, Jr.; President Martin Meyerson; Provost Eliot Stellar; Vice-Presidents Paul O. Gaddis, Thomas W. Langfitt, Harold E. Manley, Fred A. Shabel, and E. Craig Sweeten; Mr. Stephen B. Burbank, Mr. Dennis F. Dougherty, Dr. John N. Hobstetter, Dr. D. Bruce Johnstone, Mr. Mark Levitan, Mr. Gerald L. Robinson, Mr. Donald T. Sheehan, Dr. Jon C. Strauss, and Mr. William G. Owen (Secretary). John Ames Ballard, Esq. attended as Counsel.

President Meyerson initiated his report by indicating that he and his colleagues sense that this will be a good year for the University in the light of recent developments in fiscal and academic affairs, the forthcoming capital fund campaign, and the impact of the university on affairs external to the University. He went on to report briefly on his travels abroad during the summer and invited Mr. Dunlop to comment on their attendance at the meeting of the International Association of Universities held in Moscow. Mr. Dunlop expressed appreciation for the opportunity provided to him and described several interesting experiences; he noted that President Meyerson had been elected at the meeting as the representative from the United States to the I.A.U. He recalled also that the contemplated program of affiliation between the University of Edinburgh and the University of Pennsylvania had been approved by the former institution at the
time of his visit there. The President reported that through
the good offices of Mr. Trescher, a sum has been made available
for support of this exchange program.

President Meyerson said that a search for a successor to
Mr. Owen as Secretary of the Corporation is underway and that
Mr. Reitz is chairing a small advisory committee which includes
Messrs. Trescher, Gaddis and Price. He expressed a desire to
receive the thinking of trustees inasmuch as the position
directly serves the interest of the board.

The president introduced Mr. Stephen Burbank as the new
University Attorney, who in turn gave a brief status report on
problems associated with the student radio station. In essence,
he said that the Federal Communications Commission has sent a
letter to the chairman of the board which seeks answers to five
questions; an extension of time has been granted on the reply to
this inquiry until after a campus advisory committee and the
Trustees' subcommittee on Electronic Communications has had an
opportunity to formulate recommendations on a future course for
the station. Mr. Meyerson reminded the trustees of his position
that both the student newspaper and the radio station should
become independent bodies in order to remove an onus on the
University from recurring questions of poor taste and censorship.
He assured the board that the administration had taken all
possible steps to control the broadcasts of the radio station
during the intervening months since the program of concern,
short of complete monitoring.

Dr. Kayser supported the idea of making both media independent
bodies; Mr. Segal cautioned not to take precipitous action in
the case of the student newspaper.

The point was made that whereas only nominal resources are
presently being given to the student station, independent
operation would likely require appreciable funds. Mr. Meyerson
said that a properly run University radio station could provide
a training ground for students who wish to enter radio and
television, that the station could likely serve a future role
in continuing education, and that revenue could be realized from advertising. In the case of the Daily Pennsylvanian, the president said that the administration will notify the paper that this will be the last year in which ownership is vested in the trustees and that a contract will be entered into for an independent operation based upon services rendered.

In a review of forthcoming events, the president reminded the trustees that their mid-winter meetings are scheduled to take place on Friday and Saturday, January 16 and 17, 1976 and that a special Founder’s Day luncheon and program will culminate those meetings. He encouraged trustees to attend the special convocation of the School of Dental Medicine on October 5th.

President Meyerson reported that conversations during recent months have led to a recommendation from the administration that a select committee on the budget be formed to meet at three different times in the course of the year for the purpose of reviewing current performance and examining a preliminary budget and eventually a final budget; the membership will include the chairman and vice-chairman of the board, chairman of the Executive Board, and the chairmen of the Educational Policy, Health Affairs, Finance and Operations, and University Development Committees. In response to a question raised by Mr. Dunlop, Mr. Chance said that the Finance and Operations Committee will welcome this review procedure. No objection was voiced to the proposal.

It was indicated by Dr. Strauss that the administration views the current budget in this third month with guarded optimism, noting that total resources from the Commonwealth will increase by approximately $900,000 and that a contingency reserve on the order of $2 to $2 1/2 million dollars is presently in view. He identified these positive factors, at this time: energy costs are on target, indirect cost recoveries are being received, and general income has been estimated on the conservative side. However, he noted uncertainties related to upperclass enrollments, energy costs, Franklin Field income, and stringent
expense budgets which may prove to be unrealistic. He said that appropriate controls have been instituted, quarterly reviews are contemplated, and attention is now being given to the possibility of a modest salary adjustment in January. The point was made by Mr. Meyerson that although the monies received from the Commonwealth included a 5% increase for general programs, this represents only half of the amount needed to stay constant. He said that the trustees' ad hoc committee under Mr. Dunlop is giving attention to the University's future relationship with the Commonwealth.

Provost Stellar reported that he will recommend in the afternoon meeting that Dr. Patricia McFate be appointed Vice-Provost for Undergraduate Studies and University Life and Dr. Dell H. Hymes as Dean of the Graduate School of Education. In response to a question concerning campus publicity about such appointments prior to their affirmation by the trustees, there was agreement that the trustees should receive information about contemplated appointment in advance of publicity.

Provost Stellar reported upon searches for the dean of the Law School and director of the University Museum, and President Meyerson expressed the hope that a firm recommendation for the first position can be made to the trustees in January. Dr. Stellar reported also that a search committee has been constituted in anticipation of Dean of Nursing Mereness' retirement at the end of the academic year. He referred also to the impending resignation of Dean Rodenberg of the School of Allied Medical Professions and to the expiration of the initial term of appointment of Dean Shepheard of the Graduate School of Fine Arts.

Reference was made by Provost Stellar to certain statements made by a student of architecture about the program in architecture and to a response formulated by Dean Shepheard.

Vice President Gaddis reported on the audit of the closing of the books for 1974-75 and Mr. Dougherty identified the
following deficits for the year:

- University operations $3.297 million
- Residence halls .585 million
- University Hospital .500 million
- Graduate Hospital in excess of 2.0 million

It was noted by Mr. Gaddis that the question of implementing a salary increase in the second half of the fiscal year is under consideration and that implications associated with labor agreements loom prominently in the discussions. Mr. Robinson described briefly the approaches which are being taken to the question of salary administration; he presented a visual summary of alternatives in the possible disbursement of a salary administration fund on the order of $2.3 to $2.5 million. Mr. Gaddis concluded the presentation by soliciting the views of trustees, and President Meyerson reiterated his desire to include the merit principle in administering a salary increase fund.

In a brief report of the cash management program, Mr. Manley noted that actual borrowings have run very close to projections; borrowings in the second quarter were $35 million, compared to $36 million projected. He said that current borrowing is $27.7 million and that the high point projected for the fiscal year is $38 million.

In a discussion of plans for the future of Graduate Hospital, Dr. Langfitt referred to the various options which had been identified last year and the decision which was made to transform the hospital into a free-standing institution. He said that a shell corporation and board have been created and that participants from the local community and hospital and members at large are participating in discussions. He referred to the following "tracks" which are receiving attention: the establishment of an affiliation agreement between the hospital and the School of Medicine; continued improvement in financial operations looking toward a break-even condition in fiscal 1976; the drawing up of articles of division by legal counsel; approval by the Hospital Survey Committee of continuation of the hospital; and
creation of a new in-patient facility and use of the present hospital structure for doctors' offices, with the understanding that University funds will not be used to build the new facility. The point was made by President Meyerson that active efforts must be made to stimulate the interest of the Commonwealth in the future of Graduate Hospital in terms of a financial mechanism to support future operations.

Attention was directed by the chairman to a memorandum written by Mr. Stanger on the subject of outside investment advice. The memorandum states that a majority of the Investment Board has concluded that the University will be best served at present by continuing to manage the A.I.F. as it is now being managed, that is, by the board working through Franklin Investment Corporation. No negative views were voiced to this conclusion of the Investment Board.

At luncheon, Mr. Regan reported on the status of the nucleus fund for the Program for the Eighties and on the volunteer committee organization. Mr. Sweeten then reviewed plans for the Leadership Assembly on October 3. Concurrence was given to the draft of a final resolution on the campaign goal, which will be presented to the trustees for approval on October 3, it being understood that Mr. Segal will make editorial changes.

Adjourned.

William G. Owen
Secretary