A discussion session of the Executive Board was held on Thursday 20 April 1978 at the University. Those attending included: Robert L. Trescher, Esq., Henry M. Chance, II; Robert G. Dunlop; John W. Bomman; Carl Kaysen; Donald T. Rogan (chairman); Bernard G. Segal, Esq.; Wesley A. Stanger, Jr.; John Ames Ballard, Esq.; Stephen Burbank, Esq.; Paul Gaddis; John Hobstetter; J. Jerrold Jackson; D. Bruce Johnstone; Harold Manley; Robert Marshak; Martin Meyerson; William Owen; Gerald Robinson; Fred Shabel; Eliot Stellar; Jon Strauss; E. Craig Sweeten; and Janis I. Somerville (secretary).

I. Tuition and Fees FY'79

Dr. Strauss reported that the revised projection for the FY'79 budget is that it will be balanced. The change from the earlier projections of a $500,000 operating deficit is based primarily upon a more favorable outlook in Harrisburg. The recent bill to restore the $1.2 million for Veterinary Medicine has led the University administration to assume that restoration in the FY'79 budget. It has also enabled health school tuitions to be set at a high but more realistic level than was contemplated without the $1.2 million. Dr. Strauss discussed the areas where major economies have been achieved and noted the planned contingencies in the budget.

Dr. Strauss then reviewed the recommended tuition and fee schedule for the Dental School, Veterinary School and the School of Medicine. In response to questions, he stated that in the Dental School the tuition and fee level for first year students is higher than that for upperclass students because it represents the phasing in of an increase in what is covered in the basic fee. He also replied that the Dental School fee is higher than that for Medicine as a function of the higher cost of training and the fact that Dental Medicine does not have as much opportunity for additional funding sources as does Medicine.

Mr. Meyerson then called upon Dean Marshak who reviewed the serious and unfortunate implications for the Veterinary School of the sharp increase in tuition. These included the high debt level accumulated by students relative to their projected income
upon graduation; the possible loss of competitive position for the School in recruiting excellent students; and the potential impact upon our being able to establish and sustain contract relationships with other states. He voiced his acceptance of the fact that the administration has no choice but to take the measures necessary to balance the budget. He affirmed his appreciation for the assistance he is receiving in attempting to raise scholarship monies to off-set the tuitions and in working toward a larger and more stable appropriation base. He concluded with his request that support be given to the school to assure that it retain its high quality, in particular, that go ahead be given for the small animal hospital.

In response to questions Dean Marshak expressed his view that at the current $5,500 fee Pennsylvania has 8-10 applicants for each available space and the high tuition has not had a noticeable negative effect on quality.

II. Report of Senior Vice President for Management and Finance

A. Penn Central

Mr. Gaddis summarized briefly the history of certain transactions between the University and Penn Central in obtaining the land on which the Levy Tennis Pavilion has been built. This concluded with an exchange of notes and pledges, the status of which may be taken to court by Penn Central for settlement.

B. Labor Situation

Mr. Gaddis reported that the labor situation differs from last year in that we are bargaining with the teamsters and progress is being made. At the same time a contract has not been with the teamsters reached and Hospital and University contracts with 10 different locals expire between June 1 - September 1 The University is, thus, exposed to problems in the labor area in the fall.

C. Wharton Econometric Forecasting Associates (WEFA)

Mr. Gaddis alerted the trustees to the fact that more detailed reports will be forthcoming on WEFA. It operates as a not-for-profit corporation wholly owned by the University. The professionals and clients associated with it are distinguished and it has brought great credit to Pennsylvania. Recently, varieties of technological developments and expansion of
efforts have led to short run financial difficulties which will need to be addressed soon.

Adjourned.

Respectfully submitted,

Janis I. Sumerville
Secretary of the Corporation