

MINUTES

The Board of Trustees

Temple University - Of The Commonwealth System of Higher Education

Tuesday, May 8, 1984

3:00 P.M., Ritter Hall South, Room 106, KIVA
Park Mall and Columbia Avenue

Attendance:

Members - Richard J. Fox, Chairman; Nathan C. Barr, Gail M. Barsky, Mildred D. Beck, Linda D. Brawner, Francis J. Catania, Patricia J. Clifford, Paul A. Dandridge, Howard Gittis, John C. Haas, Roger S. Hillas, Irving K. Kessler, Harold E. Kohn, Peter J. Liacouras, M. Mark Mendel, R. Anderson Pew, William A. Pollard, Royal T. Popper, Frances B. Rauch, A. Addison Roberts, Anthony J. Scirica, Isadore A. Shrager

being a quorum of the Board of Trustees

Honorary Life Trustees - Marvin Wachman

Invited Guests - Faculty - Robert Cornish, S. Elizabeth Davis, Alma Quigley, Melvin Thomason

Students - Frank Ragan, Robert Salazar

Administration and Staff - Rodney D. Johnson, Francis J. Sweeney, Jr., H. Patrick Swygert, Robert G. Scanlon, Stanton B. Felzer, Harold B. Morley (elected Acting Vice President for Development today), Philip B. Schaeffer, William C. Seyler, C. Robert Harrington

General Counsel - Peter Mattoon

University Counsel - Robert J. Reinstein

Members Absent - Bill Cosby, Louis J. Esposito, Chaka Fattah, Clifford Scott Green, Hillel S. Levinson, Patrick J. O'Connor, Brian J. O'Neill, William L. Rafsky, Milton L. Rock, Samuel H. Rosenberg, Samuel Rudofker, Edwin H. Sherman, Harold A. Sorgenti

The meeting was opened with prayer by Mrs. Patricia J. Clifford.

The Chairman of the Board, Mr. Fox, introduced and welcomed the guests from the faculty and from the student body.

ACTIONS OF THE BOARD OF TRUSTEES

1. Approval of Minutes - Regular Meeting of March 13, 1984

On motion duly made and seconded, the Minutes of the Regular Meeting of March 13, 1984, were approved as previously mailed to the members.

2. President's Report

President Liacouras said that on balance the 1983-84 academic year has been a pretty good one. In some areas we are ahead of where we expected to be; in other areas we are not moving as rapidly as we would like to be moving.

A. Funds for Excellence Allocation for 1983-84

The President referred to a 15-page report on the captioned matter (which had been distributed to Trustees with their Agenda Books for today, along with a four-page summary of the report), noting that these funds were established for the 1983-84 budget year through action of the Board of Trustees and through administrative action. Nearly \$1 million was set aside to strengthen Temple's academic fiber by providing seed money to promote excellence and hasten the transition to newer technologies. These funds will help to achieve and maintain excellence, and to develop programs to infuse young scholars into an ever increasingly aging faculty. The funds are also designed to encourage joint projects between and among the performing arts and other departments and colleges at Temple University.

These funds are being administered directly by the Provost, with the approval of the Executive Cabinet, rather than having them go through the normal budget process involving the schools and colleges. Another feature of the funds is to support the exceptional equipment needs of the University.

Some \$200,000 has been set aside for the voluntary retraining of faculty who would move from areas of student enrollment decline or program termination to areas of greater demand.

Through an administrative "tithing" of about \$700,000 from nearly all 1983-84 budgets of the University, a fund has been established to replace scientific and engineering capital equipment.

The administration is sanguine about these Funds for Excellence because this represents a major initiative to encourage our faculty to engage in the most creative research and to make it possible for young scholars to join Temple University without a long term commitment on Temple University's part.

B. 1983-84 Budget

The President said it is expected that revenues will exceed expenditures by up to \$3 million, but this is misleading because of the very great need to replace equipment and capital facilities and the lack of a budget for this purpose.

C. Latest Advertising Campaign Featuring Alumni of Temple University

The President noted that two earlier advertising campaigns focused on students and faculty, and the third one now underway features alumni of the University. The purpose of these campaigns is to affect the ever improving image of the University, consistent with the reality of excellence. The President said that Emilie Mulholland, Associate Vice President for University Relations and Bonnie Squires of the

President's Office initiated, produced and directed these presentations which are introduced by Bill Cosby. A series of the latest ads were then shown, featuring, among others, Trustee R. Anderson Pew and fashion designer Albert Nipon.

D. Applications for Admission

The President said that our advertising campaign probably helps to explain why our prognosis for the fall enrollment is good. As of today, we have a little more than 12% more applications for undergraduate admissions than we had at the same time last year. The number of undergraduate applicants who have been admitted is 15% above last year. We are also having a much earlier deposit payment, running 50% ahead of last year. We have assumed a 3% increase in undergraduate enrollment for budgetary purposes, a 1% decrease in graduate enrollment, and an imperceptible change in professional school enrollment. In view of the admissions data we have to date, those assumptions appear to be conservative. We do not yet have accurate information on retention of existing students, but the information we do have indicates that we are retaining a higher percentage of students if Pre-Registration is used as an indicator.

E. Tenure and Promotions for Faculty, 1984-85

It was mentioned that Tenure and Promotions for Faculty was on the agenda today for Board action, and the President said that these cases have been carefully reviewed prior to their presentation to the Board. He also said that because of the reversal of enrollment in the respective areas, the Board will be asked today to rescind three letters of retrenchment which had been moved back from October of 1983 to June 30, 1984.

F. Core Curriculum and Exit Standards

The President said that Provost Barbara Brownstein (who is attending a Pennsylvania Arts function where Governor Thornburgh is honoring seven artists, three of whom are Temple people) is continuing her initiatives with the faculty and with the Deans on the matter of the Core Curriculum and Exit Standards. In going from under-enrolled to higher demand areas, it is expected that the Provost will make recommendations to him in the fall; and the President will present recommendations where appropriate, to the Board for approval or for information.

G. Ground-Breaking Ceremony for the Dental School Addition

This event, which was held on May 4, was a happy event, capping ten years of planning. The President emphasized what he had emphasized at the Ground-Breaking--that Temple University provides in excess of \$10 million in out-of-pocket monies for services to our community in terms of free and under-reimbursed health care: \$6.3 million is provided by Temple Hospital; \$1.5 million is provided for dental care; and the remainder is for legal, recreational and social services for our community. The President does not know of any University that spends that much for its community. All of us at Temple University should be very proud of this record. In this area of health care, the President said that Dr. Sweeney, who has been on board for five weeks as Vice President for Health Sciences Center, has already made major contributions, including the resolution of an issue that arose with respect to a Harrisburg matter.

H. Management Information Systems

The Integrated Student Information System (ISIS) is on line and has already performed satisfactorily in Pre-Registration for the fall and Registration for the Summer, without long lines and without a decline in our enrollment. The THRIS (personnel management) system, which has been under way for a number of years, has been placed on hold pending approval of a larger financial and management information system.

I. Business Operations of the University

A few months ago the President asked Vice President Johnson to review all University business operations--food services, conference centers, parking services, property rentals, housing--to consider whether we may increase our efficiency and our bottom line by contracting out some of these services or by bringing in professional managers. There will be a report to the Board on this in the summer or early fall. In addition to food services, we are also looking at all of our hotel uses. We use hotels for everything from search committees which bring in persons to stay overnight, for our sports teams, for receptions of all kinds, and for academic meetings such as symposia. The idea is to consolidate all of our operations into one hotel, using a bidding procedure to do so and saving money.

The President concluded his report by thanking the Board for its individual and collective support during the past academic year.

Executive Committee Report and Recommendations for Action

Mr. Gittis, Chairman of the Executive Committee, called the attention of the Board to the report of that Committee (Agenda Reference 1), and then recommended approval of the matters covered in Items 3 through 10 of these Minutes.

3. Short-Term Borrowing Authority - 7/1/84 - 9/30/84

On motion duly made and seconded, the Board of Trustees voted to approve the recommendations of the Business and Finance Committee and the Executive Committee (4/26/84) that the officers be authorized to borrow for operating purposes of the University \$30 million on terms which the officers believe best for the University, such authorization to cover the period from July 1, 1984 through September 30, 1984. (Resolution attached as SUPPLEMENT I)

4. Authorization for Officers to Borrow for Long-Term Debt Financing

Mr. Gittis referred to the Resolution which will authorize the officers to borrow \$65 million, noting that this is a very innovative financing device developed by Vice President Johnson.

On motion duly made and seconded, the Board of Trustees voted to approve the recommendations of the Business and Finance Committee and the Executive Committee (4/26/84) that the officers be authorized to borrow \$65 million for various capital purposes, on terms that the officers believe best for the University, through the Pennsylvania Higher Education Facilities Authority. (Resolution attached as SUPPLEMENT II)

Mr. Pew referred to the restrictive covenants which will be part of this long-term financing, and he suggested that the Vice President for Financial Affairs present some appropriate summary of compliance with the significant restrictive covenants on a quarterly or semi-annual basis, providing the Board with a "report card" as to whether we are passing with an "A" a "B" or a "C". Mr. Fox agreed that this is an excellent suggestion and he asked Vice President Johnson to provide such a report.

5. Tentative University Budget for 1984-85

Mr. Gittis called attention to the assumptions on which the captioned Budget is based, noting that the Budget had been carefully reviewed by the appropriate Board Committees.

On motion duly made and seconded, the Board of Trustees voted to approve the recommendations of the Business and Finance Committee and the Executive Committee (4/26/84) that the Board adopt the Tentative University Budget for 1984-85, said Budget being attached as SUPPLEMENT III.

During the discussion of the Tentative University Budget for 1984-85, the President said that the Board may decide, if counsel so determines, to pass a separate resolution authorizing the use of \$2.75 million from the quasi endowment to serve as the contingency for the next fiscal year. The assumption this year is that we will use the quasi endowment, which is accumulated excess of revenues over expenditures. There is a standing Board of Trustees Resolution that requires the Board to act on the use of that quasi endowment. If we require a second resolution, the President hopes it will be passed.

After the Tentative Budget was approved, the President moved that \$2.75 million of our quasi endowment fund be ear-marked for the purpose of contingencies if necessary in connection with the Tentative University Budget for 1984-85. The motion was seconded, and then Mr. Kohn inquired as to why this is being done differently this year. The President said that he would prefer to respond to Mr. Kohn's query in executive session; whereupon it was agreed to defer the vote on this motion until the executive session is held.

6. Tuition Schedule for 1984-85

On motion duly made and seconded, the Board of Trustees voted to approve the recommendations of the Business and Finance Committee and the Executive Committee (4/26/84) that the Board adopt the Tuition Schedule for 1984-85, said Schedule being attached as SUPPLEMENT IV.

7. General Activity Fee for 1984-85

On motion duly made and seconded, the Board of Trustees voted to approve the recommendations of the Business and Finance Committee and the Executive Committee (4/26/84) that the Board approve a General Activity Fee for 1984-85, said Fee being described in SUPPLEMENT V, recognizing that the fulfillment of the educational mission of Temple University includes a commitment to support social, cultural, recreational and athletic programs and services for students.

8. Tentative Hospital Budget for 1984-85

Mr. Haas, Chairman of the Board of Governors of Temple University Hospital, said that the timing was such that the Board of Governors could not have the appropriate documentation before it; but copies of the Tentative Hospital Budget for 1984-85 have been distributed to all Governors who have been talked to by telephone, with the result that the Board of Governors has informally approved of this budget. At the next meeting of the Board of Governors, its approval will be confirmed, but Mr. Haas wanted the Trustees to know that informal approval has already been given.

Mr. Mendel inquired if consideration was given to the new Diagnostic Related Groups (DRGs) system of reimbursement when the Hospital Budget was prepared, and Mr. Gittis assured him that this had been done.

After further discussion, on motion duly made and seconded, the Board of Trustees voted to approve the recommendations of the Business and Finance Committee and the Executive Committee (4/26/84) that the Board of Trustees adopt the tentative Hospital Budget for 1984-85, said Budget being attached as SUPPLEMENT VI, with the understanding that the Hospital Board of Governors, in conformance with the Board of Governors By-Laws, Article III, Section 4 (3), will also approve of this Budget.

9. Residence Fees for Academic Year 1984-85

On motion duly made and seconded, the Board of Trustees voted to approve the recommendations of the Student Affairs Committee (4/24/84) and the Business and Finance Committee and the Executive Committee (4/26/84) that approval be given to an increase of 5.2 percent for Residence Halls, an increase of 8.9 percent for Jones Hall, and that the rates for the Cooney and Triangle Complexes remain unchanged.

10. Subsidy to Fund Housing Improvements

After discussion, on motion duly made and seconded, the Board of Trustees voted to approve the recommendations of the Student Affairs Committee (4/24/84) and the Business and Finance Committee and the Executive Committee (4/26/84) that the University provide a subsidy of \$275,000 to student housing as the second year of a multi-year plan for repayment of the \$1.1 million renovation package of 1983-84.

During the general discussion of the captioned matter, Mr. Fox reminded the Trustees that we have no line items for depreciation at Temple University. This lack of depreciation allowances means that we are millions of dollars behind in the replacement of equipment and capital facilities. So, starting last year and continuing this year, we are indentifying a very serious problem and starting to do something about it. It is an effort to provide Temple University with the resources it has to have to maintain a level of excellence in equipment and facilities.

Committee on Trustees Report and Recommendations for Action

Judge Scirica, Chairman of the Committee on Trustees, called the attention of the Board to the report of that Committee (Agenda Reference 10), and then recommended approval of the matters covered in Items 11 and 12 of these Minutes.

11. Amendment to University By-Laws

Judge Scirica said that the proposed amendment provides that notwithstanding any restriction on service by a Trustee, any Chairman of the Board who has served for less than two years shall be eligible for election before the restriction applies to him. This amendment was approved by the Committee on Trustees and also by the Executive Committee.

(Secretary's Note: At this time, Mr. Fox turned over the Chair to Mr. Gittis and Mr. Fox did not participate in the discussion or the vote on this matter).

On motion duly made and seconded, the Board of Trustees voted to approve the recommendations of the Committee on Trustees (4/26/84), the Business and Finance Committee and the Executive Committee (4/26/84) that the By-Laws be amended by adding the language found in SUPPLEMENT VII at the end of Article II, Section 1 (b) (the new material is underlined).

(Secretary's Note: Mr. Fox returned to the Chair following the above action).

12. Election of Acting Vice President for Development

On motion duly made and seconded, the Board of Trustees voted to elect Dr. Harold B. Morley Acting Vice President for Development, Lee H. Wenke having resigned as Vice President for Development, and Dr. Morley having been nominated by the Committee on Trustees on 4/26/84. (Dr. Morley's biographical sketch is attached as SUPPLEMENT VIII).

Mr. Fox welcomed and introduced Dr. Morley who arose to the welcoming applause of those present.

Committee on Educational Policies Report and Recommendation for Action

Mr. Shrager, Chairman of the Educational Policies Committee, called the attention of the Board to the report of that Committee (Agenda Reference 13) and then recommended approval of the matter covered in Item 12 of these Minutes.

13. Tenure and Promotions for Faculty, 1984-85

Mr. Shrager pointed out that the names of the persons recommended for tenure and promotions are on file in the office of the Provost.

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Educational Policies Committee (4/16/84) with respect to the recommendations made by the President regarding the granting of Faculty Tenure for 1984-85, said recommendations being on file in the Office of the Provost and calling for the approval of 44 for tenure and three for denial of tenure; and to approve the recommendations of the Educational Policies Committee (4/16/84) with respect to the recommendations made by the President regarding the granting of Faculty Promotions for 1984-85, said recommendations being on file in the Office of the Provost and calling for the approval of 69 promotions and eight for denial of promotions.

Report of Health Sciences Center Committee

Mr. Gittis, Chairman of the Health Sciences Center Committee, noted that the Chairman of the Board has reactivated this Committee this year, following several years when it was dormant. The Committee met jointly with the CPPM Committee in March, and it met again on May 3, hearing reports from administrators and Deans at the HSC. In addition, the acting head of the Hospital reported on Hospital finances, and the construction of the new Hospital and the affirmative action related to that construction. The Committee also heard a report from the Planning Office at the HSC. The Health Sciences Center Committee will be meeting on the first Thursdays of the month.

Report of Board of Governors, Temple University Hospital

Mr. Haas, Chairman of the Board of Governors, reported that the Hospital continues to operate in a very good fashion. The Hospital will adhere to its Budget, having a deficit of about \$2.4 million before the application of the State Appropriation of \$2.5 million; so, it is essentially a break-even operation. The construction of the new Hospital is proceeding on schedule. There was a topping-off ceremony on 4/2/84. Many of the bids have come in at a lower figure than anticipated, so that some critical items (sprinkler system, additional parking, etc.) that were deleted can now be added back to the project. The number of minority and women who have received contracts for the hospital construction continues high, and the Nichols Committee continues to operate very successfully in this area.

Report of Audit Committee

Mr. Kessler, Chairman of the Audit Committee, said that the Committee had just met prior to the Board meeting, reviewing management's response to the Auditor General's letter. Although the Auditor General claimed that the University "lost" some \$1.1 million on the Temple European Army Mission (TEAM), he failed to take into account the later years of the operation when the end result showed a modest surplus for the project. The Committee also reviewed the purchasing activities of the University in the light of the recent indictments and heard from administration the improvements which have been made to minimize the chances for a recurrence of the activities which resulted in the indictments.

At the suggestion of the Executive Committee, the Audit Committee reviewed the management letters from our external auditors for the last five years. The Committee found nothing that even remotely suggested to it ways and means of protecting ourselves against the kinds of losses we had in connection with the recent indictments. The auditors say that their main role is to verify that our financial statements are accurate and to suggest improvements in our financial management system. The Committee feels that it would have been helpful if the auditors had suggested procedures that might have prevented our losses, although it was recognized that when there is fraud perpetrated by two parties, it is difficult to ferret out.

The Audit Committee also reviewed the efforts of the administration in the management information system area. The ISIS system is on line and appears to be working well. It was suggested that the administration bring in outside experts to assist our management in determining what is possible through a Management Information System.

Committee on Athletics Report

In the absence of the Chairman of the Athletics Committee, Mr. Levinson, Mr. Fox referred to the Temple-Toledo football game and Centennial activities to be held in Atlantic City on November 30 and December 1, 1984, asking that all Trustees mark their calendars for what promises to be an outstanding weekend. Responding to Mr. Kohn's query as to why a Pennsylvania institution is celebrating its Centennial in a neighboring state, President Liacouras said that this game was originally scheduled for Labor Day weekend--and moving it to another date and place will enable us to snatch victory out of the jaws of defeat--virtually no attendance in Philadelphia for the Labor Day weekend versus a full house (8,000) in Atlantic City--do some fund-raising and recruiting of South Jersey students.

Committee on Development Report

Mr. Kohn, Chairman of the Development Committee, suggested that at the next Board meeting the administration explain what its thinking is with respect to Development so that the Trustees will have a better understanding of what is planned for this area. The Chairman of the Board, Mr. Fox, agreed with this suggestion, indicating that at the next Board meeting in October, there will be a review for the Trustees of what the program will be for the next several years.

Committee on Honorary Degrees

President Liacouras, Chairman of the Honorary Degrees Committee, said that there will be no honorary degrees awarded at the May 24 Commencement. Instead, we will honor Temple University by having two student speakers (one undergraduate and one from the graduate/professional schools area), the President of the Faculty Senate, the outgoing president of the General Alumni Association, a long time member of the administrative staff, and the curator of the Blockson Collection. Board Chairman Fox will read excerpts from Conwell's "Acres of Diamonds." If logistical questions can be resolved, we may also show a 14 minute film on Temple University's history, produced by one of our faculty members, Dr. Elton Robertson.

Reports of Other Committees

The Chairman of the Board called attention to the Reports of the other Committees (Agenda Reference 20 and 23), and suggested that if Trustees had questions about these Reports, they should communicate with the respective chairman.

14. Treasurer's Report

Without objection, the board of Trustees received the list of gifts and grants received and purchases and sales of securities between February 1, 1984 and March 31, 1984, said Report having been distributed at the board meeting of today (Agenda Reference 24).

15. Secretary's Report

On motion duly made and seconded, the Board of Trustees voted to approve the presentation of degrees-in-course dated August 24, 1984 to candidates approved by the appropriate academic committees of the

faculty, with the understanding that degrees for Law School Evening students who regularly complete their studies in July shall be dated July 20, 1984, with a certificate of the Dean of the Law School verifying said date of receipt.

NEW BUSINESS

16. Policy on Student Tuition and Loan Defaults Regarding University Employees and Applicants for Employment

The President said that the University Cabinet has adopted the captioned Policy. A survey has shown that 105 employees are in technical default of their loan obligations to the University. That 105 can be reduced by 24 who are full-time students who have not filled out a waiver until they terminate their last full-time study. We have put in place a procedure to require set-off at all of the appropriate preliminary stages, including the presentation of a new payment schedule to be approved by the Vice President for Financial Affairs. A copy of this policy will be circulated to the Trustees for their information. The President will explain in executive session some of the details of one or two cases in this area. This policy is an across-the-board policy, which was triggered by our concern that we should have a uniform policy for all Temple University employees.

17. Scheduling of Board Committee Meetings

Mr. Barr said that Mr. Sherman had raised the captioned matter with the Chairman of the Board, and Mr. Fox said that because Mr. Sherman could not attend today, it would be better if this matter were discussed at the October meeting when, presumably, Mr. Sherman will be able to attend. It was noted that the Secretary is checking as to the number of Board Committee meetings which have been held over the past three year period, and this information will be made available to the Trustees.

18. Recession of Retrenchment Letters to Three Professors

The President referred to an excerpt from the Minutes of a Joint Meeting of the Business and Finance Committee and the Executive Committee on 4/26/84 on the captioned matter, said excerpt having been made available to all Trustees.

After discussion, on motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Business and Finance Committee and the Executive Committee (4/26/84) that the officers be authorized to rescind the retrenchment letters for Professors Lane J. Johnson and Marilyn Silberfein (both of the Geography Department of the College of Arts and Sciences) and for Professor S. Kenneth Thurman (of the Department of Special Education, College of Education), so that they will not be terminated as of June 30, 1984.

The regular meeting of the Board of Trustees was adjourned at 4:05 P.M., and the Board went into Executive Session at 4:10 P.M. to discuss a number of personnel matters.