

**MINUTES**

**THE BOARD OF TRUSTEES**

Temple University  
- Of The Commonwealth System of Higher Education

Tuesday, March 14, 1995

3:00 P.M., Feinstone Lounge - Sullivan Hall  
Park and Berks Malls

**PUBLIC SESSION**

**Attendance:**

Members - Richard J. Fox, Chairman; Paul A. Dandridge,  
Theodore Z. Davis, Peter D. DePaul, Louis J. Esposito,  
Jane Scaccetti Fumo, Howard Gittis, Peter J. Liacouras,  
Joseph W. Marshall, III, Maureen H. McCullough,  
Daniel H. Polett, Edward H. Rosen, Anthony J. Scirica,  
Isadore A. Shrager, Francis R. Strawbridge,  
Edna S. Tuttleman, Clare L. Wofford

being a quorum of the Board of Trustees;

Honorary Life Trustee - William L. Rafsky, Marvin Wachman

Ex Officio Participants - Roland Lipka, (Faculty);  
Joseph A. Marlino, Sr., (Alumni); Clinton J. Cummings,  
(Student)

Invited Guests - Faculty: George R. Baran,  
Robert M. Haythornthwaite, Karen S. Koziara,  
George H. Manaker  
Students: Jennifer R. Adelman, John C. Bear,

Administration and Staff - James C. Bausman,  
Paul H. Boehringer, Richard A. Chant, Albert R. Checcio,  
Lawrence Connolly, James W. England, Richard M. Englert,  
Thomas R. Freitag, C. Robert Harrington, Leon S. Malmud,  
Rosalind R. Meyers, Jesse Milan, Timothy C. O'Rourke,  
Arthur C. Papacostas, A. Kent Rayburn, James S. White,  
Beverly L. Breese

General Counsel - Peter Mattoon

University Counsel - George E. Moore

Members Absent - Francis J. Catania, John J. Contoudis,  
William H. Cosby, Jr., Robert C. Donatucci,  
Lewis F. Gould, Jr., Clifford Scott Green,  
Judith E. Harris, Lacy H. Hunt, Sidney Kimmel,

Brian J. O'Neill, William W. Rieger, Milton L. Rock,  
Anthony Hardy Williams, James A. Williams

#### **INVOCATION**

The Invocation was given by Mr. Daniel H. Polett.

#### **Introduction of Guests**

Mr. Fox introduced the following invited guests:

Dr. George R. Baran, Faculty Senate Steering Committee;  
Dr. Robert M. Haythornthwaite, Faculty Senate Steering Committee;  
Dr. Karen S. Koziara, Vice President of the Faculty Senate; Dr.  
George H. Manaker, Faculty Senate Steering Committee; Ms. Jennifer  
R. Adelman, Temple University Student Government; Mr. John C. Bear,  
Temple University Student Government; William L. Rafsky, Honorary  
Life Trustee; Marvin Wachman, Honorary Life Trustee.

At this point, Mr. Fox welcomed a group of demonstrators who were present. He informed them that meetings of the Board of Trustees do not provide for participation by persons who are not on the Board or who are not ex officio participants. However, because they represent an important part of the Temple University family, he wanted to recognize them and their concern with the economic events occurring in the University and Harrisburg. He said the Board has deep concerns about Temple University; and whatever it does, it does with a sense of fairness and sensitivity. He said the Board's every intent is to be fair to those who care, as reflected on the placards of the visitors.

Mr. Fox informed the demonstrators that there have been no final decisions made, and none will be made without consultation with all those who will be impacted by the changes.

#### **Approval of Minutes**

On motion duly made and seconded, the Board of Trustees voted to approve the Minutes of the Regular Meeting of December 13, 1994 and the Special Meeting of February 23, 1995 as distributed.

#### **Presentation of Resolutions Honoring Former Trustees Harry P. Begier, Jr., R. Anderson Pew and Walter E. Williams**

On motion duly made and seconded, and unanimously approved, the Board of Trustees voted to adopt Resolutions of Appreciation for Harry P. Begier, Jr., R. Anderson Pew and Walter E. Williams. The Secretary was instructed to send copies of the Resolutions to the respective recipients, said Resolutions being attached as SUPPLEMENTS I, II and III.

## **PRESIDENT'S REPORT**

The following is the text of President Liacouras' Report to the Board.

### **President Liacouras' Report to the Board, March 14, 1995**

My report today centers on budgetary and related matters, and makes three points: (1) comments and recommendations about the February 16 plan to renew Temple's mission; (2) comments and recommendations on the Provost - initiated "faculty voluntary severance pay plan"; and (3) a report by external consultants, the Kearney Company.

#### **I.**

My first point incorporates by reference "A Plan to Renew Temple's Mission," offered on February 16. The challenges offered in that plan and my October 1994 report are real. They must be confronted head-on by the University.

As the Governor's budget recommendations made clear last week: we can expect no help from the State. The recommended appropriation for next year is for no real increase in our appropriation, for the fourth consecutive year. Indeed, when comparing the cumulative CPI with Temple's appropriations for the past seven years (1989-90 through next year's gubernatorial recommendations), the State's annual cumulative shortfall (compared with CPI) to Temple will have climbed to \$17,212,000.

While we will work hard in making the case that Temple merits substantial increases in its appropriation, we cannot responsibly plan on them.

There is no external golden goose, no magic wand that will substantially reduce or make Temple's challenges go away.

Nor is there an internal deep pocket at Temple, at the Hospital or elsewhere, that will contribute an ongoing \$16 million, or a substantial part of it.

There is no easy solution that avoids reform, and some pain.

Our plan recognizes reality, spreads short-term sacrifices to everyone at Temple, and simultaneously

builds a stronger and healthier university. Our goal is to become the best urban-based university in the nation. Our plan is to renew Temple's mission, becoming more student-centered, and improving educationally and technologically, while protecting the jobs of our colleagues in the future.

We must control our own destiny. Under the Act of 1965 creating Temple's "state related" status, the Board of Trustees has that responsibility.

With this background, my first recommendation to you is in three parts:

1. For today, you should only provisionally accept our proposed February 16 plan as a working plan. This would be a provisional acceptance, but not final approval. It's a working plan. We would report on April 18 on our progress in achieving agreement on implementing it.

Your action today will underscore your commitment to a voluntary, cooperative approach with the collective bargaining units and our other colleagues as we address Temple's challenges.

I believe Temple people, when they understand the facts and alternatives, will choose short-term sacrifice for the long-term well being of their University, and they will make the right choices.

2. Next, depending on the actual and expected progress by April 18, the February 16 plan or an alternative plan should be submitted to you by May 9. That plan must reduce the current (1994-95) net spending base by \$16 million as a prelude to next year's tentative (1995-96) budget.

We understand that an alternative plan would almost certainly result in real, uneven and currently unpredictable pain, including major involuntary layoffs for loyal Temple employees. We have avoided such policies for more than a decade, and our proposal of February 16 substantially avoids them.

3. Sometime between May 9 and June 29, the Board would then officially and finally adopt

a plan.

Whatever plan is finally approved by the Board, it should be one that can reasonably accomplish the educational and institutional goals described in our February 16 plan. Those goals are dependent, as you will recall, on an additional \$14 million in cuts and reallocations during the second and third years of the plan -- for a grand total of \$30 million in adjustments (8% of the pertinent budgets).

I repeat: today's recommended Board action will not unilaterally change anything -- contracts, offers, etc. It's only a message that, provisionally, you commend the February 16 plan to the University community for discussion and negotiation.

## II.

My second point in this report is a recommendation that, in the spirit of cooperation, you again extend the deadline to April 17 for the Provost-initiated "faculty voluntary severance pay plan."

Along these lines, may I add that if "A Plan to Renew Temple's Mission" is substantially implemented, and if enrollments increase during the next three years as outlined in the plan, then the gross reduction in the size of the full-time faculty resulting from implementing the "voluntary severance pay plan" will not form the basis for an overall faculty reduction. The Provost would determine, as presently, the number and distribution of faculty replacements.

If, on the other hand, we do not achieve agreement on our present plan as well as its goals and financial objectives, then we can responsibly make no such commitments.

The two proposals ("A Plan to Renew Temple's Mission," and the "Faculty Voluntary Severance Pay Plan," respectfully) were designed independently.

The potential faculty-student ratios resulting from the number of faculty who accept the "voluntary severance pay package" were not taken into account by "A Plan to Renew Temple's Mission." But they responsibly cannot be viewed in isolation from the overall challenge confronting the Board.

## III.

My third, and final point is a request:

With your permission, I will ask John Phillips, of the Kearney Company, to share with you the scope of Kearney's undertakings, the mood of the university community in understanding the challenges confronting the University, the prospects for administrative and academic savings through restructuring, and the process Kearney is following en route to collecting data, opinions and in making their recommendations.

The Kearney reports will be made directly to the President who, with the advice of the senior officers, will decide on the scope and timing in sharing these recommendations. As you know, my history is to share data very widely, but there may be good reasons to limit some of Kearney's.

I am sharing with the larger University community the first report, which I received last night.

John Phillips will now make a report to you.

The President referred to the A.T. Kearney, Inc. Work Plan dated March 14, 1995, that was distributed to those present and is attached as SUPPLEMENT IV to the official Minutes on file in the Office of the Secretary. He said that whatever recommendations come from A.T. Kearney, Inc., who have been very helpful to UCLA, Tulane and the University of Houston, will not necessarily be implemented. We will determine, as a University, which of the recommendations to accept and which not to accept. The responsibility will stay with the University.

President Liacouras asked John Phillips, Managing Director of Education Practice at A.T. Kearney, Inc., to address the Board.

Mr. Phillips reported on the procedures that Kearney will follow in assisting Temple University to resolve budget difficulties without cutting into the academic core of the institution. Kearney's plan is to reduce costs and to review the need for organizational improvements beyond the need for just a balanced budget. They hope, through a series of cost reductions and improvements in administrative productivity, to resolve the short-term deficit and set in place an equation which will allow Temple to continue to be deficit free.

Mr. Phillips said that service levels to students need to be increased.

In its process, A.T. Kearney is interviewing students,

administration and faculty. They meet with the Faculty Senate and Faculty Senate Steering Committee on a regular basis.

They are evaluating something on the order of 500 alternatives that might have some significant cost reductions, 70 of which seem to have significant value for Temple's purposes. They are now examining those 70 in detail. They are conducting a student survey to get ideas about students' attitudes about services; and they are also doing a benchmark study comparing administrative cost rates against those of eleven comparable urban institutions.

Their first effort will be to find savings in administration and overhead. The second effort will be to find savings in campus operations. The third is to find revenue enhancements, and the fourth is to look at academic programs.

The final report will be an array of cost-cutting, revenue-enhancement and productivity-improvement steps available to the University.

**RECOMMENDATIONS FOR ACTION:**

1. Election of Commonwealth Trustee Peter D. DePaul

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Committee on Trustees (3/13/95) and elect Peter D. DePaul to a four-year term, effective October 11, 1994, on the Board of Trustees of Temple University - Of The Commonwealth System of Higher Education, Mr. DePaul having been appointed by the Honorable Robert C. Jubelirer.

2. ANNOUNCEMENT AND RATIFICATION OF PREVIOUS BOARD AND EXECUTIVE COMMITTEE ACTIONS

On motion duly made and seconded, the Board of Trustees voted to ratify the actions of the Executive Committee of the Board taken on January 26, 1995, and February 23, 1995, and the Board of Trustees Actions taken on February 23, 1995. The actions ratified are listed below as items 2a through 2g.

2a. Naming of The Richard J. Fox Center for Biomedical Physics at Temple University Hospital

2b. SPECIAL RECOMMENDATION: 1995-1996 Budget

a. Undergraduate Tuition Schedule for 1995-96

b. Budget Development

2c. FACULTY SEVERANCE PAY PLAN - EXTENSION OF DEADLINE

- 2d. Main Campus - Electrical Master Plan
- 2e. Color Doppler Ultrasound
- 2f. Conversion of 22 Medical/Surgical Beds to ICU Beds
- 2g. Consulting Contract for A.T. Kearney, Inc.
- 3. Faculty Severance Pay Plan - Extension of Deadline

On motion duly made and seconded, the Board of Trustees voted to authorize the officers to extend the deadline for individuals to elect to participate in the Faculty Severance Pay Plan up to and including April 17, 1995.

- 4. A Plan to Renew Temple's Mission

On motion duly made and seconded, the Board of Trustees, upon the recommendation of the President, voted to provisionally approve "A Plan to Renew Temple's Mission," with the direction that the President report to the Board on April 18, 1995, on the progress in implementing the Plan.

#### **Executive Committee**

- 5. Report

The Executive Committee Report was received as given in Agenda Reference 5.

Mr. Howard Gittis reported that the Northeastern Hospital transaction is closed, and Temple University Hospital has now acquired Northeastern Hospital.

- 6. Borrowing Authority - 4/1/95 - 6/30/95

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 authority to cover the period from April 1, 1995, through June 30, 1995.

#### **Committee on Trustees**

- 7. Report

The Report of the Committee on Trustees was received as given in Agenda Reference 7.

- 8. Amendment to Bylaws of Temple University Hospital Board of Governors



On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Committee on Trustees (3/13/95) that Article III, Section I of the Bylaws of the Temple University Hospital Board of Governors be amended as given in SUPPLEMENT V.

#### **Committee on Educational Policies**

9. Report

The Report of the Committee on Educational Policies was received as given in Agenda Reference 9.

10. Reorganization of the School of Communications and Theater

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Educational Policies Committee (1/16/95) regarding the reorganization of the School of Communications and Theater as given in AGENDA REFERENCE 10.

11. Tenure for One Faculty Member in the School of Medicine

On motion duly made and seconded, the Board of Trustees, pursuant to the procedures outlined in the Temple University Faculty Handbook, voted to approve the recommendation of the Educational Policies Committee (3/2/95) with respect to the granting of faculty tenure in the School of Medicine, effective January 1, 1995. (The name of the individual recommended for tenure is on file in the Office of the Provost.)

#### **Committee on Campus Planning and Plant Management**

12. Report

The Report of the Committee on Campus Planning and Plant Management was received as given in Agenda Reference 12.

#### **Committee on Student Affairs**

13. Report

The Report of the Committee on Student Affairs was received as given in Agenda Reference 13.

14. Residence Hall Room and Board Rates for Students for 1995-1996

On motion duly made and seconded, the Board of Trustees, on the recommendation of the Committee on Student Affairs (3/7/95), voted to approve a 3% across-the-board rate increase for the undergraduate and graduate/professional residence halls.

### **Committee on Athletics**

#### 15. Report

The Report of the Committee on Athletics was received as given in Agenda Reference 15.

### **Committee on Audit**

#### 16. Report

The Report of the Committee on Audit was received as given in Agenda Reference 16.

### **Board of Governors**

#### 17. Report

The Report of the Board of Governors was received as given in Agenda Reference 17.

#### 18. Second Amendment to Memorandum of Understanding Affiliation Agreement between Temple University - Of The Commonwealth System of Higher Education and Temple University School of Medicine and Shriners Hospitals for Crippled Children

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Board of Governors (3/13/95) and approve the Second Amendment to the Memorandum of Understanding Affiliation Agreement between Temple University - Of The Commonwealth System of Higher Education and Temple University School of Medicine and Shriners Hospitals for Crippled Children as given in SUPPLEMENT VI.

### **Committee on Business and Finance**

#### 19. Report

The Report of the Committee on Business and Finance was received as given in Agenda Reference 19.

### **Committee on Development**

#### 20. Report

The Report of the Committee on Development was received as given in Agenda Reference 20.

Mr. Howard Gittis stated that the Report shows a significant increase in the amounts being raised by the development effort. He commented on the splendid job being done by Vice President Checcio.

Mr. Gittis expressed his personal disappointment at the crimp placed in the development efforts because of the inability of City Council to adopt the ordinances we need for the Apollo project.

## REPORTS OF THE OFFICERS

### 21. 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, 1994; grants and contracts awarded between October 1, 1994 and December 31, 1994, and the purchases and sales of securities between October 1, 1994 and December 31, 1994, be received.

### 22. Secretary's Report

On motion duly made and seconded, the Board of Trustees voted to approve the presentation of degrees-in-course dated May 18, 1995, to candidates approved by the appropriate academic committees of the faculty; the presentation of degrees-in-course dated May 28, 1995, to candidates approved by the appropriate academic committees of the faculty in Tokyo and Osaka, Japan.

## UNFINISHED BUSINESS

There was no Unfinished Business to bring before the Board.

## NEW BUSINESS

### 23. Authorization to Open Bank Accounts

Because this item came before him in the last four days, President Liacouras asked Mr. Lawrence Connolly, Associate Vice President for Financial Operations, to provide the Board with a full explanation of why these accounts should be opened.

Mr. Connolly said that currently our federal and private loan programs are serviced by an outside organization, Eduserv Technologies, Inc., which uses Wacovia Bank. To achieve savings and better services, AFSA Data Corporation was selected to handle our loan programs; and they asked that we use their depository bank, Firstar Bank of Milwaukee. Board action is required to authorize accounts at Firstar Bank of Milwaukee.

Mr. George Moore, University Counsel and University Secretary, explained that the contract is an administrative one, but Board approval is needed to open the bank accounts.

Mr. Dandridge asked why the Board has not been asked to approve the contract, and the reasons for the change in services.

Mr. Fox said that we have an administrative contract that has appropriately been done without Board approval. In accordance with that contract, we have to open an account for depository funds with the bank used by the company with which we have contracted. This action will give Board approval to the opening of a bank account.

Mr. Fox asked Mr. Moore to provide a written report to the Board about the underlying subject matter, so that they will be informed.

On motion duly made and seconded, the Board of Trustees, with one opposed, voted to authorize the officers to open accounts as needed at Firststar Bank of Milwaukee for the purpose of depositing funds collected by AFSA Data Corporation for the University's private and federally funded student loan programs.

#### **ADJOURNMENT**

On motion duly made and seconded, the Public Session of this meeting of the Board of Trustees adjourned to Executive Session at 3:50 P.M.