EXECUTIVE BOARD OF THE
TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA
MINUTES OF THE STATED MEETING

Thursday, 20 April 1978

A meeting of the Executive Board of the Trustees of the University of Pennsylvania 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. Eckman; Carl Kaysen; Donald T. Regan (chairman); Bernard G. Segal, Esq.; Wesley A. Stanger, Jr.; Marilyn Ackerman; Curtis Barnes; Stephen Burbank, Esq.; Stuart Carroll; Diane Cole; James Davis; Steve Dubow; Paul Gaddis; Richard Cordon; Vartan Gregorian; John Hobstetter; J. Jerrold Jackson; D. Bruce Johnstone; Irving Kravis; Edwin Ledwell; Mark Lerner; Mark Levitan; Robert Lorndale; Harold Manley; Martin Meyerson; William G. Owen; Gerald Robinson; Fred A. Shabel; Linda Salamon; Eliot Stollar; Jon Strauss; E. Craig Sweeten; Walter Wales; Barbara Wiesel; Janis I. Somerville (secretary).

I. Call to Order

A. Approval of Minutes of 16 March 1978

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

II. Chairman's Report

Mr. Regan noted that Executive Board member, Bernard G. Segal, Esq., had recently returned from Jerusalem where the library of Hebrew University had been dedicated to him.

III. President's Report

A. President

1. General Comments

Mr. Meyerson observed that this is the time of the year when institutions and students are making college admissions decisions and he highlighted a report of the College Entrance Examinations Board which indicates that the selective, independent institutions are competing...
for a very small population of excellent students.

Mr. Meyerson noted that the student elections for Undergraduate Assembly had been completed this week, and introduced Mark Lerner, the new Chairman of the Assembly.

2. Commonwealth Relations

Mr. Sweeten reported that the house has passed by a substantial margin an appropriation bill which includes restoration of the $1.2 million Veterinary School funding. He observed that the Senate has yet to act upon the bill and that it is much more difficult to predict their action; he believes, however, that the University can be somewhat optimistic.

Mr. Meyerson recalled that last year both houses of the legislature approved Pennsylvania’s appropriation, but that the Governor then 'blue penciled' it. The Governor has suggested that he may do the same thing again.

3. Budget Development FY '79

Mr. Strauss announced that it is very likely that the administration will be able to present a balanced budget for FY '79. In order to do so, extraordinary measures have been required both in obtaining economies of operation, and in increasing the level of tuition and fees to enable the Schools to achieve balanced budgets.

In particular, the Executive Board at its March meeting approved the tuition and fee levels for all except the Dental School, the Veterinary School and the School of Medicine. At that time the Executive Board authorized the administration to set these remaining fees to achieve balanced budgets.

Dr. Strauss then reported the fee levels recommended.

- For the School of Dental Medicine, the tuition and fees will increase 20% for upperclassmen from the current $5,990 to $7,165 in FY '79. For first year students the increase is 34.3% to $8,045.

- The School of Medicine tuition and fees are recommended.
to increase 16.7% from $6,000 this year to $7,000 in FY '79.

The Veterinary School fees are being budgeted assuming the restoration of the $1.2 million in Commonwealth appropriation. With this assumption, the fees for in-state students and students from contract states will need to increase 21.1% from the current $5,500 to $6,660. For out-of-state students and those from non-contract states the proposed fee is $7,900.

The tuition and fee recommendation for the Veterinary School carries the further provision that if the $1.2 million is not restored by the Commonwealth, it will be necessary to increase the tuition and fee for FY '79 another $1,000.

Mr. Regan, chairman of the Executive Board, noted that the Trustees are very sensitive to the problems that such increases place upon the students and the University, but that they see no other course of action available at this time. He pledged that the University will do everything it can through the Campaign for the 80's and related efforts to offset the pressure on student tuitions. Mr. Eckman added that the Trustees' review has included discussion with the Dean of Veterinary Medicine of the particularly difficult implications for that School and that it is only with the greatest reluctance that the Dean and the Executive Board conclude this action is necessary.

Action: The Trustees approved the tuition and fees of the Schools of Medicine, Veterinary Medicine and Dental Medicine as presented by Dr. Strauss, Executive Director of the Budget.

4. Status Report on Legal Matters

Mr. Burbank reviewed the status of the efforts by the Inquirer to investigate Senatorial Scholarships. In the course of the inquiry, the newspaper has been very critical of the University's unwillingness to release the names of students who have received state Senatorials. The major recent development is that a ruling has been rendered by HEW which substantiates the University of Pennsylvania's position that it would be a violation of current policy for the University to release the names of students who previously

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have been recipients of the Senatorials unless the students specifically authorize such release.

Mr. Meyerson added that there are various efforts in the logislature to either eliminate or substantially strengthen the guidelines for Senatorials.

5. Silverstein Pavilion Dedication

Mr. Levitan announced that as of Friday 14 April, the new 200 bed patient care facility was fully occupied, and that major construction is completed. In response to questions, he indicated that this construction is well on schedule within its approved capital budget.

Mr. Levitan then commented on the activities planned for dedication of the Silverstein Pavilion. Activities concentrated on the period May 27 through June 1, will include receptions, a major symposium and formal dedication ceremonies. Following that period, arrangements are being made to provide tours for the public.

D. Provost

1. Appointments and Promotions

Dr. Stellar reviewed the recommendations for appointments and promotions. He drew particular attention to the Emeritus Professor and tenure appointments and noted the secondary appointments in Nursing which are intended to strengthen the recently approved Doctor of Nursing Science program.

Action: The appointments and promotions were approved as recommended by the Provost and presented in pages 1-11 of the gray book.

2. Task Force on Governance

Dr. Stellar reported that the charge to the Task Force has been drafted and that the student, faculty and administrative appointments to the Task Force are in process of being made. The charge to the Task Force is two-fold: (1) The first is to update the recommendations of the 1970 report of the previous Task Force on Governance, and it is hoped this part of the work will be completed by Commencement. Priority will be given to the matter.
of student/faculty participation on the Trustees; (2) the second part of the charge is to address the governance problems that face the University as it faces the need to shrink in size. Dr. Stellar expressed his hope that this part of the work will be completed in the Fall of 1978.

C. Senior Vice-President for Management and Finance

1. Financial Performance FY '78

Mr. Jackson stated that the forecasted operating deficit for the University remains at $1.5 million. The major favorable variances from budget are in the areas of salary, undergraduate tuition and utilities. The major unfavorable variances from budget continue to be in the DIA, Campaign For The 80's amortization of expenses and graduate tuition.

Mr. Gaddis added that the operating deficit forecasted remains approximately equal to the amount the Governor blue penciled in mid-year from the anticipated Commonwealth appropriations. The major effort now is to keep the positive variances at their current levels and to make every effort to bring the areas with negative variances to balance. In response to questions, he indicated that he anticipates that the student residences will breakeven this year and achieve a positive balance in FY'79.

D. Vice-President for Administration

1. Communications Services

Dr. Johnstone gave a brief summary of areas in which plans are underway for strengthening the communications and public relations efforts of the University. The objectives include:

1. Increasing awareness throughout the campus of public relations and communications opportunities;
2. Broadening the target populations of University public relations;
3. Taking more initiative in seeking media features of the University;
4. Expanding and personalizing contacts with national media;
5. Expanding and improving relations with Philadelphia area media;
6. Expanding and improving intra-University communications;
7. Enhancing the physical image of the University to visitors;
8. Accomplishing the above objectives with more efficient staffing and reduced budget.

Mr. Barnes added that he has met with most of the Deans to define how the Communications Services staff can meet their particular objectives; in addition, he has been working on identifying alumni in New York and other metropolitan areas who may assist in the area of national media relations.

IV. Reports of Trustee Committees

A. Educational Policy Committee

Dr. Kaysen reported that at the request of Mr. Regan as Chairman of the Board and at the suggestion of the president and provost, the Educational Policy Committee and other trustees met on April 12th with some past and present leaders of the faculty senate. This followed discussion within the faculty and between senate leadership and the president and provost of concerns and complaints of faculty about the central administration and other problem areas. The trustees present in addition to Dr. Kaysen were: F. Otto Haas; A. Leon Higginbotham, Jr.; John W. Eckman; Paul F. Miller, Jr.; and Robert L. Trescher, Esq.; Bernard G. Segal, Esq.. The faculty present included: Dr. Robert Lucid, Dr. Ralph Amado, Dr. Irving Kravis, Dr. Charles Price, Dr. Jean Crockett, Mr. Noyes Leech, Dr. Walter Wales and Dr. Peter Nowell, not all of whom were able to remain for the entire meeting. The president and provost also were present for part of the meeting.

The committee heard a clear and candid presentation of the faculty. Although more time might have been helpful, Dr. Kaysen indicated that the faculty leaders spoke clearly of their own concerns and the perceived concerns of the faculty.

Following the meeting with the faculty Senate representatives, the trustees met among themselves in developing their own report, the major points of which Dr. Kaysen summarized orally (a copy of his report is published in the April 24th Almanac and is on file with the minutes in the Office of the Secretary).
B. Development Operating Committee

Mr. Eckman reported that in the course of the Campaign for the 80's, $9.9 million has been given to Annual Giving in excess of the $140.8 million pledged for the campaign to date. A total of $150.7 million in gifts has been received in the 2½ years of the campaign. (see campaign progress report page 12 of gray book).

The campus campaign continues a stellar performance. $4,845 million has been raised to date, toward the goal of 5.0 million. Mr. Eckman noted that Dr. Charles Price, chairman of the campus campaign will be taking early retirement this year and observed that he will be difficult to replace.

Annual giving has reached $2.6 million which is $370,000 and 3100 donors ahead of last year at this time. (campaign progress report page 12 of gray book).

Mr. Eckman concluded his report noting that earlier in the week, the campaign kick off was held for the New York area and the Cleveland kick off is scheduled for the week of April 24, and soon thereafter Wilmington.

Mr. Meyerson added that Pennsylvania has particular reason to be proud of its fund raising success. A recent study of 37 major institutions last year reported the University of Pennsylvania as 3rd highest following only Harvard and Stanford.

C. Investment Board

Mr. Stanger reported that as of 31 March 1978 the total market value of the AIF was $109.6 million or $175.11 per AIF unit value. The investments are 49% in bonds and 51% in stocks. The projected income for the next 12 months is approximately $7.42 million or a 6.8% return.

Although the AIF is off 3.3% (4.8% in common stock portion or the fund), since 31 December 1977, during the same period, the Dow-Jones Industrial Average dropped 8.9% and the Standard and Poor 500 Stock average declined 6.2%.

Mr. Stanger, adding another comparative note stated that the National Association of College and University Business Officers (NACUBO) has released a report ranking...

D. Finance and Operations Committee

Mr. Change presented a resolution of the Finance and Operations Committee.

Action: The Executive Board approved the resolution to increase the Mortgage Guarantee level as follows:

WHEREAS, the Board of Trustees, on June 4, 1976, approved an agreement with the Philadelphia Saving Fund Society to extend the University's program for guaranteeing mortgage loans to University personnel for acquiring homes in West Philadelphia and a restricted area of Center City; and

WHEREAS, the Trustees, at the same meeting, directed that the principal amount of outstanding guaranteed personnel mortgages should not exceed $3,382,000; and

WHEREAS, the applications for guaranteed mortgages in the University area have increased substantially and the outstanding loans are almost equal to the authorized maximum; and

WHEREAS, the University has not been called upon to make good on its guarantee under this program; Therefore be it

RESOLVED, That the authorized amount of outstanding mortgages for the Guaranteed Mortgage Program for University personnel be increased to $5,000,000.

E. Committee on Corporate Responsibility

Mr. Trescher noted that his committee at the request of the Executive Board, is looking into the question of guidelines for considering research contracts with Libya. There is no report at this time.

F. Nominations Committee

Mr. Dunlop presented the recommendation of the committee for an Overseers Board appointment.

Action: The Executive Board approves the Overseers Board appointment as follows:

RESOLVED, That Mr. William B. Packer be appointed to the Board of Overseers of the College of Engineering and Applied Science and an Associate Trustee of the University.
Mr. Packer, a University of Pennsylvania graduate ChE '50, is president and principle owner of Terminal Services, Inc.

There being no further business, the meeting was adjourned.

Respectfully submitted

Janis I. Somerville
Secretary of the Corporation