OPEN STATED MEETING
OF THE
TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA
June 10, 1977

The Open Stated Meeting of the Trustees of the University of Pennsylvania was held at 2:30 p.m., Friday, June 10, 1977 in the Council Room of the Furness Building.

Present were: Mr. Donald T. Regan (chairman), Gustave G. Amsterdam, Esq., Mr. David C. Auten, Mr. Julian S. Bers, Mr. I.W. Burnham, III, Mr. George K. Burrell, Jr., Mr. Howard Butcher, III, Mr. McBee Butcher, Mr. Henry M. Chance, II, Dr. Gloria T. Chisum, Dr. Edgar L. Dessen, Mr. Charles D. Dickey, Jr., Mr. John W. Eckman, The Hon. Thomas S. Gates, Mr. E. Samuel Greenawalt, Jr., Mr. Warren S. Griffin, Mr. William J. Kennedy, III, Dr. Carl Kaysen, Ms. Laureine Knight, Mr. Ralph Landau, Mr. Leonard A. Lauder, Mr. Robert P. Levy, Mr. Myron M. Maithow, Mrs. Margaret R. Mauwering, Mr. C.B. McCoy, Mr. Paul F. Miller, Anthony S. Minisi, Esq., Mr. William D. Patterson, Bernard G. Segal, Esq., Mr. Sarkes Tarzian, The Hon. Marianetta Tree, The Hon. John H. Ware, III, Mrs. Jacqueline G. Wexler, Morton H. Wilner, Esq., Mr. Charles S. Wolf, Mr. Harold L. Zellerbach, Stephen B. Burbank, Esq., Mr. Stuart H. Carroll, Mr. Paul O. Gaddis, Mrs. Karen Gaines, Mr. William Richard Gordon, Mr. William J. Hickey, Mr. Michel T. Huber, Mr. J. Jerrold Jackson, Rev. Stanley E. Johnson, Dr. D. Bruce Johnstone, Mr. Mark S. Levitan, Mr. Harold E. Manley, Dr. Patricia A. McFate, President Martin Meyerson, Mr. William G. Owen, Mr. Gerald L. Robinson, Mr. Fred A. Shabel, Mr. Donald T. Sheehan, Dr. Eliot Stellar, Dr. Jon C. Strauss, Dr. George Gerbner, Mr. Theodore Driesch, Mr. Anthony A. Lyle, Ms. Carol Hutchinson, Mr. Edwin M. Ledwell, Jr., Dr. Joseph Bordogna and Mr. Jack H. Hamilton (acting secretary).

The meeting was called to order by Chairman Regan, who called for a moment of silent prayer.

The minutes of the meeting of January 14, 1977 were approved.

President Meyerson began his report by commenting that the University operates on an around-the-year basis, starting summer school immediately following commencement. However, he said, the spring meeting of the Trustees was a time to thank Trustees, staff, faculty and colleagues for their contributions.

The President then reviewed the background of the proposal by Trustee Walter H. Annenberg that the University develop a feasibility plan for a center on visual communications.
communications. He said he hoped a Task Force under the chairmanship of Provost Stellar, assigned to produce the feasibility plan, would report around Labor Day. He noted the assignment was to prepare a plan, and that there was no budget attached to the plan at this time, despite speculation. He said the enterprise must be self-supporting.

Provost Stellar noted that members of the Task Force included Dean Gerbner, Dean Gregorian, Merrill Panitt, Dean Peter Shepheard, consultants Thomas Hoving of the New York Metropolitan Museum and Adrian Malone of the BBC, currently lecturer at the University. Provost Stellar said the scope of the proposed enterprise at the University was much broader than that which had been proposed for New York, involving virtually everything the University does or might do. He said the idea was to develop materials for formal academic settings, for dissemination through mass media, and eventually for use by individuals. He said there were work teams examining questions of substance, organization and financing.

Dean Gerbner said it was his view that the major task was formulation of concept and mission.

Trustee Wolf proposed the following motion:

The Trustees express their enthusiasm for the project and their appreciation to the officers who helped to encourage this exciting and unusual enterprise for the University.

The motion was approved.

President Meyerson, noting the conclusion of the fiscal year in 20 days, called upon Senior Vice President Gaddis for a brief report.

Mr. Gaddis said that on a $315 million gross budget the projected deficit on the core budget would be between $600,000 and $700,000. He then gave these additional projections: the High Rise dormitories, which were accounted for separately, would have a $330,000 deficit. The Hospital of the University of Pennsylvania, also separately budgeted, would have a surplus of $1.1 million, which Mr. Gaddis said was in large measure the result of the administration of HUP Executive Director Mark Levitan and his staff. Graduate Hospital, in the process of being established independently from the University, would have a surplus of $300,000.

Mr. Gaddis said favorable factors which had altered projections included energy and salary savings; undergraduate tuition revenue was favorable, but graduate and professional tuitions were not favorable; sponsored research revenue was off earlier projections, which meant a negative variance in overhead revenue from research; intercollegiate athletics, despite heroic efforts of the director,
would have a deficit in excess of one-half million dollars. The unexpected closing by the City of Philadelphia General Hospital had impacted the University for an anticipated one million dollars, but as the result of efforts by medical school dean Stemmler, the impact had been reduced to approximately $300,000.

President Meyerson, in introducing reports on the budget for fiscal year 1977-78 and actions to improve financial status, said the University was moving toward two-year budgeting in a setting of five-year fiscal and staffing plans. He said the University faced bleak problems in fiscal year 1978-79, caused by a number of factors. He said that in the course of the 1970s state assistance to the University had not kept pace with inflation, and that the state support was running 20-25 percent behind inflation. Federal expenditures, he said, increasingly represented "pass through" programs, rather than investment.

Tuitons, he said, were rising at what seemed almost confiscatory levels, even though the various fees had risen at no more than the rise in disposable family income. While the Campaign for the Eighties was successful, he said, the largest part of the funds raised were in pledges, some of which would not be realized until 1980. Various factors appeared to mean a deficit in fiscal 1979 of between $400,000 and $600,000.

For the coming fiscal year (1977-78), Mr. Meyerson said, the deficit was forecast at $600,000 on a gross budget of some $320 million. As a counter measure, said the President, the responsibility centers and administrative units were being asked to build reserves for a leaner year, the reserves amounting to as much as $2.5 million. These were, in effect, enforced savings, he said. This was necessary, he said, because there were almost no contingency funds centrally or in the schools, and the need was to put money in the bank for the future.

Dr. Strauss said it would be extremely difficult to pull $2.5 million from the $320 million budgeted for fiscal year 1977-78, but that was the intention. One of the uses of the reserves thus being built was to balance operations in 1978. To the extent that the effort achieved better than balance for 1978, he said, there would be help for the problems of 1979. Dr. Strauss commented that a complete budget planning cycle for fiscal year 1978-79 was in process in the the closing weeks of fiscal year 1976-77, particularly in relation to commitments which had to be made a year in advance. Dr. Strauss noted efforts to gain greater control over salary savings and filling of vacancies; he also mentioned a plan for encumbrance accounting being developed.

Mr. Regan invited questions, saying that he intended to ask approval of the
budget for fiscal year 1977-78. He also said that the appropriate committees of the Trustees would closely monitor fiscal and financial developments moving toward a balanced budget, a condition which he said was important to the Campaign for the Eighties. Mr. Regan then moved for approval of the budget for fiscal year 1977-78, which anticipated an income of $321,838,000 and expenditures of $322,438,000, leaving a deficit of some $600,000. The motion was approved.

President Meyerson said that in March of 1977 he had asked the chairman to select a small advisory group on administrative structure. Trustee Trescher, chairman of the committee, had reported the previous day, Mr. Meyerson noted. In the coming days and weeks the President said he and his colleagues would be working to convert the thoughts of the committee into specific action. Immediately, though, Mr. Meyerson said he would like to deal with something specific, and that was the resolution as follows:

WHEREAS, Stephen B. Burbank, Esq., since joining the University as University Attorney a year ago, has performed his duties and discharged the many and difficult responsibilities assigned in an outstanding manner and has given invaluable service to the University, and

WHEREAS, Mr. Burbank has become thoroughly familiar with all facets of the affairs of the University and is looked to for legal counsel and advice with respect to all University matters,

NOW, THEREFORE, BE IT RESOLVED, That Stephen B. Burbank, Esq., be named General Counsel of the University, and

BE IT FURTHER RESOLVED, That the firm of Drinker Biddle and Reath be designated University Counsel.

The resolution was approved.

Provost Stellar presented recommendations for academic appointments and promotions. He called attention particularly to appointment of Joseph R. Washington, Jr.; conversion to tenure of Barbara Kirschenblatt-Gimblett and Donald White; promotions of Louis H. Carter and Richard J. Estes; conversion to tenure of Robert P. Lisak; promotions of Venkatasehu K. Ganjam, Charles D. Newton and Gerhard A. Schad; appointment of Martin Biddle; appointments of Joel Conarroe and Richard F. Wernick. He discussed the designation of University Professors, including such designation for Martin Meyerson and Eliot Stellar.

Trustee Kaysen moved the resolutions, as chairman of the Committee on Educational Policy. He spoke to the appropriateness, he said, of designating President Meyerson and Provost Stellar as University Professors, because their substantive business was to deal with academic matters of the University.

Trustee Eckman asked for an explanation of the difference between a University Professor and a Benjamin Franklin Professor. Provost Stellar said...
Benjamin Franklin Professors were a subset of University Professors. Beyond that, he said, there was an effort to promote collaboration of these faculty in teaching.

The recommendations for academic appointments and promotions were approved.

Vice Provost McFate reviewed the investigation of allegations that students had been employed by the Office of Security and Safety for the purpose of conducting surveillance on the activities of other students, the subsequent report of the Committee on Open Expression, the retirement of the director of the Office of Security and Safety and the resignation of the chief of detectives. She noted the group which had been named to assist Vice President Shabel in developing procedural guidelines for Security and Safety. She said the search for a new director had been narrowed by a search committee to five candidates, who would be visiting the University in the next week.

Vice President Shabel said the effort to produce guidelines for the Office of Security and Safety could result in a model for higher education.

Vice Provost McFate noted that a Task Force on Undergraduate Education had been established by Dean Gregorian of the Faculty of Arts and Sciences. The 37-member Task Force, whose chairman was Dr. Robert Schrieffer, had considered the quality of teaching, specialization, standards and advising, students and general education. In May the Task Force had met for a full day. A report was expected by late summer or in the fall, she said.

Vice Provost McFate also reported on a Task Force which had been asked to review the guidelines for the College of Engineering and Applied Science. The Task Force had been given 25 major issues to consider and was expected to report by spring 1978.

Vice Provost McFate reported on a request by the faculty of the School of Nursing to increase clinical requirements for the B.S. degree. Approval had been granted, she said, which resulted in an increase in requirements for the B.S. degree in nursing from 36 to 40 course units.

Vice Provost McFate noted the appointment of Dr. Ruth Leventhal as acting dean of the School of Allied Medical Professions.

Vice Provost McFate said Ware College House was scheduled to open in September, with 170 students whose interests were in the health sciences.

Vice Provost McFate reported on the exchange program with the University of Edinburgh which in 1977 would comprise 16 students from Edinburgh and 18 from Pennsylvania.

Secretary
Admissions

Vice Provost McFate reported on undergraduates admissions, which had 2,069 paid matriculants. All schools, with the exception of nursing, she said were on or over target.

Acting Dean of Admissions Johnson suggested that an area of concern for the future was too great a concentration in the traditional geographic areas from which Pennsylvania students had come, and a need to seek students from other areas.

Vice Provost McFate also reviewed graduate admissions.

Boards of Overseers

President Meyerson introduced the subject of boards of overseers, suggesting that the pattern should be a chairman from the Trustees, a vice chairman and no more than 20 additional members, some of whom were alumni and some not, some from the academic world and some not, generally from various parts of the country and perhaps from abroad, meeting probably twice a year. The first board, he said, was for Wharton, whose chairman had been Donald T. Regan, succeeded by Reginald H. Jones. The FAS board chairman was Carl Kaysen. The chairman of the Board of Overseers for the College of Engineering and Applied Science was C.B. McCoy, and Mr. McCoy would deliver the first report to the Trustees from such a board of overseers. Mr. Meyerson said he anticipated a report to the Trustees in the fall from the Wharton School overseers, in January from the overseers for Arts and Sciences, in the spring of 1978 from the overseers for the Fine Arts.

Mr. McCoy noted that the Board of Overseers for the College of Engineering and Applied Science had been established in January of 1975 and had 17 members, including three Trustees, besides the chairman. The board had met five times -- three in 1975 and two in 1976, and planned henceforth to meet annually. In addition to serving as a link with the outside world and making recommendations to the College, said Mr. McCoy, the overseers served as a sounding board for plans of the college administration. Among major topics considered by the overseers were goals of the college, increased freshmen enrollment, increased interaction with the Wharton School, a bioengineering program, the Program for the Eighties campaign (in which engineering has a $10.5 million share), a civil and urban engineering program, the status of Engineering and Applied Science laboratories and plans for development.

Associate Dean Bordogna responded to the report of the Board of Overseers. He said there had been a very effective association between the school and the overseers, and that the overseers had been most supportive of the school's...
efforts, particularly in increasing enrollment and specifically in increasing the number of women and minorities. He said the undergraduate population in engineering had grown from 372 four years ago to an expected 800 in fall 1977. He noted 232 paid deposits for the fall 1977 freshman class against a target of 225. Four years ago, he said, the freshman class numbered 100. Dr. Bordogna said women would comprise 16 percent of the incoming freshman class and 16 percent of the total undergraduate population in engineering. Minorities, he said, would comprise 21 percent of the freshman class; excluding orientals, the minority figure in the freshman class this fall would be 14 percent, compared with 7 percent in other engineering schools.

Dr. Bordogna said Penn had been a leader in developing a model for identifying minority students as early as the 7th grade and assisting their preparation for engineering enrollment. This model, called PRIME (Philadelphia Regional Introduction for Minorities to Engineering), was funded by the Sloan Foundation. He said the Board of Overseers had been supportive in this endeavor as well.

President Meyerson expressed his thanks to Mr. McCoy and the Board of Overseers.

The President called attention to the text of the amicus curiae brief in the Bakke case, which had been put at the places of the Trustees. Mr. Meyerson pointed out that had Mr. Burbank not been law clerk to Chief Justice Warren Burger within the last two years, his name would appear on the cover, for he had done much of the drafting of the brief for Columbia, Harvard, Stanford and Pennsylvania. Mr. Meyerson said there were those who believed the Bakke case might well be among the most important in the history of education.

Chairman Regan called on Mr. Segal for the report of the Nominating Committee.

Mr. Segal said it first would be necessary to obtain unanimous consent for a waiver resolution to allow for the filling of vacancies without prior presentation to the Executive Board. Mr. Segal offered the following resolution:

RESOLVED, That by unanimous consent the provisions of Section 4 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 and, furthermore, that by unanimous consent the provisions of Section 1 of Article XV of the Statutes requiring ten days written notice of proposed amendments of the Statutes, be and the same hereby are suspended with respect to the Stated Meeting of the Trustees held June 10, 1977.

The resolution was approved.

Mr. Regan said that before Mr. Segal continued his report, the chairman
wished to interrupt and move the proposal which follows:

RESOLVED, That Bernard G. Segal, Esq., be elected a Life Trustee Emeritus, effective 12 June 1977.

The resolution was approved.

Mr. Segal, on behalf of the Nominating Committee, nominated Donald T. Regan for reelection as chairman of the Trustees for the period of one year, and Robert G. Dunlop as vice chairman of the Trustees for the period of one year. The nominations were approved.

Mr. Segal then moved the following:

RESOLVED, That Bernard G. Segal, Esq., be elected a Life Trustee Emeritus, effective 12 June 1977.

RESOLVED, That Donald T. Regan be elected a Trustee Emeritus, effective 12 June 1977.

RESOLVED, That Robert G. Dunlop be elected a Vice Trustee, effective 12 June 1977.

RESOLVED, That the Honorable Walter H. Annenberg be elected a Life Trustee to fill the position created by the retirement of Bernard G. Segal, Esq., effective 12 June 1977.

RESOLVED, That Samuel H. Ballam, Jr., be re-elected a Term Trustee, effective 1 July 1977. That Dr. F. Otto Haas be re-elected a Term Trustee, effective 13 October 1977.

RESOLVED, That Laurence A. Tisch be elected a Term Trustee, effective 1 July 1977.

RESOLVED, That the Trustees of the University of Pennsylvania express to McBee Butcher, Robert P. Adler, Edgar Lee Dessen and Ernest L. Whitney the Trustees' deep appreciation for their loyal service to the University as Alumni Trustees.

The resolutions were approved.

Mr. Segal then moved the following:

RESOLVED, That the Trustees of the University of Pennsylvania express to McBee Butcher, Robert P. Adler, Edgar Lee Dessen and Ernest L. Whitney the Trustees' deep appreciation for their loyal service to the University as Alumni Trustees.

The resolution was approved.

Mr. Regan said it was his intention to appoint Mr. Dunlop as chairman of the Nominating Committee.

Mr. Wilner, reporting as chairman of the Subcommittee on Electronic Communications, reviewed the decision and appeal from the decision of the FCC administrative law judge on WXPN. Mr. Wilner noted that a request had been made for oral argument before the full commission, which he anticipated in six months to a year. Meanwhile, he said, WXPN would continue to operate. He commended Curtis Reitz and Stephen Burbank on the appeal brief. He commended Dr. McFate and Andrew J. Condon (director of Student Life) on their efforts in overseeing the operation of WXPN, which he said was on the way to becoming a model station. Mr. Wilner said the committee had heard a report from Robert Shayon, professor in the Annenberg School, on completion of the grid for internal campus communication, which would include potential for cable television. Mr. Wilner suggested consideration be given to naming someone to implement cable television, perhaps in conjunction with the new Annenberg enterprise.

Secretary Kaysen reviewed the presentation of the day before by the Task Force on Black Presence. In summary, he said, Penn is not yet doing what it should do
and knows it must do. It requires, he said, more effort and a modest amount of additional money. Most of the additional effort, he said, must be from the faculty, some by the administration. Dr. Kaysen said he would commend to the chairman of the Trustees the recommendation for closer Trustee involvement in the issues raised by the Task Force.

Dr. Kaysen moved the following resolution:

WHEREAS, the name Religious Thought for the department and the graduate group in the Faculty of Arts and Sciences no longer indicates the wide variety of resources pertaining to the study of religion within the University which are incorporated in these two programs,

BE IT, THEREFORE, RESOLVED, That the name "Religious Thought" be changed to "Religious Studies," effective July 1, 1977

The resolution was approved.

Mr. Regan said the Executive Board would put on the agenda of its July 21 meeting the question of closer Trustee involvement in the issues raised by the Task Force on Black Presence.

Trustee Chance reported on the meetings of the Audit and the Finance and Operations Committees. He called on Vice President and Treasurer Manley, who presented the following resolutions:

WHEREAS, the University of Pennsylvania has made the decision to establish the Office of University Bursar in order to accomplish the objectives of organizing a simple financial interface with the students in order to better serve their needs and to centrally control the financial transactions and to increase the University's control on its fiduciary responsibilities, and

WHEREAS, it has been determined that it would be more efficient for both time and financial investments to purchase the computer software required for this office, and

WHEREAS, after consideration of several options, it was decided that software offered by Information Associates, Inc. of Rochester, New York, would be the most effective program;

THEREFORE, BE IT RESOLVED, That the costs of this software in the amount of $57,000 be funded by the University General Fund and that the Comptroller be authorized and directed to take such actions as necessary.

WHEREAS, the Executive Board of the Trustees at its March 10, 1977 meeting guaranteed a line of credit for University City Associates, Inc. in the amount of $100,000 at the Continental Bank; and

WHEREAS, University City Associates, Inc. has purchased and is operating the office building at 133 S. 36th Street; and

WHEREAS, certain improvements to the building are necessary to assure full occupancy and upgrade safety standards; and

WHEREAS, the cost of the building and the improvements will be
financed on a long term basis in January 1978; and

WHEREAS, the operation of the building is resulting in significant net income to the Associates: Therefore be it

RESOLVED, That the University guarantee a line of credit in an amount not to exceed $225,000 for University City Associates, Inc. at the Continental Bank; and be it further

RESOLVED, That the University's guarantee of the line of credit for University City Associates, Inc. be reviewed by the Trustees' Committee on Finance and Operations in January 1978.

WHEREAS, Dr. David R. Trentham has been appointed the Edwin M. Chance Professor in the School of Medicine; and

WHEREAS, the monetary regulations of the United Kingdom restrict the amount of funds which can be taken from the country by Dr. Trentham: Therefore be it

RESOLVED, That upon the recommendation of the Vice President for Health Affairs and the Dean of the School of Medicine, the Vice President and Treasurer be, and he hereby is, directed and authorized to deliver to the Fidelity Bank, or a related corporation, the guarantee of the University of a mortgage for Dr. David R. Trentham in the amount of $70,000, payable over 25 years, at 8 1/2% interest, on a property located in Bala Cynwyd, Pa.

Mr. Chance asked for approval. The resolutions were approved.

Mr. Levitan, executive director of University Hospitals, presented the following resolutions:

WHEREAS, at a special meeting held on March 25, 1977, the Trustees, voting as members of the Corporation, adopted a proposed Plan of Division for the Graduate Hospital; and

WHEREAS, subsequent to such action by the Trustees, the Executive Board has authorized the execution by the University of:

(i) a Limited Guaranty Agreement with respect to the Bonds that it is proposed will be issued by the Hospitals Authority of Philadelphia for the benefit of the new Graduate Hospital corporation,

(ii) a new form of Debt Obligation Agreement which the new Graduate Hospital corporation will enter into with the University when the Plan of Division is filed and becomes effective, and

(iii) loan and guarantee agreements to finance the acquisition of new radiology equipment for the Graduate Hospital, and

WHEREAS, there has been mailed to all Trustees a "Summary of New Developments Concerning Plan of Division for the Graduate Hospital" (the Summary) describing the content and effect of the foregoing agreements as they related to and supplement or amend the Plan of Division adopted at the March 25, meeting, together with copies of drafts of the Limited Guaranty Agreement and the new form of Debt Obligation Agreement; and

WHEREAS, the proposed Plan of Division for the Graduate Hospital
as supplemented and amended through the proposed execution of a Limited Guaranty Agreement, a new form of Debt Obligation Agreement, and the loan and guarantee agreements to finance the acquisition of new radiology equipment for the Graduate Hospital, all as more specifically set forth in the Summary is hereinafter referred to as the Modified Plan of Division;

NOW, THEREFORE, BE IT RESOLVED, that the Modified Plan of Division be and the same hereby is adopted and approved, and

BE IT FURTHER RESOLVED, That in addition to the authority vested in it under the Statutes of the University there is hereby delegated to the Executive Board the power (i) to authorize on behalf of the University any additional agreements or undertakings or any changes or modifications of any provisions relating to the Modified Plan of Division which in the judgment of the Executive Board may be necessary, desirable or appropriate to implement and carry into effect the Modified Plan of Division and (ii) to determine and direct further action or proceedings on behalf of the University with respect to the Modified Plan of Division, including the power, at its discretion, to cause the preparation and filing of Articles of Division under the Pennsylvania Nonprofit Corporation Law of 1972, as well as the power to direct that such Articles should not be filed and that further procedures looking toward the implementation of the Modified Plan of Division be terminated; and

BE IT FURTHER RESOLVED, That the authority of the Executive Board to delegate to the appropriate officers of the University the authority to make or agree to modifications, changes or corrections in the Modified Plan of Division not including matters of substance, be and the same hereby is ratified and confirmed.

WHEREAS, the city of Philadelphia (City), the University of Pennsylvania (University) and The Children's Hospital of Philadelphia (CHOP) entered into a certain Tri-Institutional Facilities Program Agreement dated December 12, 1967, pursuant to which the parties thereto agreed to undertake the construction and operation of certain joint facilities to be shared mutually by Philadelphia General Hospital (PGH), The Hospital of the University of Pennsylvania and The Children's Hospital of Philadelphia; and

WHEREAS, in order to construct a certain facility to be known as the Tri-Institutional Nurses' Education Building (the Building), the City allocated a total of $3,949,132 from several bond issues for the construction of the Building; and

WHEREAS, in order to assist in the construction and furnishing of the Building, the Bureau of Health Manpower, Public Health Service, Health Resources Administration, Department of Health, Education and Welfare of the United States of America (HEW) awarded to City a grant in the amount of $2,887,598.00 pursuant to Title VIII of the Public Health Service Act (HEW Grant); and

WHEREAS, City, University, CHOP and the Corporation entered into a certain Nurses' Education Building Operating Agreement dated August 9, 1972, pursuant to which the parties thereto agreed upon a reimbursement formula whereby CHOP, as administrator of the Building, would be reimbursed for the cost of operating and maintaining the Building and upon ratios of distribution of the debt service for the cost of construction of the Building; and

WHEREAS, City has announced its intention to close PGH and to terminate the PGH School of Nursing in the Spring of 1977, so that City shall no longer require the use of the Building; and

WHEREAS, CHOP has modified its nursing program to accommodate its entire nursing program in The Children's Hospital of Philadelphia; and
WHEREAS, University submitted to City, CHOP, and HEW a proposal dated January 3, 1977, as amended February 22, 1977, and May 19, 1977, pursuant to which University would utilize the entire building for its nursing programs and for certain other purposes and uses with the exception of a portion thereof to be leased to CHOP upon terms mutually agreeable; and

WHEREAS, HEW has indicated its acceptance of the aforesaid proposal; and

WHEREAS, the proposed use of the Nurses' Education Building by the University has been approved by the Health Affairs Committee: Therefore be it

RESOLVED, That the University is authorized to enter into a long-term net lease with the City of Philadelphia for the Tri-Institutional Facilities Nurses' Education Building on terms and conditions approved by the University Attorney; and be it further

RESOLVED, That the President or any Vice President be, and they hereby are, authorized to sign any documentation necessary to effectuate the above arrangements including an agreement terminating the Tri-Institutional Facilities Program Agreement as it applies to TRINEB; and agreement granting to the University certain temporary easements during the transitional phase; an agreement granting to the University and Children's Hospital certain long-term easements and releasing to the City certain easements; a Lease Agreement between the City and the University covering TRINEB; and a sublease between the University and Children's Hospital covering a portion of TRINEB.

WHEREAS, the bond indenture securing the $34,000,000 principal amount of bonds of The Hospitals Authority of Philadelphia issued to finance the construction of the Silverstein Pavilion of the Hospital of the University of Pennsylvania contains provisions permitting the "advance refunding" of the bonds, and

WHEREAS, it seems likely by reason of changes in interest rates and market conditions with respect to tax exempt bonds that a new issue of bonds in an amount sufficient to affect the refunding of the outstanding bonds with interest rates substantially below those applicable with respect to the outstanding bonds might be successfully marketed, and

WHEREAS, substantial savings to the University and Hospital would result from such an advance refunding,

NOW, THEREFORE BE IT RESOLVED, That the appropriate officers of the University be and they hereby are authorized to take such action and negotiate, agree to and file such agreements, documents and applications as may be necessary or appropriate to arrange for the issuance and proposed sale of additional bonds of The Hospitals Authority of Philadelphia and the advance refunding of the outstanding $34,000,000 of bonds of The Hospitals Authority of Philadelphia issued to finance the construction of the Silverstein Pavilion, and

BE IT FURTHER RESOLVED, That the said officers be and they hereby are authorized to incur and pay such reasonable preliminary fees and other expenses including application fee to The Hospitals Authority of Philadelphia as may be necessary or appropriate to carry into effect the intent of the foregoing resolution.

Mr. Chance asked for approval. the resolutions were approved.

Mr. Chance said the Audit Committee had reviewed the audits of the University, the University Hospital and government contracts overhead. Mr. Chance
said the committee met privately with the auditors and the committee was assured that the University had good control and ranked high among comparable institutions. The Audit Committee recommended retention of the auditing firm.

Trustee Eckman, reporting for the Development Policy Committee, gave a fiscal year total since July 1, 1976 of $41.7 million in subscriptions, gifts and bequests. He suggested this should mean a fiscal year total of more than $45 million. On the Program for the Eighties, the June 3 total was $113 million or 44 percent of the goal. The projection for the end of the second campaign year was $125 million. For the coming fiscal year, said Mr. Eckman, the goal is $46 million, which would allow the Program for the Eighties to reach $171 million by the end of June 1978.

Mr. McLeod Butcher, reporting for the Alumni Affairs Committee, reviewed Alumni Day, the Mask and Wig tour and the plan for the alumni center at Eisenlohr Hall. He commended Trustee Mainwaring for her efforts in behalf of the alumni center. Mr. Butcher also commented on the Alumni Council on Admissions, the purpose of which was to attract alumni children to the University. Statistically speaking, he said alumni children were marginally more intelligent and more affluent. Mr. Butcher commended Mr. Huber, director of Alumni Relations, for moving toward a strong alumni relations program. Mr. Butcher also introduced his successor, David C. Auten, as president of the General Alumni Society.

In response to a question, Mr. Huber said 54 percent of alumni children applicants were accepted last year. Trustee Mainwaring commented that, on average, the alumni children accepted had higher scores than the other students accepted. She said alumni parents seemed to understand when their children had unacceptable criteria and were turned down, the problem was in the marginal cases. Trustee Levy said he felt there needed to be an improvement in explaining to alumni parents why their children were turned down. Associate Dean Bordogna commented that engineering was making an effort to do just that.

Trustee Miller, reporting for the Investment Board, said the market value of Associated Investments Fund on May 31, 1977 was $104.8 million or $183.98 per share. Cash equivalents and bonds represented 44 percent of investments, common stocks 52 percent, residual assets the remaining 4 percent. Gross annual cash income from investments was projected at $6,440,579 for the next 12 months, representing a yield of 6.1 percent.

Mr. Miller presented the following resolution:

RESOLVED, That the following persons be reelected as members of the
Investment Board of The Trustees of the University of Pennsylvania and simultaneously therewith reappointed as the Board of Directors of Franklin Investment Company, a Pennsylvania non-profit corporation, for a term of one year and until their successors are elected or appointed and qualified:

Wesley A. Stanger, Jr., Chairman
Gustave G. Amsterdam, Esq.
Julian S. Bars
Henry M. Chance, II
Adolph B. Kors
Paul F. Miller, Jr.
William S. Woods, Jr.
Wm. Richard Gordon, Secretary

FURTHER RESOLVED, That the foregoing action shall constitute the 1977 annual meeting of the members of Franklin Investment Company.

The resolution was approved.

Mr. Sheehan, secretary emeritus, presented the following resolutions:

RESOLVED, That the action taken at the Executive Board Meeting of May 12, 1977, designating the Advisory Board of Managers of the Morris Arboretum as the Board of Overseers of the Morris Arboretum be rescinded; and

BE IT FURTHER RESOLVED, That the following members of the Advisory Board of Managers of the Morris Arboretum be elected to serve concurrently as Associate Trustees of the University:

Mr. William T. Hord
Dr. William M. Marvel
Mrs. Bertram L. O'Neill
Mrs. E. Florens Rivinus

RESOLVED, That hereafter the Law Board be designated as the Board of Overseers of the Law School and;

BE IT FURTHER RESOLVED, That Frederic L. Ballard, Esq., C'39, L'42, Chairman of the Law Board, be appointed Chairman of the Board of Overseers of the Law School.

The resolutions were approved.

Mr. Regan commented that he had asked Mr. Segal to serve as vice chairman of the Law School Board of Overseers, in order to maintain a nexus between the law board and the Trustees, because the law board chairman, Frederic L. Ballard, was not a Trustee. Mr. Regan also announced that he had received word that Justice William Brennan of the Supreme Court of the United States would agree to serve on the law board.

Mr. Sheehan introduced the following resolution:

RESOLVED, That, upon nomination by the Board of Trustees of the University of Pennsylvania Press, the following persons be appointed as members of the Board of Trustees of the University of Pennsylvania Press for terms of three years, beginning July 1, 1977:

Mark S. Carroll

SECRETARY
STATED MEETING OF THE TRUSTEES

June 10, 1977

JACK SHULMAN

EDWIN WOLF, II

The resolution was approved.

Mr. Regan asked approval of the resolution on election of the Executive Committee, as follows:

RESOLVED, That upon nomination by the chairman of the Trustees, the following persons, in addition to the chairman and the vice chairman of the Trustees, be elected members of the Executive Board of the Trustees of the University of Pennsylvania:

Samuel H. Ballam, Jr.
Henry M. Chance, II
Charles D. Dickey, Jr.
John W. Eckman
Carl Kaysen
Bernard G. Segal *
Wesley A. Stanger, Jr.
Robert L. Trescher

* Emeritus, non-voting

The resolution was approved.

Mr. Regan adjourned the meeting at 4:35 p.m.

JACK H. HAMILTON
Acting Secretary