A discussion session of the Executive Board was held on Thursday 11 May 1978. Those attending included: Samuel H. Ballam, Jr.; Henry M. Chance, II; Robert G. Dunlop; John W. Eckman; Paul F. Miller, Jr.; Donald T. Regan (chairman); Wesley A. Stanger, Jr.; Robert L. Treseher, Esq.; Martin Meyerson; Stephen Burbank, Esq.; Vartan Gregorian; John Hobstetter; J. Jerrold Jackson; D. Bruce Johnston; Thomas Langfitt; Harold Manley; Patricia McFate; William G. Owen; Linda B. Salamon; Fred Shabel; Eliot Stellar; Jon Strauss; Robert Zemsky; and Janis I. Somerville (secretary).

I. President's Report

A. Commonwealth Master Plan for Higher Education

President Meyerson reported that he and the Provost have been meeting with Mr. Sinkler regarding the forthcoming Master Plan and the recommended establishment of a commission to study the financing of higher education in the Commonwealth. Efforts are being made to assure that the Master Plan does not precipitously rule out funding to the state-aided institutions, that diversity within the state-aided category is recognized and that any such commission address the broad issues of funding higher education rather than isolate the question of the state-aided category.

B. HUP Governance

President Meyerson called upon Dr. Langfitt and Mr. Miller (who has chaired the ad hoc committee on HUP Governance). Mr. Miller chaired the former Board of Managers of the hospital. He noted that the committee is addressing the continuing problem of achieving a significant level of authority for this Board without insulating it from the rest of the University. At the same time, a Board needs enough governing power to attract the kinds of experienced, significant people needed to work with the hospital. Currently, the hospital is well managed but with little direct involvement by trustees.
He observed that among the difficulties in the current structure, the health care sub-committee of the Health Affairs Committee does not have any trustee members and, in effect, a degree of insularity already has been created.

Dr. Langfitt distributed the draft of an organizational chart which expresses the framework the committee has developed (copy on file with the minutes in the Office of the Secretary). Its associated powers as currently envisaged would include: confirmation of the appointment of the Executive Director of the hospital and of his compensation as presented by the Vice President for Health Affairs; approval of capital budget up to x limit; approval of operating budget up to x deficit limit; and approval of medical staff appointments on advice of the Dean of the School of Medicine.

In terms of membership, Mr. Miller reported that Charles Dickey, chairman of the trustee committee on the Structure and Function of Trustees, affirms that his committee stresses that trustee standing committees should be composed of a majority of trustees. The HUP Governance Committee has some question as to whether or not this stipulation, although understandable, can be met.

In discussion, President Meyerson offered his agreement with the importance of the Hospital Board but given the University's experience with other such boards advises caution lest the structure build in friction between the University and the hospital. He questioned, in this regard, if it is truly power or is it not access and ability to influence that is needed to attract a significant board membership? Other discussion of composition of the board included the suggestions to include the chairmen of the Boards of Overseers and the Vice President for Management and Finance.

The discussion concluded with the sense of the group that the Executive Board will endeavor to complete its review in time to place the resultant recommendations before the trustees in October. In the meantime, the Executive Board can expect to receive a written report from the HUP Governance Committee in the near future which takes into account this discussion.

C. Wharton Econometric Forecasting Associates (WEFA)

Mr. Meyerson and Mr. Manley gave a very brief report at this time to alert the Executive Board to the matter of
the future of WEFA which is under study by the Finance and Operations Committee. The problem arises from the fact that WEFA has, in recent years, moved into new areas and employed a level of technology that is resulting in immediate cash flow problems and significant anticipated operating deficits in the next few years.

II. Provost's Report

A. Renovation of Laboratory Space for Biology

Provost Stellar reported that a long standing problem has been the need to identify a strong individual to head the Biology department. That possibility now exists in Dr. John Cebra of Johns Hopkins. The problem is that Biology has serious space needs including trustee approved (1969) but never executed renovations. Dr. Stellar believes commitment to redress this problem is both appropriate and necessary to attract the desired chairman.

The costs over a five year period could be in the order of $2 million in renovations and $5 million for construction. A minimum of $3 million would need to be committed in the 5 year period.

Dr. Langfitt added his strong support to the consideration of this appointment and related facilities upgrading. He sees this as an extremely important link between the health sciences and FAS. In turn, Dean Gregorian indicates that he is willing to make this project the highest priority in the FAS campaign goal of $6 million of capital projects.

Mr. Regan, speaking for the Board, stated that the project and related fund raising has the moral support of the Board - but not commitment of current funds.

Adjourned.

Respectfully submitted,

Janis I. Somerville
Secretary of the Corporation