An open session of the meeting of the Executive Board of Trustees of the University of Pennsylvania was held at The Faculty Club on Thursday, September 30, 1976 from 11:00 a.m. to 12:30 p.m.

Present were Mr. Donald T. Regan, Chairman, presiding; Mr. Henry M. Chance, Mr. Charles D. Dickey, Jr., Mr. John W. Eckman, Robert L. Trescher, Esq., President Martin Meyerson, Stephen B. Burbank, Esq., Mr. Stuart H. Carroll, Mr. Paul O. Gaddis, Mrs. Karen C. Gaines, Mr. Harold W. Helfrich, Jr., Dr. John N. Hobstetter, Mr. J. Jerrold Jackson, Dr. D. Bruce Johnstone, Dr. Thomas W. Langfitt, Mr. Mark S. Levitan, Mr. Harold E. Manley, Dr. Robert R. Marshak, Mr. William G. Owen, Mr. Curtis R. Reitz, Mr. Seth Rosen, Dr. Eliot Stellar, Dr. Jon C. Strauss, Mr. E. Craig Sweezen, and Mr. Donald T. Sheehan (Secretary).

The minutes of the July 1, 1976 meeting were approved.

President Meyerson recommended that Donald T. Sheehan, Secretary of the Corporation and Director of Communications since October 1975, be named Secretary and Vice President to serve until his mandatory retirement from his senior administrative post becomes effective on October 31, 1976. Such action, he said, was a "small symbolic reward" for years of service.

John C. Hunt, who will succeed Mr. Sheehan as Secretary and Vice President on November 1, 1976 was then invited to join the meeting.

The following resolutions were approved in connection with these appointments.

WHEREAS, The Secretary of the Corporation has been one of the key senior administrative officers of the University; and

WHEREAS, The Consultative Committee (Messrs. Gaddis, Hobstetter, Manley, Price, Reitz, and Trescher) to
review candidates for the Office of Secretary of the Corporation effective November 1, 1976, has recommended an increase in the responsibilities attached to that office;

THEREFORE BE IT RESOLVED, That:

1. The post be designated "Secretary and Vice President"; and that

2. Donald Sheehan he designated Secretary and Vice President effective this day September 30, 1976, through the day of his mandatory retirement from the senior administrative post October 31, 1976; and that

3. John Hunt be named Secretary and Vice President effective November 1, 1976.

Following brief comments on the FY 77 operations, Mr. Gaddis called upon Mr. Jackson for more extended remarks. Although it was early in the year, some observations could be made at this time, Mr. Jackson pointed out that while it is early in the University's fiscal year to make any quantitative statement about the fiscal outcome, it is not too early to make observations in certain areas. There are two areas where the University has the opportunity to preserve substantial savings in their operating expenses as compared to the budget. The first of these is in the salary area in the funds which are saved on those budgeted positions which remain unfilled for some part of the fiscal year. The second area is in energy savings. While conditions such as weather and the cost rates as mandated by the Pennsylvania Public Utilities Commission are uncontrollable by the University, campus energy control systems previously installed are on-line and in operation at this time. There are campus energy conservation programs being conducted, and there is a considerable awareness on campus of the need to conserve energy. The billings for the first quarter of this fiscal year have proven to be favorable when compared with the budget. While it is early to evaluate the adverse factors, the four areas which should receive our early attention include first, tuition, which at the budgeted level requires net additional graduate students as compared with last year. Second, in the indirect cost recovery budget, it is difficult to determine the effect on grant and contract awards caused by the change in the federal government's fiscal year. Third, the Department of Inter-
collegiate Athletics' revenue budget for 1977 appears high compared to fiscal 1976's actual; and fourth, a very strict control of the current expenditures of the year must be enforced if we are to maintain a balance in the University's budget. Considering these factors, at this time, it is still possible for the University to preserve a balanced operation at year-end if it operates in a prudent mode for the remainder of the year.

Mr. Gaddis reminded the Board that we could "miss" if the negative factors increased.

Dr. Strauss started his presentation on the FY 1978 budget situation by indicating that it was too early in the process to give specific numbers. The development of guidelines for FY 1978 budgeting is sufficiently advanced however, to indicate severe budget problems for FY 1978, perhaps more severe than those encountered in obtaining realistic balance in FY 1977. Dr. Strass allowed that we might wonder how this could be the case after demonstrated balance in FY 1976 and projected balance for FY 1977. He indicated that the answer to this conundrum lies in the effects of inflation. All of our expenses are subject to inflation. This is predicted to range from 6% for goods to more than 10% for energy for FY 1978. Much of our income however, is controlled by others (e.g., the Commonwealth) can not be increased at this rate. The net effect is that tuition and other controllable incomes would have to be increased more rapidly than the marketplace and good conscience would allow or we must reduce expenses. Right now we are in the process of carefully analyzing all of our committed expenses and planned sources of income.

Reporting in the WXPN-FCC situation, Mr. Burbank stated that hearings had already been held in Philadelphia and were now adjourned. Future hearings will be held in Washington, D.C. Both Chairman Regan and President Meyerson said that the University would emphasize the establishment of guidelines and periodic review procedures, as well as the good practices now in force.

Mr. Sheehan reported on the forthcoming October 15 Bicentennial Convocation and Colloquium on Communications at The Annenberg School of Communications.
The nomination of William J. Zellerbach for election as a Term Trustee at the October 29, 1976 Trustees' meeting, was approved upon submission of the following resolution:

RESOLVED, That upon the recommendation of the Nominating Committee, William J. Zellerbach be nominated for election by the Trustees for a five-year term as Term Trustee, effective October 29, 1976.

The following resolutions concerning the appointment of Overseers and Associate Trustees were approved:

RESOLVED, That Mrs. Morton H. Langsfeld, Jr., be appointed as Chairman of the Board of Overseers of the School of Social Work.

RESOLVED, That the following persons be appointed to the Board of Managers of the University Museum and elected as Associate Trustees:

William R. Klaus, Esq.
Mr. Harlan Scott

RESOLVED, That upon recommendation of the Selection Subcommittee of the Trustees' Health Affairs Committee, Mrs. Stuart B. Andrews be appointed to a five-year term on the Trustees' Health Affairs Committee effective retroactive to July 1, 1976.

RESOLVED, That Dr. Carl Kaysen be appointed as Chairman of the Board of Overseers of the Faculty of Arts and Sciences and that the following persons be appointed members of that Board and elected as Associate Trustees:

Phillip H. Abelson, President
Carnegie Institution of Washington
1530 P Street, N.W.
Washington, D.C.

Peter A. Benoliel
President
Quaker Chemical Corporation
Conshohocken, Pennsylvania

Michael Burke
President
Madison Square Garden Center, Inc.
Two Pennsylvania Plaza
New York, New York

Harvey G. Cox
The Divinity School
Harvard University
Cambridge, Massachusetts

Gerald M. Edelman
The Rockefeller University
1230 York Avenue
New York, New York

Nathan Glazer
Professor of Education & Sociology
Harvard University
Graduate School of Education
Monroe G. Otisman Library
G Applan Way
Cambridge, Massachusetts

SECRETARY
Provost Stellar reported that negotiations with Martin Biddle, British Archaeologist were underway for the position of Director of the University Museum, effective October 1, 1977.

The following resolution authorizing the appointment of Professor James B. Pritchard as Director of the University Museum effective from October 1, 1976 to September 30, 1977, was approved:

RESOLVED, That upon recommendation of the Board of Managers of the University Museum, James B. Pritchard be appointed Director of the Museum to serve from October 1, 1976 to September 30, 1977.

The following resolution concerning the appointment of Claire N. Fagin as Dean of the School of Nursing was approved:

RESOLVED, That Claire N. Fagin be named Dean of the School of Nursing effective no later than January 17, 1977, to serve at the pleasure of the President for an initial term through July 1, 1982.
Provost Stellar noted that searches are underway for a Director of the Office of Research Administration, a Dean of Admissions, Dean of the Graduate School of Fine Arts, and the College of General Studies.

The recommendation for academic appointments and promotions for the period June 18, 1976 to September 15, 1976 were approved.

A status report on the School of Allied Medical Professions was made by Provost Stellar who reviewed the process which has been followed to arrive at a decision in this case. He called attention to the staff study by the Health Affairs Office in mid-winter; Dr. Langfitt's letter of April 29 in which a "phase-out" over a four year period was recommended; the public hearings of the Steering Committee of University Council; and a review by the Academic Planning Committee.

The two options put forth by the Steering Committee.
1. Provisions for additional research for the development of a research base and graduate studies
2. The possibility of a transfer of functions to Thomas Jefferson University under a (joint program) were discussed in the University Council in September.

A full discussion is scheduled with the Council of Academic Deans.

The Provost and President plan to meet with the SAMP faculty.

The recommendations of the President and Provost will be taken to the Health Education subcommittee of the Trustees' Health Affairs Committee.

A summarized progress report will be made to the Trustees at their October 28-29 meetings.

Dr. Langfitt gave a report on construction plans for the Small Animal Hospital at the School of Veterinary Medicine which called for construction to start next summer and a determined effort to identify funds for the project as quickly as possible.

With the Commonwealth appropriation worked into the budget it should remain in balance through FY 79 when the problem of paying back the Commonwealth construction loan must be faced.

The following resolutions were approved upon recommendation by the Council of Academic Deans:

Secretary
of the Finance and Operations Committee:

RESOLUTION 1

WHEREAS, the Executive Board on May 10, 1976, authorized the advance of up to $500,000 from current funds cash for the acquisition of certain parcels of land in the vicinity of the Graduate Hospital for the purpose of building a new hospital facility; and

WHEREAS, the cost of properties already acquired or presently under agreement is $520,000, the estimated cost of properties still to be acquired is $325,000 and the fee to the real estate consultant is $20,000, bringing the estimated total cost of the project to $865,000; and

WHEREAS, estimated cash outlays for properties acquired or to be acquired prior to March 29, 1977, will be $499,500, cash outlays for options on property to be acquired after March 29, 1977, will be $34,500 and the cash outlays for the consultant's fee will be $20,000, bringing the estimated total cash outlay to $554,000 prior to March 29, 1977; and

WHEREAS, the decision of the planning agencies approving or not approving the construction of the new hospital facilities will be known prior to March 29, 1977; Therefore be it

RESOLVED, That the authorization to advance $500,000 from current funds cash for the acquisition or properties for the construction of new facilities for the Graduate Hospital be amended to increase the amount to $554,000 and to include the use of $34,500 of the advance for options on certain properties and $20,000 of the advance for payment of the consultant's fee; and be it further

RESOLVED, That the cash advanced be repaid from the proceeds of the bond issue if the project is constructed, or from the sale of the properties and Graduate Hospital funds if the project is not constructed; and be it further

RESOLVED, That this subject will be reviewed periodically by the Finance and Operations Committee and a recommendation for final settlement of the matter will be made to the Committee prior to March 29, 1977.

RESOLUTION 2

WHEREAS, The renovation of the Dormitory Quadrangle to provide College Houses is a high priority goal of the Program for the Eighties; and

WHEREAS, pledges amounting to $2,584,000 are in hand for the construction of a College House; and

WHEREAS, Architectural plans and cost estimates have been prepared for College House B; and

WHEREAS, an application for financing $1,100,000 of the cost of the project has been submitted to the Pennsylvania Higher Education Facilities Authority;

THEREFORE BE IT RESOLVED, That the construction of College House B be authorized, subject to PHEPA financing, at an estimated total project cost of $3,985,000, excluding financing charges of the PHEPA bond issue; and be it further

RESOLVED, That the action of the Senior Vice President for Management in submitting an application to the Pennsylvania Higher Education Facilities Authority for the inclusion of the

SECRETARY
College House B project in the amount of $1,100,000 plus financing charges in the next bond issue of the Authority be, and the same hereby is, ratified, confirmed and approved.

**COLLEGE HOUSE B**

Total project cost (excluding financing charges) $3,985,000

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* Estimated financing charges are $275,000

** RESOLUTION 3 **

WHEREAS, pledges totaling $400,000 to build four additional tennis courts at the Levy Pavilion have been received; and

WHEREAS, cash of $105,000 from these pledges is available; and

WHEREAS, the estimated cost of the project is $520,000; and

WHEREAS, budgetary provision for debt service charges have been made by the Director of Recreation and intercollegiate Athletics:

THEREFORE BE IT RESOLVED, That the Vice President and Treasurer be, and he hereby is, authorized to borrow the sum of $375,000 for a period of five years for the expansion of the Levy Tennis Pavilion; and be it further

RESOLVED, That the Vice President and Treasurer be, and he hereby is, authorized to sign notes or any other documents necessary to complete the above authorized loan.

** RESOLUTION 4 **

WHEREAS, the Vice President for Health Affairs and the Executive Director, University Hospitals recommend that the radiological equipment and facilities at Graduate Hospital be replaced or upgraded; and
WHEREAS, the income from the radiological services is adequate to cover the debt service on a five-year loan; and

WHEREAS, approximately $500,000 of available Hill-Burton funds may be approved for application toward the cost of the radiological equipment:

THEREFORE BE IT RESOLVED, That subject to the approval of the new Graduate Hospital Facility by the appropriate planning agencies, the Vice President and Treasurer be, and he hereby is, authorized to borrow the sum of $1,700,000 for five years for the purchase and upgrading of the radiological equipment and facilities at Graduate Hospital; and be it further

RESOLVED, That any Hill-Burton funds which are approved for the project be applied against the principal of the loan when received; and be it further

RESOLVED, That interest and principal repayments on the loan be charged to the Graduate Hospital.

Mr. Eckman reported as follows for the Development Committee and on the progress of the "Program for the Eighties:"

A total of $59.4 million in gifts, subscriptions and bequest was received for the final year 1975-76. The bequest and life income gift total, from alumni and friends of $10 million was just about double last year's total. A record total of $3.4 million from 28,700 donors to Annual Giving was included in the final year's total. This is an increase of more than $300,000.

The current final year's total as of September 30, 1976, is $2,707,815.22. Last year on September 10th, $1.3 million was reported.

As of September 10, 1976, a total of $80 million, a little more than 31% of our goal for the Program for the Eighties - was on the books.

By June 30, 1977, it is hoped that the $125 million mark will be reached.

Adjourned

Donald T. Sheehan
Secretary and Vice President