

MINUTES

The Board of Trustees

Temple University - Of The Commonwealth System of Higher Education

Tuesday, March 11, 1986

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

Attendance:

Members - Richard J. Fox, Chairman; Gail M. Barsky, John J. Contoudis, John C. Haas, Roger S. Hillas, Harold E. Kohn, Peter J. Liacouras, Ray B. Mundt (elected today), Henry H. Nichols, Brian J. O'Neill, R. Anderson Pew, Frances B. Rauch, Edward H. Rosen, Charles F. Schalch, Anthony J. Scirica,

being a quorum of the Board of Trustees;

Honorary Life Trustees - Albert "Reds" Pearson (elected today),  
Marvin Wachman

Invited Guests - Faculty - Sandra Featherman, Stanley Lechtzin,  
Lynn Miller, Frederick H. Murphy

Students - Steven Hirsh, Daniel Libby, Michael J. Nahas

Administration and Staff - Barbara L. Brownstein, Rodney D. Johnson, Harold B. Morley, Francis J. Sweeney, Jr., H. Patrick Swygert, Michael Jhin, David V. Randall, Philip B. Schaeffer, James W. Hilty, William G. Sites, William C. Seyler

General Counsel - Peter Mattoon

University Counsel - Robert J. Reinstein

Members Absent - Mildred D. Beck, Francis J. Catania, Patricia J. Clifford, Bill Cosby, Paul A. Dandridge, Alphonso Deal, Louis J. Esposito, Chaka Fattah, Howard Gittis, Clifford Scott Green, Esther Boyer Griswold, D. Donald Jamieson, Irving K. Kessler, Hillel S. Levinson, William A. Pollard, Royal T. Popper, William W. Rieger, Milton L. Rock, Samuel Rudofker, Isadore A. Shrager, Murray H. Shusterman

The meeting was opened with prayer by Dr. Henry H. Nichols.

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 December 10, 1985

On motion duly made and seconded, the Minutes of the Regular Meeting of December 10, 1985 were approved as previously mailed to the members.

## Committee on Trustees Report and Recommendations for Action

In the absence of the Chairman of the Committee on Trustees (Mr. Shrager), Mr. Fox 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 2 and 3 of these Minutes.

### 2. Election of Ray B. Mundt

Mr. Fox noted that Mr. Mundt is President and Chief Executive Officer of Alco Standard Corporation, that he is a member of the Board of Directors of Philadelphia Saving Fund Society, Penjerdel Corporation, and several other business and civic organizations.

On motion duly made and seconded, the Board of Trustees voted unanimously to elect Ray B. Mundt to the Board of Trustees of Temple University - Of The Commonwealth System of Higher Education, for a term beginning March 11, 1986 and ending in October 1989, Mr. Mundt having been duly nominated by the Committee on Trustees (12/10/85).

### 3. Election of Albert "Reds" Pearson as an Honorary Life Trustee

Mr. Fox noted that "Reds" Pearson has been active in so many Temple University matters over the years that it would take a very long time to recount all of them. He has been a member of the Board previously and he has long been a supporter of Temple University. Mr. Fox said it is a great honor to have Mr. Pearson present today.

On motion duly made and seconded, the Board of Trustees, in keeping with the By-Laws (Article II, Section 5A) and by virtue of the long and dedicated service of Albert "Reds" Pearson to Temple University athletics and to the General Alumni Association, voted unanimously to elect Mr. Pearson as an Honorary Life Trustee, his nomination having been made by the Committee on Trustees (12/10/85).

Mr. Fox recognized Eleanor Hofkin, president of the General Alumni Association, who, on behalf of the General Alumni Association, expressed warm best wishes to "Reds" Pearson for his election as an Honorary Life Trustee. She also congratulated the Board of Trustees for taking this action.

### 4. President's Report

President Liacouras added his best wishes to "Reds" Pearson as an old friend and a person who has received every other honor Temple University can bestow, so that it is now very fitting that he become an Honorary Life Trustee. The President said that his father and "Reds'" father were friendly competitors in different lines of business in Philadelphia. He is pleased to be here to congratulate "Reds" and his family personally.

A. Report on Enrollment Gains: Temple University had, in earlier years, lost about 20% in enrollment, mainly from part-timers but also some from full-timers. For the Spring Semester which usually shows a 7% drop-off) the enrollment is at 29,907, which is 6.3% above where we were three years ago and almost 4% above last year at this time. Full-time Undergraduates are, compared to Spring 1983, up 13%, with the only

declines we can identify, as follows: 1% at Ambler; 1.7% at the Tyler School; 10% in native Americans and Indians (which represents a loss of six or seven persons). There has been some erosion in the number of students in the professional schools, especially in the Law School--but this had been planned. The number of credit hours generated is up by more than 4%. We are up not quite 1,000 students compared to last year --and this number is as large as two of the neighboring liberal arts colleges in Philadelphia. These enrollment figures are positive factors for Temple University.

B. Appropriations Hearings in Harrisburg on March 3, 1986:

The President said that these Hearings gave us the opportunity to present Temple University's case for funding for 1986-87. We have made a request for \$25 million more than the \$104 million we received this year. The President told the Appropriations Committees that if we receive the full amount requested, we would recommend reduction of tuition for undergraduates and graduates by 2% to keep Temple a University for the working families. If we receive substantially what we requested (except for \$4 million on the School of Medicine line, which is a number arrived at through a series of technical assumptions), we will recommend that the Board does not increase tuition for next year. If we are forced to raise tuition, the President promised that we would not blame the Legislature for this action.

The Governor's recommendation for Temple leaves us \$15 million short of our needs, assuming no tuition increase. If we get an increase of 5%, that would still leave us \$11.6 million short. All of this is before we took into account the kinds of problems we would face because of extraordinary events, such as PECO's 28% proposed increase in electrical rates. By the third year, this would result in a surcharge of tuition by 3%. With the Gramm-Rudman federal legislation and the proposed budget of the President, we would be literally in "dire straits". Over a three year period we would be out more than \$50 million in the Health Sciences Center, particularly when such factors as "pass-throughs" and "disproportionate share" factors are taken into account. Because of the "disproportionate share" that Temple University Hospital annually handles in Medicare and Medicaid patients, the Hospital could lose an additional \$2 million to \$3 million annually. Because ours is a teaching Hospital, with medical education responsibilities as well as usual hospital obligations, there could be as much as another \$2 million loss.

Mr. Rosen asked if the Administration had factored in the decline in interest costs and the decline in oil prices. The President said that we had assumed a 5% inflationary increase in energy costs, but this was before we heard about PECO's proposed 28% increase in electrical rates. Vice President Johnson said that we have been borrowing below prime for some time. We use an annual revenue anticipation bonds issue for working capital at a fixed rate for a 12 months period. The present issue will not become due until the end of September. If the tax laws permit, we will re-issue this, and its present rate is about 6%.

Mr. Johnson noted that the University has different energy costs (gas, oil, electricity) and the 5% increase projection is an overall figure. This probably should be increased in view of the PECO 28% rate increase request.

C. Meeting with Congressman Gray and U.S. Senators in Washington, 3/4/86: The President said that Chairman Fox, he, and other Trustees had met on 3/4/86 with Congressman Bill Gray, Chairman of the House Budget Committee. The University's case was also reviewed with Senators Heinz and Specter, as well as Congressmen Shultz, Foglietta and Borski. We raised many of the issues that will pose problems in the Health Sciences area. We said we did not think it was in the best interest of Temple University for St. Christopher's Hospital to relocate to another part of Philadelphia, particularly when all of the physicians are Temple University faculty. We offered space on North Broad Street for the relocation of St. Christopher's. We emphasized that we would not permit Temple University to be threatened with its mission of delivering health care.

The President said that there could be a \$14 million effect on Temple University students in receiving financial aid next year, if all of the proposals of the Administration are enacted. The students now receive \$60 million in financial aid, but their needs are \$120 million. Five years ago we were able to meet 100% of their needs. Eighty percent of our students work to help cover their college costs; 25% of the students work 30 hours or more a week. The students simply cannot absorb further reductions in funding for education; this hurts everyone.

Some of these issues hit us more than the other Hospitals. Our patients are 80% Medicare and Medicaid patients. Twelve percent are Blue Cross/Blue Shield; six percent are covered by commercial insurers. So, our Hospital is on the margin. The President wants the Board to know what the Administration is doing to try to shore up our defenses against some of these negative developments.

D. Retreat for Senior Management: The President thanked Dr. Bernard Watson and the William Penn Foundation for underwriting the first Retreat we have ever had for senior managers. This brought together 85 senior managers for three days to exchange ideas and to listen to the Tom Peters tapes on Excellence. It also gave the senior managers an opportunity to prepare an unsigned statement on how the President can perform better.

The President said that four additional one-day Retreats are being planned at Sugarloaf and at the Main Campus: one for faculty; one for students; one for Council of Deans and Vice Presidents; and an evening dinner meeting with General Alumni Association members.

On Wednesday, April 30, from 5:00 to 9:00 P.M., there will be a meeting of the Board of Trustees at which time the Administration will present its Academic Plan and other Plans. This meeting will be in Sullivan Hall and Trustees will be receiving a written notification about this meeting shortly.

E. Bishop Tutu Convocation: This Convocation was merely mentioned because many Trustees were present for the Convocation, which was a very successful event.

F. New Director of Athletics: The President mentioned that Charles Theokas has been appointed Director of Athletics, and the Trustees have received a copy of the "charge" which was given to Mr. Theokas so that everyone will know what is expected from our inter-collegiate athletics program.

G. Closing of the Temple Stadium Campus and the Need to Find Additional Recreation and Athletics Space on the Main Campus:  
The President expects to be making a recommendation about the time-table for the closing of the Temple Stadium Campus and the need to find additional space on the Main Campus for those programs.

The President also expects (through a series of Board Committee considerations) that we will be considering what other programs (including athletics programs) we may want to terminate because of the lack of sufficient space in Pearson Hall or McGonigle Hall. We must liberate more space for people who go to these buildings, and also for the people who will be living in increasing numbers on our campus. He expects it will not be all good news for everyone.

H. Dedication of New Hospital, March 20, at 10:30 A.M.: The President referred to the captioned Dedication, noting that Trustees have received invitations and he hopes to see everyone there. Reference was made to the Hospital Auxiliary Dinner, which will be held on Saturday, March 22, in Mitten Hall. Mrs. Clancy, who is chairing this Dinner, asked the President to remind everyone about this Dinner--and if reservations have not yet been made, this should be done promptly.

#### 5. Board Chairman's Comments

Mr. Fox said that those who were Trustees in the recent past when the Temple University Hospital accumulated some \$30 million in losses are acutely aware of the dangers that the Hospital operation poses for the future of Temple University. As was carefully laid out to the Washington political leaders, it is our belief that if any or all of the proposals that would seriously reduce Hospital income come into being, we will be involved in a major confrontation concerning the feasibility of Temple University Hospital's operation for the next year. Mr. Fox points this out largely to raise the awareness of the Trustees about this serious problem. A number of members of this Board have access to national political figures, and he urges such Trustees to make these political leaders aware of the basic problems confronting Temple University Hospital, which, in effect, has become the Philadelphia General Hospital since the latter institution was closed by the City.

Mr. Fox said that Dr. Sweeney, Vice President of the Health Sciences Center, has been asked to send out this week to the Trustees a memorandum, outlining the specific areas which would adversely affect the operation of our Hospital, so that Trustees can contact the appropriate elected officials. Mr. Fox urges Trustees to do this. In a period where new Hospitals have had significant profits, Temple University had some initial benefits, but nothing compared with Penn's Hospital and others. This Hospital situation is potentially the "Achilles Heel" of Temple University. Mr. Fox said that as Chairman of the Board, he will not permit Hospital losses to accumulate (as they did in the 1970s); rather, we will have a confrontation up front when it becomes evident that such a confrontation is necessary. We will present the problem to the appropriate authorities and come up with a solution. We will not permit the Temple University Hospital to bankrupt the University. This is a basic tenet of the Board of Trustees. We made this very clear to the officials in Washington.

The President said that at the Trustees meeting the Administration intends to ask the Board to review the policy on "beer and alcohol on campus." This is an old issue but historically the University has opposed every liquor license that has been proposed for the area around the Main Campus. We are now faced with a situation in Seltzer Hall (at Broad and Columbia) where the operator of a Pizza Hut franchise has applied for a beer license. This matter has been referred to the University and Community Relations Committee; from there it will go to the Student Affairs Committee; and we expect to get a recommendation to the Executive Committee in late April; and if we do not make the late April date, we will then take it before the full Board at its May meeting.

The President said that the Administration will continue the University's long-standing policy of opposing beer and liquor licenses on or near the Main Campus until such time as the Board of Trustees may enact a different policy on this matter.

#### Executive Committee Report and Recommendations for Action

Judge Scirica, Chairman of the Executive Committee, called the attention of the Board to the report of that Committee (Agenda Reference 4), and then recommended approval of the matters covered in Items 6 through 10.

#### 6. Borrowing Authority - 4/1/86 - 6/30/86

On motion duly made and seconded, the Board of Trustees voted to authorize the officers 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 April 1, 1986 through June 30, 1986. (Resolution is attached as SUPPLEMENT I.)

#### 7. Faculty Conflict of Interest Policy

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the officers that the Faculty Conflict of Interest Policy (attached as SUPPLEMENT II) be approved, said Policy having been approved by the Faculty Senate on January 27, 1986.

#### 8. Election of John C. Haas to Membership on the Committee on Trustees to Fill a Vacancy

On motion duly made and seconded, in accordance with the By-Laws (Article IV, Section 6-A), the Board elected John C. Haas to membership on the Committee on Trustees, Mr. Haas having been nominated by the Executive Committee (1/23/86) to fill a vacancy on that Committee resulting from the election of Anthony J. Scirica as Chairman of the Executive Committee, thereby giving Judge Scirica ex officio membership on the Committee on Trustees.

#### 9. Naming of Areas in the New Temple University Hospital

On motion duly made and seconded, the Board of Trustees, in keeping with the Board's Policy on the Naming of University Areas (adopted 5/13/69), voted to approve the recommendation of the Executive Committee (1/23/86) that Areas in the New Temple University Hospital be named in accordance with the list attached as SUPPLEMENT III, with the understanding that donors of lesser amounts will be recognized by

including their names on a Donor Plaque to be located at an appropriate place in the New Hospital.

10. Endorsement of Brochure, "Commemorative Gift Opportunities at Temple University Hospital"

On motion duly made and seconded, the Board of Trustees in keeping with the Board's Policy on the Naming of University Areas (adopted 5/13/69), voted to approve the recommendation of the Executive Committee (1/23/86) that Areas in the New Temple University Hospital be named in accordance with the list attached as SUPPLEMENT IV (which describes the areas in the Hospital and the amounts a donor is required to give, and is based on the captioned brochure, which was distributed in early 1984).

Board of Governors, Temple University Hospital Report

Mr. Haas, Chairman of the Board of Governors, called attention to the Report of the Board (Agenda Reference 10, noting that the Chairman of the Board of Trustees and the President have already commented on some of the problems facing the Hospital.

Mr. Haas said that the financial picture for the Hospital is that when the State grant of \$2.5 million is applied, the budget should be about on a break-even basis. It was noted that some of the challenges facing the Temple University Hospital grow out of its trying to be a teaching hospital while at the same time performing as a community hospital.

Mr. Haas said that the construction time schedule is being met, and the van Roden Committee, which is charged with monitoring the use of dollar savings realized to date, now meets on a regular monthly basis.

The Nichols Committee continues to monitor the affirmative action program for the Hospital construction. As of 1/31/86, a total of over \$24 million has been awarded to minority and women business enterprises which represents 37% of the total awarded to date. Minorities and females comprise 37% of the total hours worked on the job.

Dr. Sidney Cohen of the University of Pennsylvania School of Medicine and Hospital has accepted the Chairmanship of the Department of Medicine, and the search for a Dean of the School of Medicine continues.

Finally, Mr. Haas acknowledged Dr. Stanton Felzer's contribution to the University and to the Board of Governors. Dr. Felzer has left the University as of February 28, 1986.

Report of the Health Sciences Center Committee

Dr. Nichols, Chairman of the Health Sciences Center Committee, called attention to the Report of that Committee (Agenda Reference 11), noting that the University has established a Task Force on Communicable Diseases; and that the first testing of student-athletes for drug use was conducted. He noted that the Dean of the College of Allied Health Professions had made an excellent report on that College.

Dr. Sweeney said that the recommendation of the Task Force was to require immunization of the students against measles and other diseases, starting in January 1987. The sanction that would be brought to bear is that non-immunized students would not be permitted to register for

school. With respect to AIDS, we would follow the Center for Disease Control recommendations, which are easy to do in the Hospital, and these CDC recommendations will be followed. There is an issue of Hepatitis for students in Medicine, Dentistry and Nursing--and it is recommended that these students be immunized against Hepatitis. All of this will be done at the students' expense.

#### University and Community Relations Committee Report

In the absence of the Chairman of the University and Community Relations Committee (Judge Dandridge), Board Chairman Fox called attention to the University and Community Relations Committee Report (Agenda Reference 20), noting that recently he and the President and some staff had spent one-half day looking at the physical conditions on the four sides of the Broad and Montgomery Campus. He referred to the Philadelphia Gas Works development on the eastern edge of the Campus, noting that this is a positive development for our area.

Reference was made to Temple-owned properties west of Broad Street, and Mr. Fox said that before the end of the year, the Administration will be bringing some recommendations with respect to these properties.

Mr. Fox noted that the developer, Bill Rouse, has announced general plans to develop the two blocks surrounding the Nu-Tec/Uptown Theater (recently acquired by Rouse and some associates). Mr. Fox believes that the policy of "benign neglect" toward North Philadelphia is drawing to an end and something new is happening because Temple University is still here as the "rock which has stayed through the storm." As others understand this and because of the availability of land in North Philadelphia, Mr. Fox believes we can look forward to more positive developments in our area. This also means that Temple has to take steps to enhance our intellectual and cultural ties with the community.

#### Reports of Other Committees

The Chairman of the Board called attention to the Reports of the other Committees (Agenda References 12, 14, 15, 17, 18, and 19), suggesting that if Trustees had questions about these Reports, they should communicate with the respective chairmen.

##### 11. Treasurer's Report

Without objection, the Board of Trustees received the list of gifts and grants received between November 1, 1985 and January 31, 1986, and purchases and sales of securities between December 1, 1985 and January 31, 1986, said Report having been distributed at the Board meeting of today (Agenda Reference 21).

##### 12. Secretary's Report

On motion duly made and seconded, the Board of Trustees voted to approve the presentation of degrees-in-course dated May 29, 1986 to candidates approved by the appropriate academic committees of the faculty; and the presentation of degrees-in-course dated May 11, 1986 to candidates approved by the appropriate academic committees of the faculty in Tokyo, Japan.



Mr. Fox noted that he and other Temple representatives were in Tokyo last June, and he pointed out the great energy evident in the Temple-Japan program under the leadership of Mr. Higashi, its President. Mr. Fox said this is an incredible program in Tokyo where we are training 800 Japanese students in English and liberal arts subjects. More than 20 Japanese students from this program have already come to our Philadelphia campus to continue their studies here. The Board of Trustees of this Temple-Japan program is raising \$3 million to build a new facility for Temple-Japan. So, Temple has a very active outpost in the most exciting city in the world.

At 3:55 P.M., the Board of Trustees concluded its regular session and then went into Executive Session to consider personnel matters.