OPEN STATED MEETING
OF THE
TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA
January 17, 1976

The Open Stated Meeting of the Trustees of the University of Pennsylvania was held on Saturday, January 17, 1976 at 10:00 a.m. in the Council Room of the Furness Building.

Present were: Mr. Donald T. Regan (Chairman), Gustave G. Amsterdam, Esq., Mr. Samuel H. Ballam, Jr., Mr. Julian S. Bers, Mr. John M. Bixler, Mr. Orville H. Bullitt, Mr. T.W. Burnham, II, George R. Burrell, Jr., Esq., Mr. McBee Butcher, Mr. Henry M. Chance, II, Dr. Gloria Twine Chisum, Dr. Edgar Lee Dessen, Mr. Robert G. Dunlop, Mr. John W. Eckman, Mr. Thomas S. Gates, Dr. F. Otto Haas, Mr. Reginald H. Jones, Dr. Carl Kaysen, Ms. Laureine Knight, Mr. Myron Mainthow, Mrs. Margaret R. Mainwaring, Mr. Paul F. Miller, Jr., Anthony S. Minisi, Esq., Mr. William D. Patterson, Bernard G. Segal, Esq., Mr. Wesley A. Stanger, Jr., Robert L. Trescher, Esq., The Hon. John H. Ware, 3rd, Mrs. Jacqueline G. Wexler, Morton H. Wilner, Esq., Mr. Charles S. Wolf, Mr. William Zellerbach, Stephen B. Burbank, Esq., Mr. Stuart Carroll, Mr. Theodore Driesch, Ms. Karen Gaines, Dr. Vartan Gregorian, Mr. Wm. Richard Gordon, Mr. William Hickey, Dr. John N. Hobstetter, Mr. J. Jerrold Jackson, Chaplain Stanley E. Johnson, Dr. D. Bruce Johnstone, Mr. Mark S. Levitan, Dr. Patricia McFate, Mr. Harold E. Manley, Mr. Martin Meyerson, Mr. William G. Owen, Mr. Curtiss R. Reitz, Mr. Fred A. Shabel, Dr. Eliot Stellar, Dr. Jon C. Strauss, Mr. E. Craig Sweeten, Mr. Donald T. Sheehan (Secretary), Mr. Robert G. Lorndale (Associate Secretary), Dr. Richard M. Sherman (Assistant Secretary).

Chairman Regan called the meeting to order, and called upon Chaplain Johnson for the invocation and observance of a moment of silence in memory of the late Trustees, Dr. Detlev W. Bronk and Robert Dechert; and the late Overseer of the College of Engineering and Applied Science, Leonard Pool.
The Chairman instructed the Secretary to prepare appropriate resolutions in memory of these gentlemen.

The minutes of the Stated Meeting of October 2, 1975 were approved.

The following resolution concerning the election of Trustees was presented on behalf of the Nominating Committee by Mr. Segal, the committee's chairman:

RESOLVED, that Donald T. Regan and Robert G. Dunlop be re-elected as Chairman and Vice-Chairman of the Trustees, respectively, effective this date, for one-year terms; and that Thomas S. Gates be re-elected Chairman of the Executive Board, effective this date, for the balance of his term as Life Trustee, until April 30, 1976.

RESOLVED, that Thomas S. Gates be elected a Life Trustee Emeritus on May 1, 1976.

RESOLVED, that Paul F. Miller, Jr. be elected a Life Trustee, effective May 1, 1976.

RESOLVED, that Robert P. Levy, Marietta Tree, and Jacqueline G. Wexler, be re-elected to five-year terms as Term Trustees, effective January 16, 1976.

Suspension of Statutes

it being necessary to suspend the statutes with respect to the above recommended action, the Chairman read a resolution to this effect, as follows:

WHEREAS, vacancies exist, or will exist, in the offices of Life and Term Trustees and the offices of the Board and Administration believe it important to fill or otherwise provide for such vacancies without delay; and

WHEREAS, in order to elect Life and Term Trustees to fill or otherwise provide for these vacancies at this meeting, it is necessary to suspend provisions of Section 5 of Article I of the Statutes of the Corporation which require that such election shall be from among the persons who shall have been nominated at a previous meeting of the Executive Board and also require specific notice to the Trustees concerning the proposed election; and

WHEREAS, Section 2 of Article XV of the Statutes of the Corporation provide for the suspension of any provisions of the Statutes by unanimous consent at any meeting of the Trustees at which there are present not less than a majority of the Trustees in office; and;

WHEREAS, the Secretary has advised that more than a majority of the Trustees in office are present at the Stated Meeting of the Trustees duly called and held January 17, 1976.

SECRETARY
NOW, THEREFORE, BE IT RESOLVED, that by unanimous consent the provisions of Section 5 of Article I of the Statutes requiring prior nomination by the Executive Board of persons to be elected as Life and Term Trustees and ten days written notice of such proposed election be and the same hereby are suspended with respect to the Stated Meeting of the Trustees held January 17, 1976.

The resolution was passed by unanimous consent of the Trustees present and the persons named in the Nominating Committee's resolution were unanimously elected.

Mr. Regan then called upon President Meyerson for his report.

President Meyerson provided the Trustees with an overview covering the 5 1/2 years of his administration which began in September 1970. He indicated what he considered the successes and failures in various areas of University programs and operations, which he said would be covered in more detail in a written report which he would forward at a later date to the Trustees.

Provost Stellar reported on the searches being conducted for a Dean for the School of Nursing and a Director of the University Museum.

RESOLVED, The Academic Appointments and Promotions for the period from November 7, 1975 to December 17, 1975 were approved.

The following Trustees Committee's reports were made:

On a motion by the Student Affairs Committee Chairman, Mr. Trescher, the following resolution was approved:

RESOLVED, that the Trustees approve the recommendations made by the University Administration in dealing with the WXPN issue before the Federal Communications Commission.

The administrations recommendations for handling the WXPN-FM matter were as follows:

1. The Notice of Apparent Liability should not be contested. Acceptance of the FCC's ruling calls for forfeiture of $2000 for "obscene" and "indecent" broadcasting, but does not require consent to the Commission's findings of fact or law, nor any formal admission.
2. The University should continue to support its application for a renewal of the FM broadcast license.

3. Operation of WXPN should be placed as soon as possible under the supervision and control of a professional manager who will work toward improvement of the radio station as a model of University broadcasting. An advisory board headed by Professor of Communications Robert L. Shayon is also being formed, to include members with professional experience plus awareness of University broadcasting.

Students will continue to be the principle staff of the station and the station will continue to be under the Office of the Vice-Provost of Undergraduate Studies and University Life.

In a separate action, the Trustees passed a resolution thanking Trustee Morton H. Wilner, Esq., for his efforts on behalf of WXPN-FM. Conflict of interest rules prohibit Mr. Wilner's acting for the University in upcoming FCC hearings. The University will retain outside counsel for this purpose. The resolution follows:

RESOLVED, That the Trustees express, their great appreciation to Morton H. Wilner, Esq., for the considerable intelligence, legal experience, and diligence he has applied in the University's behalf in the matter of WXPN-FM, and their fond hope that although Mr. Wilner, because of his position as a Trustee, deems it inappropriate to represent the University in formal proceedings before the FCC, he will continue to act on behalf of the University by sharing with it his experience, expertise, and energy.

Reporting for the Finance and Operations Committee, Mr. Chance stated that the budget for this fiscal year was in balance but that budget planning for 1976-77 posed a difficult problem.

Mr. Chance also reported that the Audit Committee received the auditors reports for Graduate Hospital and the Hospital of the University of Pennsylvania. He also reported receipt of the audit report for the University with an "unqualified certification."

The following resolution offered by Mr. Chance for the Finance and Operations Committee was approved:

WHEREAS, bids for the construction of the Medical Education Building have been received; and

WHEREAS, the total project cost, based on firm bids, is $18,700,000; and
WHEREAS, a grant of $5,729,500 has been awarded by the Federal Government toward construction of the building; and

WHEREAS, a grant from the Pew Memorial Trust in the amount of $10,000,000 has been received; and

WHEREAS, other gifts and interest earned and to be earned on the Pew Memorial Trust grant total $1,272,000; and

WHEREAS, the total resources in hand toward the construction of the building amount to $17,001,500, leaving a balance of $1,698,500 unfunded; and

WHEREAS, the cash flow projection for the construction of the building indicates that additional cash will not be required until June 1977; and

WHEREAS, in the opinion of the Senior Vice President, Program for the Eighties, and the Vice President for Health Affairs the prospects for raising the additional $1,698,500 by June 1977 are excellent; Therefore be it

RESOLVED, That approval is hereby given to proceed with the construction of the Medical Education Building at a total cost of $18,700,000; and be it further

RESOLVED, That reports on the status of the additional funds requested to be made to the Trustees' Finance and Operations Committee on a quarterly basis.

Mr. Stanger, Chairman of the Investment Board, reported that on January 14th the market value of the Associated Investments Fund stood at $96,374,000 an increase of $4,008,000 over that of December 31st and now $3,891,000 above the basic book value of $92,483,000.

Common stocks represent 51 per cent of current values.

Investment income, a critical factor in University budget considerations, is estimated to increase slightly above that of the last twelve months.

He further informed the Trustees that individuals serving as the Board of Directors of the Franklin Investment Company in their capacities as members of the Investment Board of The Trustees of the University of Pennsylvania are specifically covered under the policy providing Directors and Officers Liability coverage for the University of Pennsylvania.

Mr. Stanger also stated that the Chairman and Secretary of the Investment Board are in frequent touch with numerous benefactors interested in endowment and other invested funds particular-
ly those trusts subject to life estates.

Mr. Stanger's report stimulated discussion regarding possible correlations between career success and scholarship aid, as well as financial support of the University after graduation and financial aid while at Pennsylvania. President Meyerson was asked to inaugurate a study of these matters.

Dr. Kaysen inquired regarding the legislative situation regarding financial aid to students and asked that a report be prepared on this matter for the Trustees.

Dr. Kaysen reported on the meeting of the Educational Policy Committee which had focused on the Wharton School. Dean Carroll indicated an increase in quality in comparison with other schools. Dr. Kaysen also observed that a good deal had been done regarding the presence of women on the campus but noted that more needed to be done. His remarks were prompted by his reference to Ms. Karen C. Gaines' status report on this subject at lunch on the previous day.

Mr. Gates, chairman of the Honorary Degrees Committee, offered the following resolutions which were approved:

RESOLVED, That a mandamus be issued by the Corporation to the President, Provost and Professors for a Convocation of University Council for the conferring of degrees on May 28, 1976, and at any special convocations called during the academic year 1975-76.

RESOLVED, That the Trustees' Honorary Degree Committee be authorized to select candidates for receipt of honorary degrees at the May Public Commencement and other convocations which may be scheduled during the academic year 1975-76, with the understanding that their actions will be confirmed at subsequent meetings of the Trustees.

Mr. Gates also reported on the honorary degrees conferred since last September at the various Bicentennial Convocations and on those to be awarded at future similar events between now and Commencement.

Mr. Ballam, Chairman of the Health Affairs Committee reported that:
The Health Affairs Committee is being restructured into Health Care and Education sub-committees.

The reorganization of the Graduate Hospital as a free-standing institution is well underway. Six individuals representing the communities served by the hospital have been invited to serve as members of the Initial Board of the hospital. They meet regularly with three members of the Health Affairs Committee and with members of the University administration to discuss current operations and long-range plans. The initial Board has been recognized as a sub-committee of the Health affairs Committee.

Improvements in the operations and financial structure of the Graduate Hospital are continuing. For the fiscal year ended June 30, 1975, the Graduate Hospital reported an operating loss of $2,879,000. For the current year, management reports that the operating results through November 30, 1975, are in line with the budgeted deficit for fiscal 1975-76 of $453,000.

A Long-Range Planning Committee has been established under the auspices of the Initial Board and is chaired by a senior member of the Medical Staff. A professional planner has been engaged by the Hospital to assist the Committee in developing a program for the new Hospital structure and to assist in preparing submission to the planning agencies who are required to approve this project.

An affiliation agreement, which would become effective upon the separation of the Graduate Hospital from the University, is being drafted.

Legal counsel for the University and for the Initial Board have been meeting regularly to discuss issues to be identified in the establishment of Graduate Hospital as a free standing entity. Of particular significance is the identification of the capital needs of Graduate over the next three to five years and a determination as to the sources of funding.
At the Hospital of the University of Pennsylvania

construction of the Silverstein Pavilion is well underway
with completion scheduled for late spring 1978. The
construction costs are comfortably within the budget and
the work is proceeding on schedule.

Financial results of operation for HUP through the
first five months of fiscal '76 are encouraging. Census
levels are slightly above budgeted projections and the actual
deficit is slightly ahead of the budgeted deficit for the first
five months and in line with the budgeted annual deficit
after depreciation $319,000.

An intensive review of the programs of the School of
Allied Medical Professions is underway under the direction
of Dr. Thomas W. Langfitt, Vice-President for Health Affairs
and Eugene Michels, acting Dean of the School.

The drafting of a statute establishing the School of
Veterinary Medicine in a statutory relationship with the
Commonwealth of Pennsylvania is in the final stages. The
legislation will be introduced in the General Assembly in
February.

Mr. Butcher offered the following resolution for the Alumni
Trustees' Committee:

RESOLVED that there be a thorough review
and explanation of the admissions budget in light
of the detrimental affect that cutbacks have had,
and that proposed cutbacks would have, on relations
with prospective students and their parents, par-
particularly those parents who are alumni.

The resolution and its implications were discussed but no
further action taken on it.

Reporting for the University Development Committee, Mr.
Eckman noted that a total of $4.9 million had been received
since July 1, 1975. He recalled that during the entire previous
fiscal year $35 million was raised. He also called attention to
Annual giving going over the $1 million mark by the end of the
calendar year for the first time in its history.
He reported a total of $57 million to date toward the $255 million goal of the "Program for the Eighties".

The progress of the past three months, he stated, has been in line with expectations.

The names of the Board of Managers of The Wistar Institute of Anatomy and Biology for 1976, duly elected on December 5, 1975, were reported to the Trustees.

Adjourned.

Donald T. Sheehan
Secretary