A meeting of the Executive Board of the Trustees of the University of Pennsylvania was held at 3:00 p.m. on Thursday, 16 March 1978 at the University. Those attending included: Robert L. Trescher, Esq., (chairman), Samuel H. Ballam, Henry M. Chance, Charles D. Dickey, Jr., Robert G. Dunlop, John W. Eckman, Carl Kaysen, Donald T. Regan, Wesley A. Stanger, Jr., Marilyn Ackerman, Curtis Barnes, Stephen Burbank, Esq., Stuart Carroll, Diane Cole, James Davis, Steve Dubow, Vartan Gregorian, Jack Hamilton, J. Jerrold Jackson, D. Bruce Johnstone, Thomas Langfitt, Edwin Ledwell, Robert Lorndale, Harold Manley, Martin Meyerson, William G. Owen, Seth Rosen, Fred A. Shabel, Donald Sheehan, Eliot Stellar, Jon Strauss, Barbara Wiesel, and Janis I. Somerville (secretary).

I. Call to Order

A. Approval of Minutes of 16 February 1978

Action: The minutes of the meeting of 16 February 1978 were approved as distributed.

II. President's Report

A. President

1. Commonwealth Relations

Mr. Meyerson highlighted difficulties facing the University of Pennsylvania in relation to Commonwealth appropriations. He noted that of the 10 largest states, Pennsylvania ranks 7th in support to higher education. During the 1970's in most of these States, the increases in level of support to higher education have been higher than general appropriation aspects of the State budgets. In the instance of Pennsylvania, the proportion of the budget directed to higher education has decreased from 12.7% to 9.9%. In addition, the major part of the appropriation for higher education has gone to state-owned colleges.
Mr. Meyerson then reported that he and Dr. Stellar have been following closely the development of the new master plan for higher education in Pennsylvania. He reminded the Executive Board of the Task Force recommendation that the state-aided category of institutions receiving State appropriations be reevaluated. Mr. Meyerson indicated that he anticipates a blue-ribbon commission will be convened shortly to address this issue.

2. Report on Student Demonstration

Mr. Meyerson commented briefly upon the constructive tone that he believes needs to prevail in deliberations following the recent sit-in and called upon Dr. Stellar to review the status of the 31 resolutions developed in the meetings with the Student Negotiating Committee. Dr. Stellar indicated that the University Council and the Faculty Senate Advisory Committee will be reviewing the 31 resolutions and determining which need to be considered by these bodies prior to possible implementation. Mr. Regan pointed out that the Trustees will have a point of view too on some of the issues. This does not mean that the Trustees will disagree, but it does indicate that further thought is needed.

Action: A resolution authorizing the establishment of a task force to review the work of the 1969-70 Task Force on Governance was approved as follows:

WHEREAS, Eight years have passed since the comprehensive 1970 Report of the Task Force on Governance, which established much of the structure and many of the procedures of the University's present governance; and

WHEREAS, the experience of eight years and changed needs and circumstances suggest the wisdom of re-examining the 1970 report; and

WHEREAS, such reexamination ought to take place in the spirit of University collegiality with representation from faculty, students, administration, and trustees; and

WHEREAS, student leaders, the Senate Advisory Committee, and the President and Provost have supported the principle of a new Task Force to reexamine the 1970 report;

THEREFORE BE IT RESOLVED, That a new task force be convened as soon as possible to review the work of the 1970 Task Force and to make recommendations in light of experience, new needs, and present concerns. This new body shall be constituted by the President, the Chairman of the Trustees, and the Chairman of the Senate with due regard to established procedures.
for selection of respective groups of members. The new body should endeavor to report as quickly as feasible.

3. General Comments

Mr. Meyerson concluded his report by distributing copies of a report by the Council for Financial Aid to Education, "The Corporate Stake in Higher Education", and reading a letter from Seth Lerner seeking support of Youthpoint, a new student run radio program. (Copies of each on file with the minutes in the Office of the Secretary).

B. Provost

1. Appointments and Promotions

Dr. Stellar presented the recommendations on appointments and promotions. He drew particular attention to the tenure appointments and to the secondary appointments in Nursing which are designed to support the new doctoral program.

Action: The appointments and promotions were approved as recommended and presented in pages 1-8 of the gray book.

C. Vice-President for Health Affairs

1. Dental School Convocation

Dr. Langfitt noted that this year marks the centennial anniversary of the School of Dental Medicine. He announced the highlights of the programs planned for the occasion including on May 3, a commemorative performance at the Academy of Music and a Special Convocation of 5 May 1978.

2. Veterinary School

Dr. Langfitt reported that a three stage effort is underway to achieve the level of State appropriation essential to the support of the Veterinary School. These include efforts to:

- restore the FY'78 $1.2 million blue penciled by the Governor. This has slim possibility of success:
- restore the $1.2 million for 1979. This was not included in the Governor's budget, but every effort is being made to appeal to the general assembly directly;
- achieve in the longer term a more stable relationship between the Veterinary School and the State.

Toward that end steps are being taken to establish a blue ribbon committee to report to the Governor and the legislature on the value of the School, the fact that the University cannot afford to continue the School alone, and the assessment that the Commonwealth must contribute a larger portion of the financial support to the School.

IV. Report of Trustee Committees

A. Investment Board

Mr. Stanger reported for the Investment Board. He noted that the AIF level is equivalent to $172.42 per share, which is down 4.8% from a year ago. This compares with a 10.7% decline reported by the Dow and 8.5% decline reported by Standard and Poor. The projected income for the next 12 months is 6.8% or $7.8 million.

B. Select Committee on the Budget

Dr. Strauss reported that for FY'79, he anticipated the recommended operating budget will include a deficit of $500,000 in light of the Commonwealth's continuing lower support to the University.

Dr. Strauss then presented the tuition and fees recommended by the Committee for FY'79. Several questions were discussed. In response to the question of comparative levels, Mr. Meyerson reported that the proposed undergraduate tuition compares favorably with the Ivy Group. Pennsylvania is second lowest, although this needs to be seen in the context of the fact that the higher will be $5,150 reflecting that the range is limited and that Pennsylvania's rents traditionally have been higher.

In response to the question of whether or not the proposal is within our understanding that increases in undergraduate tuition over a four year period will not exceed the increase in family disposable income, Dr. Strauss reported that the proposal is well within the guideline.
Action: The resolution on tuition and general fees was approved as follows with the proviso that Veterinary, Dental and Medical School tuitions are not settled at this time and determination of those fees will be left to administrative decision:

WHEREAS, it is necessary to increase tuition rates for academic year 1978-79 to cover increasing costs of education, and

WHEREAS, it is University policy to limit the four year average rate of increase in the price of undergraduate education at or below the four year average rate of increase in the disposable personal income index, and

WHEREAS, it is University policy that the tuition plus general fee total charged to Ph.D. students should be the minimal charge for all post baccalaureate terminal degree programs, and

WHEREAS, the tuition charges for Dental Medicine, Veterinary Medicine, and Medicine must be increased significantly to compensate for the extraordinary inflation in health costs as well as the reduction in support for these programs from the Commonwealth, but these rates cannot yet be fixed for the next academic year,

Therefore be it

RESOLVED, That the tuition and general fees listed on the attached sheets be approved subject to the following conditions:

1. The tuitions for Dental Medicine, Medicine, and Veterinary Medicine will be determined to balance the budgets of these schools and the tuitions announced before April 15.

2. The increases in General Fee provide for a health fee of $90 per year for all full-time students and an activity fee of $37 per year for each undergraduate student.

C. Nominating Committee

Mr. Dunlop reported that the Nominating Committee, as all Trustees, has accepted with regret Mr. Regan's intention to conclude his chairmanship on 30 June 1978. In accord with his wishes, the committee is meeting to review suggestions and identify a new chairman by June.

Mr. Dunlop then submitted several recommendations from the committee:

1. Board of the University Press

Action: The Executive Board approved the resolution of appointment as follows:

RESOLVED, That Richard De Gennaro be appointed a
2. Board of Overseers School of Social Work

Action: The Executive Board approved the resolution of appointment as follows:

RESOLVED, That Dr. David P. Eastburn be appointed a member of the Board of Overseers of the School of Social Work and elected to serve concurrently as an Associate Trustee of the University.

Dr. Eastburn is President, Federal Reserve Bank of Philadelphia.

3. Board of Overseers of the Law School

Action: The Executive Board approved the resolution of appointment as follows:

RESOLVED, That the following persons be appointed members of the Board of Overseers of The Law School and elected to serve concurrently as Associate Trustee of the University:

The Hon. Arlin M. Adams
Third Circuit Court of Appeals
United States Courthouse
601 Market Street
Philadelphia, Pennsylvania 19106

Dr. Lewis W. Bluemle, Jr.
President
Thomas Jefferson University
Philadelphia, Pennsylvania 19107

Richard P. Brown, Jr., Esq.
2100 The Fidelity Building
Philadelphia, Pennsylvania 19109

J. LeVonne Chambers, Esq.
Chambers, Stein, Ferguson & Becton
Suite 730 East Independence Plaza
951 South Independence Boulevard
Charlotte, North Carolina 28202

William T. Coleman, Jr., Esq.
O'Melveny & Meyers
1800 M Street, N.W.
Washington, D.C. 20036

Richard M. Dicke, Esq.
Simpson, Thacher and Bartlett
One Battery Park Plaza
New York, New York
D. Finance and Operations Committee

1. Resolution on Authorizing Expenditures for Deferred Maintenance of the Quadrangle
Mr. Manley discussed the resolution being presented by the committee authorizing the use of a portion of general mortgage income for deferred maintenance. He noted that there is $3.4 million in unallocated proceeds from the mortgage. He added that it is consistent with the intentions in obtaining the mortgage to use a portion for deferred maintenance.

Action: The resolution was approved as follows:

WHEREAS, in August 1977 the University placed a general mortgage of $12,000,000 with the Prudential Insurance Company of America; and

WHEREAS, approximately $6,200,000 of the proceeds were used to repay the outstanding balance of the 1950 general mortgage, leaving $5,800,000 of the proceeds unallocated; and

WHEREAS, $700,000 of the unallocated proceeds was applied to repairs of the University Museum roof and other capital projects and approximately $1,700,000 was advanced to finance the construction of the Ware Family College House in the Quadrangle; and

WHEREAS, certain members of the Board of Trustees have recommended that a portion of the mortgage proceeds be used for urgent deferred maintenance projects; and

WHEREAS, the renovation of the balance of the Quadrangle, including basic deferred maintenance, has been given the highest priority by the President: Therefore be it

RESOLVED, That $1,000,000 of the $3,400,000 unallocated proceeds of the general mortgage be used for the following essential deferred maintenance items in the Quadrangle Dormitories:

1. Upgrading and providing primary electrical service to the Quadrangle with dual feeders, and implementing the first phase of the replacement of main electrical secondary distribution cables (risers) $400,000

2. Conversion of deteriorated and unsafe steam heating system to a hot water heating system in the entire Quadrangle 520,000

3. Fees and contingencies 80,000 $1,000,000

E. Development Operating Committee

Mr. Eckman drew the attention of the Executive Board to the Campaign for the 80's progress report (one file with the minutes in the Office of the Secretary). He noted in particular that the total received to date is $138 million, SECRETARY
up $1 million since the last meeting. The Annual Giving contributions continue to be well ahead of last year. $2.5 million has been reached representing more than 4,000 donors and an increase of $400,000 over last year at this time.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Janis I. Somerville
Secretary of the Corporation