TRUSTEES OF THE UNIVERSITY OF PENNSYLVANIA

MINUTES OF THE STATED MEETING

27 October 1978


I. Call to Order

The meeting was called to order by the Chairman, Paul F. Miller, Jr.

Action: The minutes of the meeting of 9 June 1978 were approved as distributed.

II. Report of the Chairman

A. Introduction of Alumni Trustees

Mr. Miller introduced each of the newly elected alumni and young alumni trustees attending their first meeting.

B. Resolution on the Presidency

Mr. Miller read the portion of his letter to all trustees (26 October 1978 - copy on file with the minutes) which discussed recent administrative announcements, particularly the term of the presidency. The Trustees, strongly endorsing his statement, requested that his statement be expressed as a resolution of the Trustees.

Action: The resolution on the presidency was approved as follows:

One rumor on the campus that I would like to halt by discussing it openly is that the changes in the administration are part of some conspiratorial agreement. There are changes that have taken place and are taking place. But there is no "deal" among the chairman, the president and the faculty.
senate leadership in which our new provost would run the internal affairs of
the university while the president would run the external affairs and then
resign. This is simply not so and I cannot say this strongly enough.

Our president continues to be the chief executive officer of the University.
Martin has strengthened the presidency at the University of Pennsylvania in
a way in which we all should be proud. One senior member of our Board
wrote me that Martin is the most outstanding leader the University has
had. In my conversations with university presidents, foundations, and
others interested in education, his national stature is immediately evident.
He has had the courage to challenge his constituencies when necessary.
We, as Trustees, would not want it otherwise. He has conceptualized the
character and mission of the University in a most able and imaginative
fashion. I am glad to see the report of the faculty's panel on administrative
functioning of the University chaired by Professor Dan M. McGill also
recognized the importance of a strong presidency. The Trustees want a
strong presidents; we have had one in Martin and he will continue to receive
the utmost support from my office.

We have known for years when Martin expects to leave the presidency.
Early in his tenure, he recommended to the Executive Board of the
Trustees, and they concurred, that administrators with professorial
appointments, including the president and the provost, the deans and
department chairmen, ought not to stay in those posts beyond a dozen
years, and more likely, would not choose to stay beyond a decade. Having
seen what Martin has accomplished in the seventies in improving
educational programs, in faculty recruitment quality and in building an
outstanding team of deans and other administrators, while at the same time
husbanding well our scarce resources and attracting new ones, I wish he had
exempted the presidency from the policy of a limited tenure, but he has
not. (The Executive Board has urged him to stay until the end of the 1980-
81 academic year.)

III. Report of the President

A. President

1. General Comments

Mr. Meyerson noted that this is the last meeting of the Trustees during Dr.
Stellar's provostship. He announced that an appropriate gathering is planned for
later in the term and expressed his special appreciation and respect for Dr.
Stellar in his term as provost.

Looking to the transition, Mr. Meyerson read his letter to Dr. Vartan
Gregorian confirming his appointment as provost and, in turn, Dr. Gregorian read
his response to the community (both letters on file with the minutes).

2. Agenda for Planning

Mr. Meyerson reported that he will be working with the Trustees on
delineating his agenda for attention in the coming years to assure the
enhancement of quality and financial stability of the University. Noting that
there are many issues to be considered, he highlighted four areas: Commonwealth Relations; Campaign for the Eighties; Demographics; Educational Program.
In the area of Commonwealth Relations, he stressed the special context of the University based on the level of commonwealth appropriations to the University. In the campaign, he emphasized that an important aim of a special campaign is raising permanently the level of private giving. Linking demographic projections to educational program planning, Mr. Meyerson observed that Pennsylvania has experienced excellent yield and quality in its entering class; yet, he stated that given the projected demographic projections of decline nearing 20%, Pennsylvania must not simply trust to fate and must offer an excellent educational program to attract the highest quality faculty and students.

B. Provost

1. Resolution on Appointments and Promotions

Action: The appointments and promotions were approved as printed in the Gray Book.

2. Resolution on Appointment of Walter H. Annenberg Professor of Humanities

Action: The appointment was approved as follows:

RESOLVED, that GEORGE ROCHBERG be appointed Walter H. Annenberg Professor of Humanities.

3. Resolution on Appointment of William R. Kenan, Jr., Professor of Economics

Action: The appointment was approved as follows:

RESOLVED, that Richard A. Easterlin be appointed William R. Kenan, Jr., Professor of Economics.

4. Resolution on Appointment of Felix E. Schelling Professor of English Literature

Action: The appointment was approved as follows:

RESOLVED, that Roland M. Frye be appointed Felix E. Schelling Professor of English Literature.

5. Resolution on Delegation of Authority for Certification of SAMP degrees

Action: The resolution was approved as follows:

A committee shall be delegated authority by the Faculty of the School of Allied Medical Professions to recommend for degrees those students who have met criteria stated above and who subsequently meet all requirements for degrees. Said committee shall function after 30 June 1981 and through 31 August 1982; said committee shall be comprised of five (5) persons.
three faculty members designated by the SAMP faculty, including all faculty tenured at SAMP who continue their appointments with the University in 1981-82, one representative from the College of General Studies, and one other University faculty member recommended by the Provost.

IV. Report of Trustee Committees

A. Finance and Operations Committee

1. Resolution to Ratify the Actions of Treasurer in Executing a Lease

Action: The resolution was approved as follows:

RESOLVED, that this Corporation ratify the actions of Harold E. Manley in executing on behalf of the Corporation a Lease dated December 20, 1977, pursuant to which the Corporation leases to Pennsylvania Higher Educational Facilities Development Authority Dormitory "B" in the undergraduate dormitory quadrangle located at 3700 Spruce Street for a term commencing December 20, 1977, and expiring July 1, 2017.

FURTHER RESOLVED, that this Corporation ratify the actions of Harold E. Manley in executing on behalf of the Corporation a Sublease dated December 20, 1977, with Pennsylvania Higher Facilities Authority for Dormitory "B" in the undergraduate dormitory quadrangle located at 3700 Spruce Street for a term commencing December 20, 1977, and expiring July 1, 2017, at the annual rental of $112,363.14.

B. Audit Sub-Committee

Mr. Mayer noted that the audited financial report for FY'78 is available and has received a good report from the auditors. Looking ahead, he indicated that the auditors have advised attention in three areas: (1) the need to augment field comptrollership in number and quality of training, (2) the need for staff and computer capability to accomplish internal audits, (3) the need for stringent fiscal accountability in the area of financial aid.

C. Investment Board

Noting that the report of the performance of the University investments at this time needs to be viewed in light of the marked sudden drop in the Dow industrial average, Mr. Stanger reported that the market value of the AIF is $123.4 million. He added that the 12 month estimated gross income is 6.6%.

D. Nominating Committee

1. Resolution on Election of Two Life Trustees

Action: The resolution was approved as follows:

RESOLVED, That A. Leon Higginbotham, Jr. and Reginald H. Jones be appointed Life Trustees effective November 1978.
2. **Resolution on Election of Term Trustees**

**Action:** The resolution was approved as follows:

RESOLVED, that Margaret R. Mainwaring, Frank K. Tarbox and G. Morris Dorrance, Jr. be elected to five-year term trustees appointments effective 1 November 1978.

3. **Resolution on one-year Renewal of Term Trustee**

**Action:** The resolution was approved as follows:

RESOLVED, that the appointment of JULIAN BERS as Term Trustee be renewed for an additional year to October 1979, at which time he reaches Trustee retirement age.

4. **Resolution of Designation of Emeritus Title**

**Action:** Emeritus designation was conferred on four Trustees as follows:

RESOLVED, that the following Trustees be elected Trustee Emeritus, effective November 1, 1978: GUSTAVE AMSTERDAM, WALTER H. ANNENBERG, JOHN WARE, III, AND MORTON WILNER.

5. **Resolution of Appreciation**

**Action:** The resolution was approved as follows:

RESOLVED, That the Trustees of the University of Pennsylvania, on behalf of themselves and of the students, faculty, alumni, and staff of the University express deepest thanks to their Trustee colleague CHARLES WOLF for his outstanding service as Alumni Trustee and Term Trustee. We know he will make many further contributions to the work of the Trustees, and hope that we will find the appropriate opportunity for him to continue serving Pennsylvania.

6. **Resolution on Appointments to the Advisory Board of the Institute of Contemporary Art**

**Action:** The resolutions were approved as follow:

RESOLVED, that Suzanne Morgan be appointed to the Advisory Board of the Institute of Contemporary Art.

RESOLVED, that Frederick Thomas be appointed to the Advisory Board of the Institute of Contemporary Art.

7. **Resolution on Appointments to the Board of the Morris Arboretum**

**Action:** The resolutions were approved as follow:

RESOLVED, that Mrs. E. Perot Walker and be appointed to the Advisory Board of the Morris Arboretum.

RESOLVED, that Mrs. Milton A. Feldman be appointed to the Advisory Board of the Morris Arboretum.
D. Alumni Affairs Committee

Mr. Auten briefly noted his appreciation for the discussions with Trustees in the course of this meeting regarding alumni relations. He also announced that the Alumni Leadership Conference is presently on campus and invited the attendance of Trustees.

E. Student Affairs Committee

Mr. Wilner, reporting for Mr. Trescher, expressed his pleasure that the meeting of the Committee had afforded the Trustees the opportunity to meet acting Vice Provost Mechanick. The meeting was devoted to student reports of matters of concern to them: the renovation of Houston Hall, the quality of residential living, tuition increase and student/Trustee relations. Mr. Wilner indicated his hope that the new Trustee committee structure will permit more penetrating and thorough exchanges between students and Trustees.

F. Development Operating Committee

Mr. Eckman drew the attention of the Trustees to the campaign progress report in the Gray Book. He highlighted the success of the corporate giving and the individual giving record in the campaign. As a final note, he pointed out that of the more than 3,000 institutions of higher learning in the U.S.A., only four have ever raised more in a campaign than Pennsylvania already has received in pledges toward its campaign goal.

G. Committee on Structure and Function of Trustees

Mr. Dickey reviewed the background for the revision of Trustee committee organization which Mr. Meyerson and Mr. Miller have proposed. In its deliberations, the Committee had concluded that the role of the Trustees is properly conceived in the two primary functions of: (1) providing overall direction for establishment of goals for the University in close co-operation with the president; (2) oversight in providing the review of progress toward goals of the University.

The Committee concluded that the present structure of the Trustees was unduly complex and uneven in utilization of Trustees to achieve the above purposes. At the same time, the Committee stressed that the Trustees structure ought to be appropriate to the style of the president and chairman, and they have welcomed and support the initiatives of Mr. Miller and Mr. Meyerson in this regard.

Mr. Miller added that he will be in contact with the Trustees soon to ask each individual's interests and desires relative to committee work. He added that he hopes to have the revised organization and composition in place by
H. Sub-committee on Electronic Communications

Mr. Wilner reported that the University has received announcement of the FCC ruling that the license for WXPN will not be renewed. He added that the station is not required to cease functioning immediately, but undoubtedly will be given a few months to phase out.

At the same time the University can decide its next step - to do nothing, to request reconsideration, or to appeal to the courts. Comment was made by Trustees that, for future reference, the documented record should clearly record the University efforts and posture throughout so as to guide and to assure understanding for administrative efforts in the future.

Action: A resolution to authorize necessary administrative follow-up was approved as follows:

RESOLVED, That the president of the University, in consultation with the general counsel and the chairman of the Subcommittee on Electronic Communications, be and he hereby is authorized to take those actions prior to the next meeting of the Executive Board that he deems necessary and appropriate in light of the decision of the Federal Communications Commission concerning renewal of the license of radio station WXPN(FM).

I. Health Affairs Committee

Dr. Langfitt referred the Trustees to the background document on the proposed reorganization (on file with the minutes) and establishment of a Trustee Board of the Hospital of the University of Pennsylvania. He then reviewed the intentions for the changes.

In the fall of 1977, an Ad Hoc Committee on the Governance of the Hospital of the University of Pennsylvania was established to study the current governance of the Hospital and to determine whether a different structure would be more appropriate. The Ad Hoc Committee was appointed by Mr. Samuel H. Ballam, Jr., Chairman of the Trustee's Health Affairs Committee and was chaired by Mr. Paul F. Miller, Jr. The Trustee members were Mr. Robert Dunlop, Mrs. Peggy Mainwaring, and Associate Trustees Mr. W. W. Keen Butcher, K. Robert Conrad, Esquire, and Mr. Richard Spence.

There were several reasons for examining the governance of the Hospital at that time. First, although the Health Affairs Committee had been delegated Trustee responsibility for the Hospital, the extent of the Committee's authority has not been entirely clear, and much of its responsibility has been delegated to a Subcommittee on Health Care composed entirely of Associate Trustees. Therefore, the direct governance of the Hospital was two levels removed from the Trustees and, as a result, Trustees have not had the direct knowledge about the operations of the Hospital that such a large and complex part of the University requires.

Second, the Hospital will require a large amount of capital to complete the renovation and replacement of its outmoded facilities of which the Silverstein Pavilion was the first element. Since much of the capital will have to be borrowed, the Trustees should have a thorough understanding of the service and educational needs of the Hospital before undertaking a large capital program.
Third, there is growing pressure from a number of public and private agencies to create more knowledgeable and effective governing boards for hospitals, and there is general agreement that the present mode of governance of HUP will not fully meet the standards of the future.

The Committee met three times in lengthy sessions and considered a number of alternative models to meet the governance needs of the Hospital. The resolutions that follow were developed from the recommendations of the Ad Hoc Committee, and consultation with the University administration. The Executive Board of the Trustees discussed these recommendations at its meetings of May 11, 1978 and September 21, 1978 and, at the latter meeting, agreed with them in principle. The resolutions are now brought to the full Board of Trustees.

Action: The resolution to establish a Trustee Board of HUP was approved as follows:

RESOLVED, that the Trustee Board of the Hospital of the University of Pennsylvania (HUP) be established; that the membership of the Trustee Board of HUP consist of five University Trustees, four Associate Trustees and, as ex-officio members, the President of the University, the Vice President for Health Affairs, and the Executive Director of HUP, the latter only without vote. There shall be a Chairman and a Vice-Chairman of the Trustee Board of HUP. The Chairman of the Trustee Board of HUP shall be selected from among its University Trustee members and shall, with the approval of the Trustees, be a member of the Executive Board of the Trustees.

AND BE IT FURTHER RESOLVED that the Board have the authority to

(1) approve the appointment and terms of employment of the Executive Director of the Hospital on the nomination and recommendation of the Vice President for Health Affairs and to remove the Executive Director with the concurrence of the Vice President for Health Affairs;
(2) approve commitments for operating and capital expenditures within the annual operating and capital budgets of the Hospital approved by the Trustees;
(3) approve the by-laws of the medical staff, appointments to the medical staff and, upon nomination of the Dean of the School of Medicine, appointment of Hospital Chiefs of Service, except the Chief of the Department of Dental Medicine, who shall be nominated by the Dean of the School of Dental Medicine; and
(4) approve contractual relationships for the Hospital except to the extent that they affect parts of the University other than the Hospital, in which case the approval of the Trustees shall also be required.

AND BE IT FURTHER RESOLVED that the Board prepare its proposed by-laws for review and approval by the Trustees;

AND BE IT FURTHER RESOLVED that when Boards of Overseers have been established in the Schools of Medicine, Dental Medicine, and Nursing, a Health Policy Committee be established to provide a mechanism for integrating the interest of the health schools of the University and HUP, and that the Health Policy Committee be composed of the Chairpersons of the Board of Overseers of the Schools of Medicine, Dental Medicine, Veterinary Medicine, and Nursing and the Chairman and Vice-Chairman of the Trustee Board of HUP and that from time to time the Health Policy Committee be prepared to advise the Trustees on matters of interest resulting from their deliberations. During the remaining period of the phase-out of the School of Allied Medical Professions, a Trustee shall be appointed to represent the School on the Health Policy Committee.

AND BE IT FURTHER RESOLVED that the Trustees' Health Affairs Committee be dissolved with the great thanks and appreciation of the Trustees for the important role it has played in promoting the growth and...
development of the health schools and the Hospital since its establishment.

Adjourned.

Respectfully submitted,

Janis I. Somerville
Secretary of the Corporation