

MINUTES

The Board of Trustees

Temple University - Of The Commonwealth System of Higher Education

Tuesday, March 9, 1993
3:00 P.M., Feinstone Lounge, Sullivan Hall
Park and Berks Malls

Attendance:

Voting Members - Richard J. Fox, Chairman; Harry P. Begier, John J. Contoudis, Paul A. Dandridge, Theodore Z. Davis, Peter D. DePaul, Lewis F. Gould, Jr., Eleanor S. Hofkin, Lacy H. Hunt, D. Donald Jamieson, Peter J. Liacouras, Joseph W. Marshall, III, R. Anderson Pew, Daniel H. Polett, Milton L. Rock, Edward H. Rosen, Anthony J. Scirica, Isadore A. Shrager, Francis R. Strawbridge, Clare L. Wofford

being a quorum of the Board of Trustees

Ex Officio Trustee - Charles Fuget (representing Secretary of Education, Donald M. Carroll)

Ex Officio Participants - Mark H. Haller (Faculty), Leonard Mellman (Alumni)

Honorary Life Trustees - Marvin Wachman

Invited Guests - Faculty - Roland Lipka, George H. Manaker, Leonard M. Pakman

Administration and Staff - Richard A. Chant, Steven R. Derby, James W. England, Richard M. Englert, Jack E. Freeman, Thomas R. Freitag, C. Robert Harrington, Robert H. Lux, Leon S. Malmud, Rosalind R. Meyers, Jesse Milan, Timothy C. O'Rourke, Arthur C. Papacostas, A. Kent Rayburn, Laurent J. Remillard, William G. Sites, Bonnie Squires, Valaida S. Walker, James S. White, Beverly L. Breese

General Counsel - Peter Mattoon

University Counsel - George E. Moore

Voting Members Absent - Francis J. Catania, William H. Cosby, Jr., Peter D. DePaul, Robert C. Donatucci, Louis J. Esposito, Howard Gittis, Clifford Scott Green, Judith E. Harris,

Irving K. Kessler, Brian J. O'Neill, William W. Rieger,
Anthony Hardy Williams, James A. Williams,
Walter E. Williams

Ex Officio Participant Absent - Fabio Polanco (Student)

EXECUTIVE SESSION

The Board met in Executive Session to discuss personnel and real estate matters.

1. Approval of Minutes of December 8, 1992

On motion duly made and seconded, the captioned Minutes were approved as distributed.

PRESIDENT'S REPORT

Retirement of Executive Vice President

President Liacouras began his report by announcing the retirement of Dr. Jack E. Freeman, Executive Vice President since November 1, 1990. Dr. Freeman will retire this summer because of "pressing family considerations".

Dr. Freeman has been with us during a very difficult period in the history of Temple University, and his performance as Executive Vice President has been a standard that all of us will use in the future to measure success. The President read the following from a statement by Dr. Freeman: "My decision is based on personal and family considerations which compel me to retire much earlier than I had anticipated. I'm sorry to be leaving Temple because this is the most exciting and fulfilling job I've ever had."

When Dr. Freeman came to us, I described him as the finest administrator I have known and worked with in 20 years of university service. In retrospect, I think I have understated Jack's value and his worth.

We are fortunate that Jack, who will settle again in Pittsburgh with his family, has agreed to become Senior Consultant to the President. There are several areas of long-term planning I want him to undertake: the desirability and feasibility of increasing the size of our freshman undergraduate class; and second, the approach we should take to improving and coordinating the continuing education and off-campus programs, whether in a college of general studies or some other mechanism at Temple University. With Jack Freeman knowing Temple University so well, we believe he will be of invaluable service to all of us.

There will be other areas where he also will be of value to us, but he will be a consultant. He will not be with us every day; that is the sad part.

Following discussion with various University constituents over the next several weeks, the President expects to recommend to the Board, for its May meeting, that James S. White, Temple University Vice President for Public Affairs and former Managing Director of the City of Philadelphia, succeed Dr. Freeman as Executive Vice President. Mr. White has a background in the military, public service and higher education. He was highly decorated in the Vietnam War. He retired from the service as a colonel after 23 years. He was appointed Managing Director of the City on July 1, 1985, and became Vice President of Provident National Bank in April 1990.

Mr. White was a faculty member at Florida A&M and director of International Security Studies at the Army War College. He has a bachelors' degree from Morgan State College, a master's degree from George Washington University's School of Public and International Affairs and is also a graduate of the National War College in Washington, D.C.

The point of having someone here of James White's status, experience and sensitivity is not lost on any of us. We are fortunate to have him within Temple University's administration; and during the next few months, he and Jack Freeman will work closely together so that there will be a smooth transition at the point of Jack Freeman's retirement and Jim White's assuming those duties.

All of these appointments to the post of Executive Vice President, John Rumpf, H. Patrick Swygert, Jack Freeman in 1990, eventually changed somewhat the definition or prior reporting relationships. During the next few months, we will look at the portfolio and make the appropriate revisions. Over the next several weeks we will reallocate administrative responsibility to the extent we think we should. As a result of this reorganization, we will have one less vice president at Temple University.

Temple University 1993-94 Budget Presentation to the Senate Appropriations Committee

President Liacouras reported that last week he, the leadership of the faculty, the leadership of the student body and members of the administration presented Temple University's proposal for the 1993-94 appropriation to the Senate Appropriations Committee.

The President reviewed the Supplemental Exhibits of the Budget Presentation, SUPPLEMENT I to these Minutes. Chart A, The Temple - Commonwealth Partnership For Fiscal Year 1993-94: A Proposal, shows that, based on historical experience, we are really making a very

modest proposal. We have a projected cost increase of \$19.9 million, \$16.6 million in contractual increases in compensation and benefits, \$1.2 million in insurance/energy rate increases and \$2.1 million in general inflation increases. This includes a reduction in many of the non-salary, non-compensation budgets.

The question is how are we going to pay for this \$19.9 million projected cost increase. The Governor recommended virtually no increase. There was a tuition challenge grant proposed whereby Temple University would be obliged to raise tuition no more than inflation. For each full-time, not full-time equivalent, undergraduate Pennsylvania resident, we would receive \$200. We would, therefore, be receiving an increase of approximately \$2,600,000 in the level of appropriation for this year. If we increase tuition by no more than 3.5%, we are increasing our revenues by about \$4.7 million; and with the \$2,600,000 of tuition, we would be increasing by less than \$8 million, which leaves us \$11 million short.

We have, therefore, proposed a compromise worth over \$13,000,000. It is that we use some of the unrestricted reserve as in the past (\$5 million) increasing the tuition increase at 4% to qualify for the Tuition Challenge Grant. All we are asking the State to do is restore the \$5 million in the University appropriation that was cut the year we are in now in addition to setting the tuition increase at 4%, including Law, Medicine, Dental and graduate full-time Pennsylvania residents. That would yield an additional \$600,000 and would put us in a position where we could look at next year with a reasonable degree of confidence.

The way to restore the \$5 million cut is up to the Commonwealth. For instance, they could decide to increase it \$2.5 million this year. That means that by maintaining that \$2.5 million next year, we have made up the \$5 million.

Chart B, Temple University Tuition, Inflation, and Appropriation Cumulative Percent Change FY's 1970-73 to 1992-93, shows that tuition has been quite a bit above the inflation index and the appropriation has not kept up with rising costs.

Chart C, on generated revenues, gives an idea of how the burden has been shifted from the public to the family. In 1972-73 almost 61% of the costs were borne by the State, 33% by tuition and 6% by others. By 1986-87 it was 50/50. Now the State absorbs 41% and the family absorbs 52%. That is a trend that, for a university which really is the home for lower economic families, is a heavy burden to bear. We do not want to change our mission without a deliberate decision to do so.

Chart D illustrates the relationship of full-time and part-time students as well as enrollment statistics. In 1988-89 Temple was number one in basketball; 1990 shows the impact of the faculty

strike and how we have regained most of the enrollment lost at that point.

Chart E compares the number of undergraduates and breaks them down into the first two years and last two years. Almost 89% of the institutions in the State System of Higher Education are undergraduate and 52% of its enrollment is lower division undergraduates. The same is true at Penn State, but they have about 14% graduate and professional. The University of Pittsburgh has a larger professional enrollment than Penn State and the State System, and it has a large lower division undergraduate enrollment.

Half of our students in the undergraduate level are transfer students. As many as 34% of Temple students are not undergraduates and the tuition challenge grant does not take that into account. We lost \$2.5 million because of the kind of head count that was done, although done in good faith, by the State.

Chart F shows the change in the number of students and employees, 1982-1992. The students have increased by 10% since 1982, and the staff has actually decreased; the faculty is off a few, and the full-time administration is off. In the sense of productivity, this demonstrates increased productivity.

Capital Project

The President asked the Trustees to review the capital campaign, particularly the Commonwealth Challenge of raising, through 1994, \$30 million in order to meet our match for the State's \$62 million. He reported that he had met with Mayor Rendell on February, 16, 1993, to discuss the various capital items as listed in the Temple Review article, "Tomorrow's Temple Today's Challenge," Winter, 1993.

Vitetta Group/Thompson, Ventulett, Stainback and Associates was selected by the State to be the architect of the Recreation and Convocation Center.

The President spoke to the Mayor about the need for a change in zoning so that by August 1, 1994, we will be in a position for groundbreaking on the Recreation and Convocation Center, and have an operational highrise parking garage on the left side of Broad Street adjacent to the site. We are talking to the Parking Authority to undertake the financing and the construction of that facility, and the Mayor supports us in that. We need a 1,500 car garage by August 15, 1994. We will also require the City's approval to have a pedestrian bridge from Pearson Hall over Montgomery Avenue into the new facility. We discussed with the Mayor the need for a pedestrian bridge over Broad Street, and he authorized the funds for that.

We discussed with the Mayor the sale of Temple University Stadium. We do not want to have a major disagreement with the City Council person in the Temple University Stadium area, Marion Tasco, who has always been supportive of the University. There is an offer by Home Depot, Inc. to purchase the 13.6 acres fronting on Cheltenham Avenue. The 20 additional acres would be retained by the University. The offer is one of \$4 million, and the economic benefit to the City is clear. There will be 200 jobs created and an increased tax base. Many of the residents in that area are concerned that this will become an intrusion into their residential living. We made it clear to the Mayor that it is not necessary that we sell the Temple University Stadium site, but we would like to move the playing fields to this campus.

We discussed the possibility of the City and the University swapping the 20 acres at the Stadium for land near the main campus. We are willing to do anything within reason to increase the presence of the activities of the University here on the main campus and Health Sciences Center campus.

We also discussed the University proposals to manage City District Health Centers 5 and 6 and the Philadelphia Nursing Home and to provide services to City employees on occupational health matters. We will try to meet the City half way and also maintain a base for our Hospital.

Finally, we are discussing with the City a possible settlement of our law suit on indigent care. The law suit was filed four years ago because the City was not reimbursing us for the free care we provide Philadelphia residents.

The architect has been selected for the classroom building. We expect that it will be planned and equipped to deal with major changes in the delivery of education in the years ahead. We should be planning this building for what is likely to be the status in technology years in the future, not merely for the current status. We will probably break ground for the classroom building before the Recreation and Convocation Center.

Finally, the President thanked Dr. Lacy Hunt for overseeing, on a daily basis, Temple University's enormous portfolio. We have taken very few risks and have had really stellar record of earnings and appreciation. Dr. Hunt has served well beyond what we would expect of any Trustee, and we owe him a debt of gratitude. The Board applauded Dr. Hunt.

Executive Committee Report and Recommendations for Action

2. Report

Judge Scirica called attention to the Report of the Executive Committee (Agenda Reference 1).

3. Ratification of 2-Year Extension of Temple/TAUP Collective Bargaining Agreement

On motion duly made and seconded, the Board of Trustees, upon the advice of the Employee Relations Committee, ratified the extension of the Temple University/TAUP collective bargaining agreement for the period from October 16, 1994, through October 15, 1996, on the terms set forth in Agenda Reference 2.

4. Ratification of Approval to Sell the Traylor Building

On motion duly made and seconded, the Board of Trustees ratified the action taken by the Campus Planning and Plant Management Committee (1/28/93) and, with one abstention, the Joint Business and Finance Committee and Executive Committee (1/28/93) authorizing the officers to sell the Traylor Building, 2701 North Broad Street, to Philadelphia Suburban Development Corporation (PSDC) for \$500,000, and to enter into a lease agreement with PSDC to least 75,000 square feet of space in the building from PSDC for \$2 per square foot plus electric, for 4 years.

5. Borrowing Authority - 4/1/93 - 6/30/93

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Executive Committee (2/25/93) 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 authority to cover the period, from April 1, 1993, through June 30, 1993.

6. Transfer of the Department of Computer and Information Sciences from the College of Engineering, Computer Sciences and Architecture to the College of Arts and Sciences

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Educational Policies Committee (2/15/93) and the Joint Business and Finance Committee and Executive Committee (2/25/93) that Board approval be given to the transferring of the Department of Computer and Information Sciences from the College of Engineering, Computer Sciences and Architecture to the College of Arts and Sciences.

7. Residence Hall Room and Board Rates for 1993-94

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Student Affairs Committee (2/16/93), and the Joint Business and Finance Committee and Executive Committee (2/25/93) that Board approval be given to the Residence Hall Room and Board Rates for Students for 1993-94, as given in Agenda Reference 6.

Audit Committee Report and Recommendation

8. Report

Mr. Begier called attention to the Report of the Audit Committee (Agenda Reference 7).

9. Approval of Management's Response to the Auditor General's Audit Report of Temple University for Fiscal Year Ended 6/30/91

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Audit Committee (3/9/93) that approval be given to Management's response to the Auditor General's Audit Report of Temple University for Fiscal Year Ended June 30, 1991.

10. Campus Planning and Plant Management Committee Report

Mr. DePaul called attention to the Report of the Campus Planning and Plant Management Committee Report (Agenda Reference 9).

11. Committee on Athletics Report

Mr. Pew called attention to the Committee on Athletics Report (Agenda Reference 10).

Mr. Strawbridge reported that at the Committee's March meeting Coach Dickerson gave a report on the Temple University football program, and Mr. Theokas reported on the NCAA Annual Convention. Also, Dr. Freeman reported that the two existing athletics committees would be combined into an athletics advisory committee.

Mr. Pew said that the review of the Intercollegiate Athletics budget will be monitored through this new committee, but he believes it remains the responsibility of the Committee on Athletics to monitor that budget, particularly so in view of the report that Mr. Theokas gave at the Committee's March meeting about the continuing proactive position of the NCAA presidents with respect to cost containment of athletics programs. He believes it important that the flow of financial information into the Committee on Athletics continue in the future.

12. Business and Finance Committee Report

On motion duly made and seconded, the Board of Trustees voted to approve the action of the Business and Finance Committee, acting under its By-Laws authority "to determine policies for, and oversee the management of, the investments in the general and restricted funds of the University," accepted the recommendation of

its Subcommittee on Investments and approved the amendment to Section V.A.2 of the University Investment Policy to include a final paragraph which reads, "Exceptions to the above restriction on maturities are to be approved by the Subcommittee on Investments."

13. Educational Policies Committee Report

Mr. Shrager called attention to the Report of the Athletics Committee (Agenda Reference 12).

14. Employee Relations Committee Report

Mr. Fox called attention to the Employee Relations Committee Report (Agenda Reference 13).

15. Board of Governors Report

Mr. Polett called attention to the Report of the Board of Governors (Agenda Reference 14).

He said that they will be coming to the Board of Trustees with architecture and design firms in the next few months.

He noted that the Hospital experienced a surplus of \$4 million over its projected budget.

The Shriners Hospital for Children project is well underway. A Memorandum of Understanding is about to be completed, and a certificate of need to construct has been submitted. The anticipated opening date is October, 1996.

16. Student Affairs Committee

Mr. Rosen called attention to the Report of the Student Affairs Committee (Agenda Reference 15).

REPORT OF THE OFFICERS

17. Treasurer's Report

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation that the list of gifts received for the Quarter ended December 31, 1993; grants and contracts awarded between October 1, 1992 and December 31, 1992, and the purchases and sales of securities for the period of October 1, 1992 and December 31, 1992, be accepted.

18. Secretary's Report

On motion duly made and seconded, the Board of Trustees voted to approve the presentation of degrees-in-course dated June 6, 1993, to candidates approved by the appropriate academic committees of the faculty.

Mr. Fox invited all Trustees to attend the Temple University Japan Commencement in Tokyo, at their own expense, on May 30, 1993.

Before adjournment, Mr. Fox thanked Dr. Freeman for the job he has done on behalf of the University in a way which enhanced the University. He said we owe him a debt of gratitude. The Board applauded.

Mr. Fox also welcomed Mr. White and wished him well on assuming a difficult job in a difficult period.

ADJOURNMENT

On motion duly made and seconded, the meeting of the Board of Trustees was adjourned at 4:35 P.M.