

MINUTES - SPECIAL SESSION

The Board of Trustees

Temple University - Of The Commonwealth System of Higher Education

Thursday, June 25, 1987

3:30 P.M., Feinstone Lounge, Sullivan Hall  
Park and Berks Malls

Attendance:

Members - Richard J. Fox, Chairman; Gail M. Barsky,  
Mildred D. Beck, Patricia J. Clifford, Paul A. Dandridge,  
Peter D. DePaul, Chaka Fattah, Lewis F. Gould, Jr.,  
Peter J. Liacouras, Henry H. Nichols, Brian J. O'Neill,  
R. Anderson Pew, Frances B. Rauch, Edward H. Rosen,  
Charles F. Schalch, Isadore A. Shrager, Murray H. Shusterman

being a quorum of the Board of Trustees;

Honorary Life Trustee - Marvin Wachman

Invited Guests - Leroy Dubeck, Carson Schneck

Administration and Staff - Barbara L. Brownstein, Richard A. Chant,  
Martin Goldberg, Rodney D. Johnson, Harold B. Morley,  
Robert G. Scanlon, H. Patrick Swygert, Michael Jhin  
James R. Jamison, Jr., David V. Randall, Kathy Gosliner,  
C. Robert Harrington, William G. Sites, Bonnie S. Squires,  
William C. Seyler

General Counsel - Peter Mattoon

University Counsel - Robert J. Reinstein

Invited Guest Observers - Faculty - Judith Goode, James Kelch,  
Maurice Wright

Students - Bashira Abdullah, Elizabeth M. Barr,  
Jonathan D. Libby, Marlene V. Wible

Members Absent - Francis J. Catania, Bill Cosby, Louis J. Esposito,  
Howard Gittis, Clifford Scott Green, Esther Boyer Griswold,  
D. Donald Jamieson, Harold E. Kohn, Hillel S. Levinson,  
William W. Rieger, Milton L. Rock, Samuel Rudofker,  
Anthony J. Scirica

PUBLIC SESSION

The meeting was opened with prayer by Dr. Henry H. Nichols, who also paid tribute to the late Representative Alphonso Deal who died on June 3, 1987.

On motion duly made and seconded, the Board of Trustees unanimously adopted the Memorial Resolution for Alphonso Deal, which Resolution is attached as SUPPLEMENT I.

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 May 12, 1987

On motion duly made and seconded, the Minutes of the Regular Meeting of May 12, 1987, were approved as previously mailed to the members.

(Secretary's Note: A question was raised as to the possible omission of discussion about the Woodhaven Center, but it turned out that this Woodhaven discussion was held at the Joint Executive Committee and Business and Finance Committee meeting of 4/23/87--and the matter is covered in the Minutes of that meeting.)

### 2. President's Report

The President said he would include in his Report to the Board his comments on the Tentative University Budget for 1987-88.

A. Resignation of Vice President Rodney D. Johnson: Vice President for Financial Affairs and Treasurer Rodney D. Johnson will be leaving his position on June 30, following a distinguished period of stewardship of the financial affairs and duties of Treasurer of this University. He expects that the Board will have a Resolution commending Dr. Johnson for his outstanding and successful stewardship. Rod is beginning a private venture with the Rodney D. Johnson Consultants and one of his clients we expect to be Temple University. He will supply very specific financial advice, especially on one or two of our major programs we hope to be undertaking. We want to thank Dr. Johnson for his outstanding service.

B. Recommended Election of Richard A. Chant as Acting Vice President for Financial Affairs and Treasurer: The President referred to Item 1 of today's Agenda, which is the nomination of the Committee on Trustees of Richard A. Chant as Acting Vice President and Treasurer, noting that Mr. Chant is truly a distinguished member of this University community, having served as Budget Officer of the City of Philadelphia, and more recently having served as the Chief Budget Officer for Temple University. The President has tremendous confidence in Dick Chant who came with Rod Johnson to Temple University about three and one-half years ago.

C. Retirement of Philip B. Schaeffer as Assistant to the President: The President said that Phil Schaeffer, who is the right hand, left hand, head and heart of the President's Office, has reached the mandatory retirement age. It is hard to believe that he is any more than 45 years old, but he really is 70. On June 30, Phil will be serving his last full-time day at Temple University. The President expresses the gratitude of the entire University community, including the Board of Trustees, to Phil Schaeffer for his distinguished service over the past one and one-half decades. The President has a hard time contemplating what the President's Office will be like without Phil Schaeffer. The University put an ad in the press (The Philadelphia

Tribune, The Inquirer, The Chronicle of Higher Education, and The New York Times) for a "President's Writer," and we described the position in terms of what we believe Phil Schaeffer actually does. We have received 260 applications, including professors with doctorates and an executive director of the National Science Foundation of a particular country. Among the applicants were journalists, writers, and poets--quite a tribute to Phil. One of Phil's last jobs will be to help choose his successor.

D. Reorganization of Development Activities: The President said that in an ongoing discussion of the growing Development needs at the Health Sciences Center (HSC), Vice President for University Administration H. Patrick Swygert and Vice President for Development Harold B. Morley came to two conclusions: (1) we need an all-out effort on Development at the HSC, which includes the Hospital, the Medical School, the College of Allied Health Professions, and the Pharmacy and Dentistry Schools; and (2) the best person to perform this important function is Dr. Morley himself. He began his career in Development in medical science and started at Temple at the HSC as Assistant Dean for Development in the School of Medicine. So, we are asking Dr. Morley to become Vice President for Development at the Health Sciences Center, and to spend all of his time on the HSC, which is some 40% of our total budget. We will, therefore, have to undertake a second Vice Presidential Search for a University-wide Vice President for Development, which includes both Development and Alumni Affairs. Following the search, then we will be able to make this move to have Dr. Morley spend all of his time at the HSC.

E. Consultative process and collegiality: The President said that over the past 15 years there has been immeasurable discussion on the goals and objectives of the University, and on process, especially "governance." Various opinions have been expressed. Over the years, various Faculty Committees and Commissions have presented a series of recommendations to the Board, to the President, and to others. He will not comment directly on the most recent of them; instead, the President prefers to be judged by his actions, rather than words.

He said to look at the facts--the record. For example: (1) the Budget being considered today was, in substantial part, originally recommended by the Administrative Budget Hearing Committee, which for the first time in Temple's history, included for all purposes two members of the Faculty--both recommended by the Faculty Senate (Professors Leroy Dubeck and Carson Schneck). Those Faculty members also sat with the Executive Cabinet in determining changes incorporated in the Tentative Budget. The President said that the contributions of these two faculty members have been invaluable. And (2) there will be a faculty member serving on the searches for the two top administrative positions he just mentioned--Vice President for Financial Affairs and Treasurer, and Vice President for Development and Alumni(ae) Affairs.

F. Presidential Committee to Recommend Policy on "Smoking at Temple University": The President said he wanted to review two policies of the University. For this purpose, following consultation with the Faculty Senate and the Student Senate, and with certain staff representatives, he will appoint a Committee that will be composed of students, faculty and staff to recommend a University-wide policy on "Smoking at Temple University for all Campuses."

Smoking has become a matter where issues of health, privacy and safety collide. There are regulations we must follow; we also are sensitive to environmental, health, safety and privacy concerns.

The Committee shall examine the issue by consulting the University community, and develop a comprehensive, coherent policy for the University, reporting back by November 1, 1987.

G. Presidential Committee on "Day Care at Temple University": The President noted that we do have a Day Care Center at Temple, costing between \$85 to \$90 weekly for one child, and that amount is beyond the reach of many of our staff members. There is a clear and present need for affordable child care if we are serious about equal opportunity for women and others of modest means. We could wait for the public sector to act on this important issue, but that will take too long. We have decided to launch our own review of Day Care at the University. This Committee, composed of students, faculty and administrators, will be asked to report back by February 1, 1988.

H. Trustee Task Force on "The Appropriate Role of Inter-collegiate Athletics at Temple University": The President said that there are 19 intercollegiate sports at Temple, 10 women's sports and 9 men's sports; 584 student-athletes participate in intercollegiate athletics. Of these 584 student-athletes, 406 are on full or partial scholarships. Another 178 are "walk-ons," which means they pay their own way.

There are three features of our Intercollegiate Athletics program at Temple which are superior: (1) the academic support for our student-athletes is a strong program that recently has been improved even more, as have graduation rates; (2) the DETER Program is a national model of education, rehabilitation and testing for drugs; and (3) our tradition of running a clean program has prevailed as long as there has been a Temple. In the past the Board has examined, and will continue to examine, these three areas.

But beyond these three areas, there is an understandable difference of opinion at Temple and elsewhere in the nation as to the appropriate role of intercollegiate athletics at a university. These programs like debating and glee clubs, were begun in colleges by students as extracurricular activities. They have grown into entertainment and business at some universities, and their original rationale has been called into question. At Temple we ask: how important to the University, and particularly to students, faculty, and alumni is the program in intercollegiate athletics? What kind of program is appropriate to this senior, comprehensive, public research university in Pennsylvania--the sister institution of Penn State and Pitt?

The financial cost to the University for these 19 inter-collegiate sports, in terms of a direct subsidy but excluding financial aid and other "indirect" costs, is on the magnitude of \$2.6 million. We do not measure such subsidies for academic programs, but we do for intercollegiates (although before the merger of 1982, the women's program was an integral part of HPERD).

The rate of growth in the subsidy has been reduced during the past four years, but it is clear that all but two of the 19 programs are, practically speaking, unable to generate direct revenues to help pay for their costs or those of the other sports. That fact is unlikely to change for the next decade. We must recognize that reality.

Men's Basketball and football clearly have the potential to generate additional direct revenue and thereby to reduce the subsidy to intercollegiate athletics. How much is a question. Men's basketball virtually pays for itself, but the seating and other limitations of McGonigle Hall foreclose the opportunity for a major increase in gate receipts; that is one case for a large campus facility.

This leaves the other "revenue" sport, football. Revenue from football has increased, as have expenses. Football has a major additional revenue potential, and that potential has not been realized in terms of paying for football, let alone for any of the other sports programs.

The question then becomes how valuable are these 19 intercollegiate sports programs, and to what degree should we support them, and at what level?

There are many issues to be addressed. The Board should review the appropriate role of intercollegiate athletics at the University, taking into account the diversity of the student body; the fact that these student-athletes receive an education through their athletic skills; the unifying fact of having hundreds and even thousands of University supporters in one place at one time, emotionally committed to Temple; the recognition of the direct and indirect support these programs bring to the University, etc.

Then, those factors should be weighed against the financial costs which can therefore not be used for other programs; the competition for limited physical, recreational and financial resources; the societal hype given to sports rather than to academic prowess in this culture, leading to a disproportionately much greater publicity given to sports programs when compared with academic programs because of the interest and cultural values in society; and other "down-siders." The Task Force will be composed of faculty, students, alumni, administrators, and Trustees. This will be a Trustee Task Force and the President would appreciate having a report from it by December 1, 1987, although this discussion can take much longer.

I. Trustee Task Force on "The East Campus Development Project": The President said that this Task Force would deal with probably the most exciting development of our planning process in The Academic Plan--the East Campus Development Project.

This Project has five parts to it, all inter-related. None has reached a point of a recommendation from the administration to the Board.

Each of those five parts developed from ideas and initiative of faculty members. In fact, the consideration of the possible movement of our Art School to the Main Campus came from members of the faculty in the small sessions he had earlier in the academic year with various faculty groups. He then raised the issue directly with the

Tyler faculty and asked them to study the issue. It is an idea we should resolve promptly and unemotionally, the President continued.

We are spread very thinly on six campuses. We want to preserve and enhance our distinguished art school. The Academic Plan envisions that we would concentrate our spread-out resources in fewer locations, and The Plan also underlined that Dance and University Art needed downsizing because of the severe space limitations of the Main Campus. Architecture was also identified as one of the space-intensive programs for which we must find new housing. How to do so economically and feasibly while improving the desirable space dedicated to these art programs, and their environment and ambience, is our immediate challenge.

The proposed Task force would examine (possibly through sub-Task Force units) these five parts: (1) the network of transportation, including the new train station and parking; (2) the best uses for existing buildings, and in particular Kardon, Atlantic Terminal and the Sjostrom, specifically for the purpose of possible relocation of the art programs and for increased student housing on the Main Campus (for which we face an unmet need for 1,000 student beds); (3) the proposed Science and Technology Campus; (4) the proposed Center for Sports and Recreational Therapy for the handicapped, including the Convocation Center (and enlarged basketball facility) as part of the East Campus Development Project; and (5) the possible establishment of the arts center for Art, Dance and Architecture in the Kardon and Atlantic Terminal Buildings, related to part (3) above.

These five subjects are interrelated.

We want to know how our neighbors feel about these issues before we reach a point of no return. Temple is in their community. We have already begun the consultative process, and it is clear that our neighbors will express concerns and their own hopes for the future, which we should consider.

We should know whether what we are discussing is not only desirable but feasible.

Obviously, all recommendations from the Task Force would go to appropriate Board Committees, and clear other internal processes, thereafter. The President would like this Task Force to report back by November 1, 1987, so that there is adequate time either to revise, implement or discontinue the proposed project. We should not keep people dangling.

This Task Force would be broad-based, including members of the faculty, students, alumni, administrators, members of our immediate community, and trustees.

The President hopes that the two Task Forces he has described above will receive the approval of the Board, in principle. We could then work out the parameters promptly.

J. Tentative University Budget for 1987-88

The President said that this is a Tentative Budget, in which there are some uncertainties, the major being enrollment for 1987-88 and the State Appropriation, which have not yet been determined. We have used assumptions based on our best available information. The Final University Budget will be approved, as usual, in October.

The Final Budget for Fiscal 1986-87 contained \$4.5 million in transfers from quasi-endowment, mainly from non-recurring items. Current projections indicate a usage of only \$1.8 million, or \$2.6 million less than budgeted for 1986-87. The 1987-88 Tentative Budget recommends use of slightly less than \$4 million from quasi-endowment, again for mainly non-recurring items: Graduate Program Reviews, the Financial Management Systems, the Human Resource System, Academic Equipment Amortization, Bond Issue Payback, Programmatic Incentives, the GEAC Computer for Paley Library and for TUCC Renovations.

We have estimated that our enrollment will decline by 1%; so, if enrollment is even, we could have \$1 million as reserve on the revenue side. As of now, the enrollments in the professional schools are better than we had projected six months ago. The Dental School has been very successful in upgrading the qualifications of the students. But we planned a reduction of 30% in dental students over four years as part of the restructuring of the School, so Dental enrollment from 1987-88 will be down. In increasing the numbers of minorities and in meeting its goal of 100 entering students, the Medical School is on track; and the Law School is running 8% ahead of last year in paid deposits. Some undergraduate programs are showing a decline in paid deposits: Arts & Sciences, down 10%; Business & Management, down 6%; but we think they will come back closer to 2%. Our full-time students at Temple last year reached an all-time high.

All in all, we think it is prudent to budget for an enrollment decline of 1%.

The President referred to Agenda Reference 2, page 9, which notes that Temple's Cumulative Percent Increase in Tuition since 1983-84, is the lowest among peer institutions in this region.

He emphasized that we are not raising tuition for the Second Summer Session, and this is the first time he can recall that this has been done. This represents about a \$150,000 bonus spread out to all of the students who are in this Second Summer Session.

The Tuition increase for undergraduates is 6.48%, and the increase for Medical School, Law School and Dental School is 7.5% each.

The President pointed out that room rates for Temple Towers will increase by 5.0%, instead of the incorrect figure of 6.1% which appears in Agenda Reference 2, page 2. The total Temple bill--including tuition, fees, room and board--for the typical Pennsylvania resident dormitory student will increase by only 4.6%. Some of our Room rates are going up only 3%; and our Board Bill is being revised by less than 3%.

The President referred to the goal of Unrestricted, Undesignated Gifts of \$2 million, and he said this will require a very strong effort on the part of our Development Office. One of the assumptions in putting together this Tentative Budget is that we will have a Challenge Grant of \$200,000 for Unrestricted Giving by the Trustees for others to match on a 2 to 1 basis. Board Chairman Fox and Development Chairman Pew will convene a meeting in the early Fall to work this out.

The President noted that in Intercollegiate Athletics, there have been four straight years of significant net budget over-runs. In fairness, it has taken four or five years to make that operation sufficiently responsible for us to monitor and then make reasonable projections of revenues and expenditures. Any dollar that goes to Intercollegiate Athletics could go elsewhere in the University.

Personally, the President thinks we should have no direct subsidy (excluding student financial aid) to Intercollegiate Athletics. That should be our goal. Even if we should attain this goal, some would disagree and would treat Intercollegiate Athletics like other extra-curricular activities which receive subsidies.

The fact that we run a clean program and that we have not reached a Bowl for almost a decade indicate--and the future budget will reflect--that we cannot assume revenues from a Bowl Game, or that we will have 50,000 paying football fans at The Vet. Television and gate receipts cannot be assumed to increase dramatically.

This means we must look to another area--private support for the programs. Those alumni and others who want the Intercollegiate program to continue at the present level will have to increase their giving substantially. The President noted that \$600,000 is budgeted for that category next year, a 33% increase over 1986-87 actual giving. There is also budgeted a \$100,000 reduction in expenses over the actual expenditures of 1986-87.

This means that the budgeted subsidy for Intercollegiate Athletics would be about the same as for the budget for this year. In Fiscal 1987-88, the requirement is to reduce the direct actual subsidy to \$1,850,000. It is the actual--not simply the budgeted--subsidy that we are working on. The Athletic Director has presented a five-year plan to reduce the actual direct subsidy from its present level of \$2.6 million. To get it down to zero will require major changes in revenue. The Committee on Athletics will be meeting on July 7 to examine a five-year plan, and the Administration will periodically update the Board and this Committee to make sure we are not deviating uncontrollably from our budget for 1987-88 and our five-year targets.

The President further noted that students will not pay any increased fee for Parking in 1987-88, thereby helping the commuting student just as this Budget helps the resident student by keeping room and board rates low.

This Budget was put together by a process in which two faculty members fully participated. Rod Johnson chaired the Committee and Dick Chant was the key Budget person. This Budget Hearing Committee, composed of the Provost, Vice Presidents Swygert and Scanlon, and the two faculty members, had recommended to the President, during

the next three years, tuition increases of 8%, 8%, and 7%. The President and cabinet ultimately settled on a 6.4% increase for this year. We also added 6% to the Financial Aid budget.

We have built in some very forward-looking initiatives and procedures which will benefit all of the University, including specifically the faculty. For instance, there is an Increased Faculty Compensation line of \$1 million. This would be to reward the most meritorious service of our faculty, consistent with market conditions, by exceptional, one-time increase to base salaries, where appropriate. These would be over and above contractual raises. The President said the precise scope, criteria and procedures to implement this extraordinary program will be developed by the Executive Cabinet and are subject to prior approval by the Executive Committee of the Board of Trustees.

This Tentative Budget also contains a \$1 million fund for incentives to encourage faculty and staff to develop innovative proposals to improve the teaching, research, and services at Temple, and simultaneously to increase University net revenues. The goal is to have a "seed" pool to create incentives for Temple University faculty and staff to improve academic excellence, the quality of services and enrollment, and to enhance productivity. The precise scope, criteria and procedures to implement this new incentive program will be determined through the broadest consultation with faculty, administrators and students. The fund will be administered by the Sub-Committee on Professorships and Awards of the Honorary Degrees Committee of the Board, and is located for budget purposes within the Institutional Budget of the Office of the President.

Reference was made to the "Outstanding Teachers Program," under which \$50,000 has been budgeted to begin a new program of cash awards to faculty of up to \$10,000 each, honoring Temple's outstanding teachers. It will also be administered by the Sub-Committee on Professorships and Awards of the Honorary Degrees Committee of the Board, which will be assisted by the entire University faculty and student community.

Another \$50,000 has been provided to support selected faculty members for the period of a semester, academic year or summer. These Presidential Fellows' duties will include organizing University-wide seminars and other cultural events sponsored by the President and the Board of Trustees in art, poetry, fiction, music, theater, dance, architecture, communications, linguistics, and the development of competence in foreign languages.

The President said that by this Budget we will have reduced by 85% the number of part-time faculty teaching in the College of Arts & Sciences, reducing the number from 450 to 68. In English, the reduction will be 90%. Some will be hired as full-timers. Who could have foreseen this development two years ago? We believe this is a very important indication that Temple University is implementing the Academic Plan that we will make the financial investments to fulfill our academic goals.

Another \$650,000 item is in the Budget to increase Graduate Assistant Stipends. This is part of a five-year program developed by the Provost, especially in high priority areas.

In terms of employee benefits, the President pointed out that the University's Social Security payments will increase by \$1 million for 1987-88. Basic Medical Benefits will increase by \$1.2 million. These represent less than half of the increased cost of benefits. Our Budget transfers some of these increases to the budget units, with the rate for benefits increasing from 23% to 24%, except in the Hospital, Medical School Physicians' Practice Plan, and those on external grants.

Our Budget assumes a reduction of \$2.1 million in administrative (non-faculty) costs, with no reduction in service. In addition, there is \$1.3 million in contingent reductions for the Office of the President, the Vice President for HSC, the Vice President for University Administration, the Vice President for Financial Affairs, and the Vice President for Operations and Planning--but none for the Provost-- contingent on the level of actual enrollments in the Fall.

The President said that, if the Admissions come in above our assumptions, if the State Appropriation comes at above the level we expect, if the City of Philadelphia gives us the support we deserve for serving the community in our Hospital--then we may not have to make the cited cuts.

We will keep the Board informed and the actual figures will be reflected in the Final Budget submitted in October.

#### K. Tentative Hospital Budget for 1987-88

The President noted that Dr. Rock, who chairs the Hospital Board of Governors, had oral surgery early today and is unable to be here. So, the President will be glad to field any questions Board Members may have on the Hospital Budget. He noted that the Hospital has a budget of about \$150 million; it has the 3rd highest Medicaid load of any university hospital; it has a new Dean of the Medical School, Dr. Goldberg, who has made and will be making outstanding appointments in Medicine, Cardiology, and Obstetrics-Gynecology--and there appears to be a resurgence in the morale of the staff at the HSC.

But the Hospital Budget assumes a rosey picture on the revenue side and on the expense side. There are five or six assumptions, and if any one of them goes wrong, there will be a problem. We will be reviewing the Hospital Budget monthly. In February, we saw a potential deficit of \$2.5 million; we made adjustments, and we are coming in under budget in the Hospital. Between now and August, we should be able to have a better indication of whether the assumptions we have made are fully practical.

The President concluded his Report by noting that he would be happy to answer questions the Trustees may have.

#### 3. Election of Richard A. Chant as Acting Vice President for Financial Affairs and Acting Treasurer

On motion duly made and seconded, the Board of Trustees elected Richard A. Chant as Acting Vice President for Financial Affairs and Acting Treasurer, Mr. Chant having been duly nominated by the Committee on Trustees (6/25/87), to serve until the next Annual Meeting of the Board or until his successor shall have been elected and qualified. (A biography of Mr. Chant is attached as SUPPLEMENT II.)

#### 4. Tentative University Budget for 1987-88

As noted in Item 2 of these Minutes, in his Report, President Liacouras discussed the Tentative University Budget for 1987-88 in considerable detail.

Judge Dandridge referred to page 4 of Agenda Reference 4, which noted that \$1 million has been included in the Budget "to reward the most meritorious service of our faculty," and he raised a question about the use of "meritorious" because this may be a way of enhancing certain faculty whose base is too low. The President said this has been worded very carefully because in our contracts with AAUP we have the word "merit," and this particular provision complies with the AAUP contract but also would affect non-AAUP members. With respect to "market conditions," these conditions would turn on external conditions which we have to compete with. We wanted to make sure that whatever we have in the way of standards or scope, procedures and categories be brought to the Executive Committee of the Board of Trustees--so Judge Dandridge will have an opportunity to discuss the suggestion he has made, and the President will keep the suggestion under consideration.

Representative Fattah asked about the significant increase in the budget for the Board of Visitors (from \$33,000 to \$108,000), and the President said that we fully expect to begin staffing these Boards in Law, Medicine, Dentistry, and Business and Management, and possibly some other groups this year. The Board of Visitors budget in the past has not assumed that. We will probably have to add some staff and will have increased expenses for this Board of Visitors operation.

Representative Fattah referred to the Rome Campus budget (an increase from \$480,000 to \$627,000), and the President noted that we have not yet revised the lease for our facility in Rome. The major factor is that the Art School is sending more full-time faculty to the Rome Program than was done previously. As a result, the costs are at least tripling. The Tyler School will have to look at this. Even though the Art Program in Rome may have wonderful benefits, this has to be weighed against the costs involved. We will have to renew our Rome lease or purchase the property--which will increase costs tremendously. The subsidy will, therefore, clearly increase, and the devaluation of the dollar has also had an effect. The University cannot control the value of the dollar, but we can control our personnel costs.

Mr. Pew referred to page 3 of Agenda Reference 2, which provides, in part, "...the University subsidy in 1987-88 for Intercollegiate Athletics is included in the Tentative Budget at \$1,850,000, a reasonable target which is achievable and from which there will be no acceptable deviation again." Mr. Pew said that as Chairman of the Athletics Committee, he does not want the Board to feel that we can guarantee this. The target for fund raising of \$600,000 is \$200,000 more than was raised last year. It is felt that it is conceivable that we can raise \$500,000 but the last \$100,000 to reach the target of \$600,000 is a "wish." The President said he appreciates Mr. Pew's making this point. The fact is that everyone in Intercollegiate Athletics is under enormous pressure. It is our intention to put them under pressure. The intention is to have in place a target and we can make mid-course adjustments. We have made three transfers from Intercollegiate Athletics charges to those places at Temple University that would ordinarily bear such charges: Academic Advising is in the

Russell Conwell Center; Athletic Medicine is in Student Health; and Promotions are in the central Marketing unit. With those transfers of \$610,000, with the increased giving from \$400,000 to \$600,000, and with the other adjustments which have been explained, including a reduction of actual spending by \$100,000, we think the goals for Intercollegiate Athletics are realistic. The Athletic Director may have to cut \$200,000 instead of \$100,000. We have made it clear that we do not want deviation from the Budget figures; we want to keep the pressure on Intercollegiate Athletics, and the supporters of athletic programs should help to pay the bills. He thanked Mr. Pew for his important role in increasing giving this year to the \$400,000 level, and he realizes it will take a very strong effort to get the giving up to the \$600,000 level. The President thinks that the athletics programs should pay for themselves, and this is one of the matters that will go to the Task Force on the Appropriate Role of Athletics at the University. The President concluded by noting that we will change the last words referred to by Mr. Pew to..."there will be no unacceptable deviation."

After further discussion, on motion duly made and seconded, the Board of Trustees, acting pursuant to the Board authorization of 5/12/87, voted to adopt a Tentative University Budget for 1987-88, said Schedule being attached as SUPPLEMENT III.

5. Tuition Schedule for 1987-88

On motion duly made and seconded, the Board of Trustees, acting pursuant to the Board authorization of 5/12/87 and the recommendation of the Student Affairs Committee (6/23/87), voted to adopt a Tuition Schedule for 1987-88, said Schedule being attached as SUPPLEMENT IV.

6. Residence Fees for Academic Year 1987-88

On motion duly made and seconded, the Board of Trustees, acting pursuant to the Board authorization of 5/12/87 and the recommendation of the Student Affairs Committee (6/23/87), voted to adopt the Residence Fee Schedule for Academic Year 1987-88, said Schedule being attached as SUPPLEMENT V.

7. General Activities Fee for 1987-88

On motion duly made and seconded, the Board of Trustees, acting pursuant to the Board authorization of 5/12/87 and the recommendation of the Student Affairs Committee (6/23/87) voted to approve the General Activities Fee for 1987-88, said Fee being described in SUPPLEMENT VI.

8. Subsidy to Fund Student Housing Improvements

On motion duly made and seconded, the Board of Trustees, acting pursuant to the Board authorization of 5/12/87, and the recommendation of the Student Affairs Committee (6/23/87) voted to approve the University's providing a subsidy of \$176,000 to student housing as the fifth year of a six-year plan for repayment of the \$1.1 million Renovation package of 1983-84.

9. Tentative Hospital Budget for 1987-88

Judge Dandridge said that last year, the year before, and the year before that there were certain assumptions made regarding the Hospital Budget, none of which came true. He understands this is a Tentative Budget, but he has serious concerns about the assumptions again this year. He suggested that a Special Committee might be set up to deal with this matter. He said he hoped that we would take a full day in the Fall before we look at the Final Hospital Budget because he is very concerned about this matter. Mr. Fox said that the Hospital historically has been the "Achilles Heel" of Temple University. We have a new \$130 million facility which changes most of the assumptions we operated under in the past. There has been a tremendous effort made by the Board of Governors, headed by Dr. Rock, to come to grips with the new Hospital. He welcomes the suggestion from Judge Dandridge. We will schedule an all-day meeting in September, with one of the major items being the Hospital, its Budget and the assumptions underlying it. We will ask Dr. Rock and the Board of Governors, and the Medical School to present their plans as to how they will make the Hospital a viable operation.

Judge Dandridge said the only way we will be able to increase our census is to open up the Hospital to physicians who haven't been able to practice at the Hospital. This must occur for us to reach the goals we have set. The President said that Judge Dandridge had put his finger on the main issue, which is the #1 priority of the Strategic Planning Force of the Board of Governors. The assumption in this Hospital Budget is that 366 discharges will be the result of having volunteer physicians join the Hospital staff. We went with the assumption that over a three year period, the Medicaid load will drop from 49% to 38%. The number of Medicaid patients will increase. The question will be whether the new physicians will bring the Hospital patients who have insurance--and the new patients will probably change the "mix".

The President said that in fairness to the Hospital, each year for the past five years, the Hospital has run a surplus. This has involved a grant of \$2.5 million from the State, and now from the University. It is the objective of Dr. Rock and the Board of Governors to reduce that subsidy to zero. That \$2.5 million will be for the benefit of the Hospital, but the operating budget should reflect zero subsidy. We are faced with a high mortality rate for children in our area. We would hope to be able to invest in attacking this kind of situation, but we want a balanced budget with this \$2.5 million subsidy. The Board of Governors is facing up to these responsibilities, as is the management of the Hospital, along with Dean Goldberg of the Medical School. The assumptions cited must come true if the Hospital Budget is to be balanced. The President said that we look forward to a full-day meeting in the Fall so we can cover the entire Hospital operation. We are confident we will have the best hospital possible, but we cannot let a day pass without seeking to make more improvements.

Mrs. Clifford asked if the medical students who take their training at Temple remain in this area. Dean Goldberg said that between 30% to 40% of the physicians working at the Hospital have taken their training at Temple University. We try to keep our best students in our System. We are still open to national searches for leadership positions.

Mr. Fox said that at the same time Temple University Hospital has been having small surpluses (with the aid of the \$2.5 million subsidy from the State), other Hospitals in this area have been running \$8 to \$10 to \$12 million surpluses under the new DRGs system. The difference is the provision of free care that Temple University Hospital provides for the citizens of Philadelphia for which we receive little or no reimbursement. While we are constrained from moving ahead in some areas, the present reimbursement system is providing other Hospitals with surpluses. We should discuss again the manner in which Temple University provides free care and to whom we will provide it. In effect, we have become the Philadelphia General Hospital (PGH) of today and the City gives us little or no support. The City has transferred to Temple's budget what PGH used to cover. We are continually struggling with this situation. It is very important to keep in mind the circumstances under which we are delivering medical care. That is an appropriate thing to review and to put on the agenda when we meet in the Fall.

On motion duly made and seconded, the Board of Trustees, pursuant to the Board authorization of 5/12/87, voted to adopt the Tentative Hospital Budget for 1987-88, said Budget being attached as SUPPLEMENT VII, and said Budget having been recommended by the Hospital Board of Governors on 6/23/87 (Board of Governors By-Laws, Article III, Section 4 [3]).

10. HSC: Bone Marrow Transplant Clinic

Judge Dandridge said that after the Campus Planning and Plant Management Committee had approved this Clinic on 5/1/87, he had spoken with Acting Vice President Scanlon, and there is apparently a question as to whether this program can be self-supporting. In view of this, Judge Dandridge moved to amend the recommendation so that a condition subsequent to the Board's approval be that before the money is expended on this Clinic, the matter should be taken back to the Campus Planning and Plant Management Committee for its approval. This amendment was approved by the Board and it is incorporated in the action taken by the Board, as indicated below.

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (5/1/87) that the officers be authorized to expend up to \$620,000 to make capital improvements to accommodate a Bone Marrow Transplant Program, with capital funding to come from the University Bond Issue, and with operating costs of \$224,144 to come from development funds, with the understanding that none of the above funds shall be expended until this matter is taken back to the Campus Planning and Plant Management Committee for its review and approval.

11. Tioga Garage Improvements

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (5/1/87) that the officers be authorized to spend an additional \$79,760 of bond funds for reconstruction of the Tioga Garage, with the funding to come from the University's Bond Issue.

12. Student Stores--Negotiations with Barnes and Noble

President Liacouras pointed out that we are in the process of negotiating with the Hospital Workers union, 1199-C, which represents a total of 2100 employees, including about 12 members of our Book Store staff. In our discussions with Barnes and Noble and with Bob Harrington's discussions with the affected unions, we have made it clear that under no circumstances would any of our employees at the Book Stores lose their jobs at Temple University; they would get another position at Temple University. If Barnes & Noble is chosen, we will work out somehow a continuation of our benefit of Tuition Remission for their children. However, this issue is something that will probably be referred to in the media because it is considered to be a highly sensitive issue by the union. The President noted that over 10 years ago the University contracted out our Computer Facilities Management Services to SCT. If the Board approves the next item on the Agenda, we will be bringing back to Temple University some of these previously contracted out services.

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (5/1/87) that the officers be authorized to negotiate with Barnes and Noble concerning the operation of the Temple University Student Stores, and, if determined to be in the best interest of the University, to contract with Barnes and Noble, with the understanding that before any agreement is reached, Temple will meet with the affected union organizations.

13. Purchase of Academic and Research Equipment

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (5/1/87) that the officers be authorized to purchase \$500,000 worth of academic and research equipment (as listed in SUPPLEMENT VIII) to be funded by the University Bond Issue.

14. Computer Facilities Management Services Contract

The President noted that this is a five year contract for Technical Operations and three years for Academic and User Services at a cost not to exceed \$13,672,000. He said that Dr. Scanlon, working with faculty and administrators, had developed a Request for Proposal (RFP), and there were two finalists, with SCT being recommended to receive the contract. In conjunction with the contract, SCT is making a \$1 million gift to the University by purchasing equipment that the University would have otherwise purchased. SCT will lease this equipment for \$1 a year. At the end of five years, Temple University will be obligated to pay either the book value (which will be zero) or market value, whichever is lower. This arrangement is reflected in the Tentative University Budget which has just been adopted.

Mrs. Clifford asked why SCT is so good to Temple University, and the President said that SCT really wants to keep the Temple account and wants to undo earlier administrative shortcomings. Mr. Fox pointed out that SCT is the present supplier of these services. The President said there has been a great change in the management of SCT. We feel strongly that the \$1 million is a very reasonable contribution to this University for a major supplier of services. Mrs. Beck asked if this \$1

million gift might be considered a "kick back" and Mr. Fox answered negatively with the President noting that this was a gift to the University.

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (6/5/87) that the officers be authorized to enter into an agreement with Systems Computer Technology (SCT) to provide Academic and User Services for three years and Technical Operations for five years at a cost not to exceed \$13,672,000.

15. Renovation of 10th Floor of Parking Pavilion

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (6/5/87) that the officers be authorized to retain engineering services for an amount not to exceed \$57,750 and to complete a detailed design for renovations of the 10th floor of Parkinson Pavilion for use as laboratory and research space by the Department of Medicine, School of Medicine.

16. Leasing of Space for the Harrisburg Program

President Liacouras said that Temple University has been part of a consortium for about 15 years with Penn State, Penn, Lebanon Valley College and Elizabethtown College. That consortium has been broken up. Penn State has left, especially because of the development of its Capitol Campus at Middletown, and Penn has also left. Temple University and the State System were asked to develop a proposal which would provide education for the Harrisburg area. The Board of the consortium (composed of lay people from the Harrisburg area) opted for the State System proposal. Since then, the Board has changed its mind--but we decided that the expense of running the consortium and the lack of control by Temple University were negative factors. Instead, we will lease space in Strawberry Square, just opposite the Capitol grounds--and we will have the Temple banners flying so that all of the State Government and the citizens of Harrisburg will be more aware of Temple University. We will have Master's and Doctor's programs in Education for Superintendents; and we will also have programs in Social Administration and in Public Administration; and we will have a Pharmacy program. There will also be an Admissions Office in the leased space. The whole program must lose no more than \$75,000 the first year, \$50,000 the second year, and break even in the third year, including covering the rent. Messrs. Pew and Schalch said they thought this was a very good idea.

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (6/5/87) that the officers be authorized to enter into a lease agreement with Harristown Development Corporation for 8,750 square feet of space in Strawberry Square, Harrisburg, for an amount not to exceed \$9.00 per square foot, and to complete necessary renovations to this space for an amount not to exceed \$150,520, and to purchase furniture and equipment for an amount not to exceed \$45,000, with the understanding that the net costs of operating the Harrisburg Program will not exceed \$75,000 in the first year, \$50,000 in the second year, and will break even in the third year and every year thereafter.

17. Recommendations for Changes in Faculty Members' Home Departments

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Educational Policies Committee (6/16/87) regarding the recommendation of the President that

Robert H. Deans, Professor, Primary Presidential Faculty Appointment with Tenure, in the Department of Economics, School of Business and Management, he transferred to the Department of Finance, School of Business and Management, effective July 1, 1987;

Alan K. Severn, Associate Professor, Primary Presidential Appointment with Tenure, in the Department of Finance, School of Business and Management, he transferred to the Department of Economics, School of Business and Management, effective July 1, 1987;

Andrei Budzynski, Professor, Primary Presidential Faculty Appointment with Tenure in the Thrombosis Research Center, he transferred to the Department of Biochemistry, School of Medicine, effective July 1, 1987.

18. Approval of Granting of Tenure to Two Faculty Members

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the President and the Educational Policies Committee (6/15/87) that Faculty Tenure be granted for a Professor in the Department of Mathematics, College of Arts and Sciences, and for a Professor in the Department of Economics, School of Business and Management (whose names are on file in the Office of the Provost), pursuant to the procedures outlined in the Temple University Faculty Handbook.

19. Appointment of Trustee Task Forces Requested by the President

Mr. Fox, Chairman of the Board, said that after discussion with the President, he will appoint the two Task Forces mentioned in the President's Report: the Trustee Task Force on "The Appropriate Role of Intercollegiate Athletics at Temple University"; and the Trustee Task Force on "The East Campus Development Project" so that these groups may meet their respective reporting deadlines of December 1, 1987, and November 1, 1987.

20. Request for Additional Information Regarding Student Stores

Representative Fattah referred to Item 12 of these Minutes (dealing with the Temple University Student Stores), noting that if the agreement is reached between Temple and Barnes and Noble, the arrangement will increase the University's income--and he asked for additional information on this matter. The President said he would be pleased to provide this information to Representative Fattah.

21. Commendation for Vice President Swygert and  
Government Relations Director Randall

President Liacouras asked that the record show how much we appreciate the extraordinary work being performed by Mr. Randall in representing the University in Harrisburg. He also singled out Vice President Swygert for his work beyond the call of duty in dealing with certain litigation matters involving the University and the Commonwealth.

22. Proposal to Recognize Fraternities and  
Sororities at Temple University

Mrs. Clifford said that she had attended a meeting of the Student Affairs Committee of the Board on 6/23/87, at which time the captioned matter was discussed--and she pointed out that this matter has been under discussion for a very long time. It is her feeling that the University Policy on this matter should soon be determined because the University should let the Fraternities and Sororities know where the University stands.

Mr. Fox agreed that this is an important aspect of student life on campus. He asked Vice President Swygert to come up with a set of recommendations on this matter so that it can be disposed of by the full Board at its October 1987 meeting.

23. Rating of Hospitals in the Delaware Valley

Mr. Shrager noted that Philadelphia Magazine had recently rated hospitals in the Delaware Valley, and that the Temple University Hospital was rated about 4th.

The Public Session of the Board of Trustees was adjourned at 5:00 P.M. and the Board moved to Room 200, Sullivan Hall, for an Executive Session to discuss personnel matters and matters of litigation.