A meeting of the Executive Board of the Trustees of the University of Pennsylvania was held on Wednesday, November 16, 1977 at 2:00 p.m. in the University Faculty Club.

Those attending included: Mr. Samuel H. Ballam, Jr., Mr. Henry M. Chance, II, Mr. John W. Eckman, Mr. Donald T. Regan, Bernard G. Segal, Esq., Mr. Wesley A. Stanger, Jr., Ms. Marilyn Ackerman, Stephen B. Burbank, Esq., Mr. Paul O. Gaddis, Mr. Frederic Harper, Mr. Harold W. Heffrich, Ms. Carol Hutchinson, Mr. J. Jerrold Jackson, Dr. D. Bruce Johnstone, Dr. Thomas W. Langfitt, Mr. Mark S. Levitan, Mr. Robert G. Lorndale, Mr. Harold E. Manley, Dr. Patricia McFate, Mr. Martin Meyer, Mr. William G. Owen, Dr. Charles Price, Mr. Gerald L. Robinson, Dr. Linda Bradley Salamon, Mr. Donald T. Sheehan, Dr. Eliot Stellar, Mr. E. Craig Sweeten, Dr. Humphrey Tonkin, Ms. Jane Wilson, and Ms. Janis I. Somerville (secretary).

I. Call to Order

The meeting was called to order by Mr. Regan who called for a motion to approve the minutes of the previous meeting.

Action: The minutes of the meeting of September 15, 1977 were approved as distributed.

II. Chairman's Report

At the suggestion of the President, Mr. Regan talked about his recent meetings in the Orient and his observations regarding tightening economic conditions throughout the area.

III. President's Report

A. President

1. Commonwealth Budget and University Appropriations

Mr. Sweeten reported that the appropriations are in a state of limbo at the moment. Elections have been held and renewed consideration by the House of funding proposals is anticipated next week. Mr. Meyerson added that the situation for the universities is increasingly difficult. Temple and Penn State indicate that they have virtually exhausted their credit lines. In terms of impact of the lack of state appropriations upon cash flow for Pennsylvania, Mr. Meyerson noted that the University is just entering the period where it is being affected. Normally, the initial installment would be received in November.

B. Provost

1. Appointments and Promotions

Dr. Stellar highlighted the recommendations for appointment and promotion noting that the tenure recommendations are in line with the five year tenure plans of the respective schools.

Action: The recommendations for appointment and promotion were approved as recommended (copy on file with the minutes).

2. Haney Foundation

Dr. Stellar noted that the Haney Foundation was established in 1960 to aid in the publication of books. Since that time, the funds have assisted in...
the publication of some 23 books. Over the years there have been instances of duplication or conflict of effort with the University Press. All parties agree that both the Press and the Haney Foundation objectives are better served by having the fund administered by the University Press.

**Actions**  The following resolution was adopted:

RESOLVED, That the Trustees authorize the Provost to place the John L. Haney Foundation series in the hands of the Editorial Committee of the University Press which shall have the responsibility for determining the conditions governing publications in this series including the choice of manuscripts, the nature of the contracts with authors, the size of the editions and the distribution, as well as other financial matters connected with the use of appropriations from the Haney Trust.

3. Admissions Director Search

Dr. McFate reviewed briefly the composition of the search committee and its work to date. She indicated that the candidates have been narrowed to six and the interviews are underway. In response to a question on timing, Dr. Johnstone concurred with Dr. McFate that the final selection is anticipated by the end of December, adding the comment that it will be some period after selection before the individual actually arrives on campus.

C. Vice President for Management and Finance

1. Financial Performance FY 1978

In his review Mr. Gaddis observed that it is difficult to forecast accurately the overall outlook since the Commonwealth appropriations and the costs of the labor dispute remain uncertain. His estimate is that these factors combined with events including a shortfall in graduate student tuition will make achieving the budget plan most difficult. A detailed report will be given in December.

2. Labor Situation

Mr. Gaddis reported that recent developments include the consideration by NLRB of the allegations of Local 115 of the Teamsters against the University and those of the University against Local 115. The Teamsters allege that the University has conducted unfair labor practices by restraining, coercing or otherwise taking away the rights of employees in selecting a bargaining agent; that other than economic concerns motivated the University's decision to contract out housekeeping. The University has alleged that the teamsters have threatened, coerced or otherwise restrained to impede service other companies that do business with the University. He noted that the two complaints are free standing and may be reviewed separately by the NLRB.

Mr. Robinson reported that the legal counsels of both parties are starting meetings today in the effort to renew a process to reach a resolution of the dispute.

IV. Report of Trustee Committees

A. Select Committee on the Budget

Dr. Langfitt stated that the budget development process for FY 1979 is on schedule. Mr. Meyerson indicated that even assuming stable, continuing state appropriations, the University faces a $3–5 million operating deficit in FY 1979. In addition, but separate from the regular budget development process, the President has mandated the formulation of special contingency planning to handle the prospect of decrease or elimination of the state appropriation.

Mr. Regan expressed the strong injunction on behalf of the trustees that the operating budgets must be balanced each year, barring calamity such as loss of state appropriations. He noted the recognition by the trustees that belt tightening has occurred, but stressed that more will need to be done. At the same time, he stated the trustees are cognizant of the very difficult problems facing the University and that there are limits both to which tuition increases or salary restrictions within existing commitments can be exercised without impact upon quality.
existing commitments can be exercised without impact upon quality. How we can do more with less leads to concerns for how underlying productivity can be addressed. Mr. Regan urged and offered the support of the trustees to make the entire university community aware of the very difficult predicament we are in and to seek new solutions. He concluded his comments with the observation that the consolation, if there is any, is that Pennsylvania is not unique. These issues are facing virtually all colleges and universities.

Mr. Eckman added that basic fiscal integrity is basic to the campaign for the 80%. To the extent that the University's fiscal condition is not strong, it will not be able to attract the gifts or grants we seek.

B. Development Operating Committee

Mr. Eckman directed attention to the campaign progress report contained in the gray book material. He recalled for the Executive Board that as of the recent trustee meeting in late October, the half-way mark for the campaign had been reached. As the progress report indicates, in the few weeks since that report, there has not been a significant change in the figures. He indicated that the campaign operating committee is meeting regularly and solicitations are scheduled for the year.

C. Health Affairs Committee

Mr. Ballam recalled previous approval by the Board of the OBGYN and radiology projects with funding sources including planned defeasance of the Silverstein bonds. He indicated that given uncertainty in timing for the bond issue caused by the delay in state appropriations, the committee is considering use of current funds available to enable the University to go ahead with the radiology project. Such a proposal may be presented to the Finance and Operation Committee and to the Executive Board for action in December.

D. Investment Board

Mr. Stanger reported that the University has been able to hold its own with its investments in the current year, partly aided by the balance of investment between stock and bonds. He stated that the projected income from the portfolio is 7.2% as compared with 6.2% one year ago.

V. Other

A. Global Interdependence Center

Dr. Stellar introduced Dr. Charles Price and Dr. Humphrey Tonkin and provided some background comment for discussion of the proposal they have initiated for the establishment of a center. He indicated that the approval of such centers for study and research linking the talents of faculty across disciplines is the administrative responsibility of the Provost's office; however, since this proposal involves a joint venture between the University and a community organization, the World Affairs Council, he wanted both to report its development and to receive any advice the Board may offer.

Dr. Price described the purpose of the center as providing a framework for scholarly collaboration and fund raising for study and action projects on interdependence issues. He recounted the evolution of this project from the Bicentennial Era Program, "A Declaration of Interdependence," which was designed to increase awareness of and to stimulate United State responses to new global imperatives. He noted that many members of the university community collaborated with the W.A.C. in this project and will be active in the center.

Dr. Price indicated that he does see this proposal fitting with the report of the Greater Philadelphia partnership study in which University members have also been involved in the sense of supporting the projection of Philadelphia as a transnational city.

In response to questions regarding the possible draw of the center on University resources, Dr. Stellar noted that approval of the center would not commit financial support by the University; rather, it would provide a framework for and
by those interested. Dr. Tonkin stated his view that the center is of particular interest to existing international programs. He sees it as a stimulus for more interaction and more research rather than a drain. In response to the question of possible impact upon the University's development campaign of joining the University to a project which may be seeking support from overlapping organizations, Dr. Price indicated this would be discussed further with the Development staff and with the Provost to assure that a conflict does not develop.

There being no further business, the meeting was adjourned.

Janis I. Somerville
Secretary of the Corporation