

MINUTES

THE BOARD OF TRUSTEES

Temple University
- Of The Commonwealth System of Higher Education

Tuesday, October 10, 1995

4:00 P.M., Feinstone Lounge - Sullivan Hall
Park and Berks Malls

PUBLIC SESSION

Attendance:

Members - Richard J. Fox, Chairman; Joan H. Ballots,
John J. Contoudis, Paul A. Dandridge,
Theodore Z. Davis, Peter D. DePaul,
Jane Scaccetti Fumo, Clifford Scott Green,
Mitchell G. Leibovitz, Peter J. Liacouras,
Joseph W. Marshall, III, Maureen H. McCullough,
Daniel H. Polett, Edward H. Rosen, Anthony J. Scirica,
Edna S. Tuttleman, Clare L. Wofford, Paul Zelenkofske

Administration and Staff - Paul H. Boehringer,
Albert R. Checcio, Larry C. Connolly, Martin S. Dorph,
James W. England, Richard M. Englert, Jay G. Falkenstein,
Thomas R. Freitag, Marvin Gerstein, C. Robert Harrington,
R. C. Johnson, Robert H. Lux, Timothy C. O'Rourke,
Arthur C. Papacostas, A. Kent Rayburn,
Robert J. Reinstein, William G. Sites, James S. White,
Valaida S. Walker, Beverly L. Breese

Ex Officio Participants - Karen S. Koziara (Faculty);
Joseph A. Marlino (Alumni); Kamal I. Latham (Student)

Invited Guests - Jim S-J Chen, Stephen Mikochic,
Judith E. Perinchief (Faculty); Treston Faulkner,
Monica Hankins, Anthony K. Hespeth (Student)

General Counsel - Brian Keim

University Counsel - George E. Moore

Members Absent - Francis J. Catania, William H. Cosby, Jr.,
Robert C. Donatucci, Louis J. Esposito,
Lewis F. Gould, Jr., Howard Gittis, Judith E. Harris,
Lacy H. Hunt, Sidney Kimmel, Brian J. O'Neill,
William W. Rieger, Milton L. Rock, Isadore A. Shrager,
Anthony Hardy Williams, James A. Williams

EXECUTIVE SESSION

The Board met in Executive Session to receive a private briefing on major capital projects.

Approval of Minutes - Conference Call Briefing of June 27, 1995, and Special Meeting of June 29, 1995

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

INVOCATION

The Invocation was given by Mr. Daniel Polett.

Committee on Trustees

1. Report

The Report of the Committee on Trustees as given in Agenda Reference 1 was received.

Recommendations for Action:

2. Election of Chairman of the Board

With Judge Scirica presiding and on motion duly made and seconded, Richard J. Fox, having been duly nominated by the Committee on Trustees, was elected as Chairman of the Board of Trustees for the year 1995-1996, to serve until the next Annual Meeting of the Board or until his successor shall have been elected and qualified.

Judge Scirica spoke of the amount of quality time Mr. Fox gives to Temple University. He said his judgment is impeccable on so many things and said that President Liacouras and members of the Board rely on him in so many ways.

The Board applauded Mr. Fox.

Mr. Fox responded by saying that Temple University is a most exciting place, and he is privileged to be able to participate in insuring that it becomes the outstanding university of its kind in the United States. He said he is optimistic that Temple University will fulfill its mission because the spirit of Russell Conwell still walks the halls to make sure that Temple University provides an opportunity for people to have an education, people who might not ordinarily have such opportunity.

Mr. Fox said we are here to insure that Temple University, in the future, will continue to grow and prosper because we are doing an outstanding job of educating young men and women.

He expressed his thanks for the honor of chairing this Board.

3. Election of Officers for 1995-1996

On motion duly made and seconded, the officers listed below, having been duly nominated by the Committee on Trustees, were elected to serve until the next Annual Meeting of the Board or until their successors shall have been elected and qualified.

President Peter J. Liacouras
Executive Vice President James S. White
Provost James W. England
Senior Vice President, Health Sciences Center and Chief
Executive Officer, Temple University Hospital . . . Leon S. Malmud
Vice President for Student Affairs Valaida S. Walker
Vice President, Chief Financial Officer, and
Treasurer Martin S. Dorph
Vice President Robert J. Reinstein
Vice President for Development and
Alumnae/i Affairs Albert R. Checcio
Vice President for Computer and Information
Services Arthur C. Papacostas
Executive Director, Temple University Hospital . Paul H. Boehringer
* University Counsel and Secretary George E. Moore
** Assistant Secretary Beverly L. Breese

- * - The Secretary will also serve as Secretary of the Boards of Visitors
- ** - The Assistant Secretary will also serve as Assistant Secretary of the Boards of Visitors

PRESIDENT'S REPORT

President Liacouras added his personal and professional appreciation to Mr. Fox for all he has done for the University and for him.

The text of the President's written report follows.

Members of the Board of Trustees and the University Community:

I am pleased to share with you three reports by the A.T. Kearney Group containing comparative facts, objective comparisons, and strategic choices for the University.

As you recall, these studies were authorized eight months ago as part of The Plan to Renew Temple's Mission.* The Plan is summarily described in an appendix of this report. It deals with shorter term financial and productivity improvements, including a freeze of undergraduate tuition and an 8% reduction (\$33 million) in base operating budgets with reallocation of about half of those annual savings towards advanced academic technology, as well as improvements in the undergraduate experience and in "customer service." Kearney was specifically engaged to review operations with suggestions on additional strategies for renewal, efficiencies and revenue enhancements.

The process leading to the three Kearney reports was inclusive and unrestricted. Everyone at Temple was encouraged to share candid thoughts on how the University can best renew its mission through increases in productivity and revenue, while pursuing excellence and re-focusing on students.

The A.T. Kearney work product is refreshing; it will also be controversial. Hopefully, it will stimulate thoughtful and progressive changes required in today's external environment--one markedly different than when the Board of Trustees approved The Academic Plan for Temple University nine years ago, in 1986.

It is the nature of large organizations and research universities to resist change. Left alone, their cultures and structures take on lives of their own, discounting market forces, resisting technological advances that threaten the old way of doing business, and often giving only lip service to the customer and the institution's mission. In the long term, however, institutions rise or fall on their quality and value, attentiveness to their customers, and how well they adjust to market forces, shifts in cost structure, and major technological change.

* * * * *

Temple is both a large organization, with twelve employee unions, as well as a research university.

Today, universities including Temple find themselves in one of those transition periods requiring major changes in how they conduct their business.

It's helpful to understand why higher education reached this point. Six factors coalesced:

1. a five-year reduction in annual public financial support, after a generation of generous public funding, and excessive tuition increases;
2. a corresponding and steady erosion in university productivity, leading to internal budgetary crises;
3. major changes in demographic and enrollment trends, and student preparatory levels;
4. curricular developments more closely reflecting faculty interests than market demands and student needs;
5. diminished emphasis on students as the raison d'être, with inflexible overlapping administrative bureaucracies, including employee unions, often placing their own interests before those of the students; and

- g. major technological advances that cannot be delivered, and at reduced unit costs -- and requiring new and major annual outlays of funds.

The market is forcing changes in the academy. One symptom is very intense competition for students and limited public dollars. Another is public skepticism about faculty teaching hours and perquisites, and administrative productivity. Facing an even faster changing reimbursement and cost-structure, University Hospitals have already begun to implement market-driven changes. Now, it's everyone else's turn.

Temple's Board of Trustees understood those trends and imperatives when it approved The Plan to Renew Temple's Mission containing a budget-reduction and reallocations plan.

Nonetheless, some remain unconvinced that more change is necessary, or point fingers at programs other than their own. While a healthy skepticism is useful, we cannot responsibly discount enrollment trends, productivity, demographic facts, market forces, public funding, and technology.

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The question for us is not whether to continue the change process and invest in our future. The question is: what will be our specific strategic response in a changing world?

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It was with this motivation, and to develop an inclusive consensus, that we undertook last year the process leading to The Plan to Renew Temple's Mission.*

To help us think through such changes, we engaged the A.T. Kearney Group. Kearney is an objective, outside, fact-finder and evaluator of universities' efficiencies. We delegated to Kearney the widest latitude in fact-finding and in stimulating internal debate about Temple's future strategic directions.

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Kearney's recommendations in VOLUME I are aimed primarily at shorter-term issues centered on cutting Temple's annual budget, or "running rate." Most were already targeted for implementation before Kearney was engaged; others were new and implemented by June 29; some need a longer period for discussion or implementation; and still others are unacceptable.

VOLUME II contains a bench-marking process that compares Temple with four groupings of "peer universities" on 100 metrics of economic performance and work force productivity. Some of these findings may strike you as startling; others will confirm your suspicions; still others may be only a tad interesting.

VOLUME III deals with future directions, offering strategies to support Temple's plan for renewal, including revenue enhancements.

It is VOLUME III that will encourage those who want further change and challenge those resistant to change. Rational discussion leading to change requires a focus. Kearney's insights and recommendations should help rivet attention on the velocity of change needed, and its urgency, if we are to get ahead of the curve.

For all these reasons, I am sharing Kearney's full work product with you and with the entire University Community.* It is a stimulating report.

Some at the University may feel defensive about some of Kearney's findings and recommendations. They shouldn't. One of Temple's strengths is its openness and willingness to face any issue head-on. We offer Kearney's reports not to criticize anyone but to encourage the perspective: "Change is really needed, and I should help shape progressive change at Temple."

Kearney's strategic insights and recommendations are mere sketches. The options we select, and their full shaping, are the University's responsibility. We will accept, refine, reject, and add to their suggestions. There will be risks and losses, opportunities and gains for everyone, in every choice we make.

Change is disquieting unless the alternatives are considered. We cannot stand pat. A change process at Temple must continue for years.

Our goal is to preserve the best in forging progressive change, coherently enhancing Temple's mission, and molding Temple into the finest university of its kind in the years ahead. The "Actions and Timetables" and "Six Clusters of Priorities" which follow set forth an ambitious agenda and schedule. I urge everyone in the University community -- students, faculty, administrative staff, collective bargaining units, alumnae(i), community members -- to join in this effort.

ACTIONS AND TIMETABLES

October 10, 1995: See page 7.

December 1-8: Trustees' Strategic Planning Task Force reviews the "Six Clusters of Priorities" (pages 8-10), reports and recommendations, including status of implementing Year Two of The Plan to Renew Temple's Mission.

December 12: Board considers interim recommendations on Ambler.

Board reacts to President's report on the implementation status of actions required in Year Two of The Plan to Renew Temple's Mission.

February 1996: Trustees' Strategic Planning Task Force reviews pertinent reports and recommendations, with particular emphasis on Responsibility-Based (Center) Management Budgeting, "teaching and research productivity," plans for Ambler, and additional suburban learning sites.

March 12: Board adopts Responsibility-Based (Center) Management Budgeting.

Board considers plans for Ambler, and additional suburban learning sites.

April: Trustees' Strategic Planning Task Force reviews pertinent reports and recommendations.

May 14-June 30: Remaining Board actions on Year Two of The Plan to Renew Temple's Mission, and act on the larger change and implementation process (including "Kearney Reports").

ACTIONS AND TIMETABLES

October 10, 1995:

- o A.T. Kearney Group's Volumes I, II, and III are delivered to the Board of Trustees, and shared with the university community.
- o Board retains A.T. Kearney Group to assist the senior officers in the change and implementation processes.
- o Board Chairman Fox establishes a strategic planning Task Force of trustees to support the change and implementation processes.
- o President designates the Executive Office of the President as the "office for change." The EOP is redefined for this purpose to include: Assistant to the President Debra Kahn (lead expediter in the overall transformation process); Assistant to the President Marcie Harmon Mackin (lead on marketing strategy); Associate VPs Richard Englert (administration); Richard Chant (budget); VP Arthur Papacostas (information and technology); senior officers James Stanley White, James W. England, and Leon S. Malmud; VP for Student Affairs Valaida S. Walker; and Assistant VP William Yates. The President of the Faculty Senate, Karen S. Koziara, and the President of Temple Student Government, Kamal Latham, will have full access to the EOP for this purpose.
- o President charges senior officers collectively for timely response and follow-up to every Kearney recommendation within their areas. Progress reports to the President and the Trustees' strategic planning task force (including Provost's report on "teaching and research productivity") are due on December 1 and February 1, respectively.
- o President charges EOP and the senior officers with achieving wide participation in the change and implementation processes-- including faculty, students, alumni(ae), administration and the larger community.
- o President establishes six clusters of priorities, with timelines for action. (See pages 8-10, below.)

THE SIX CLUSTERS OF PRIORITIES

Critical to achieving these goals is the active participation of deans, faculty and students.

1. Student-centered enrollment and retention practices: (1) creating an effective, user-friendly, timely, integrated admissions process for freshmen and transfers; one that reaches families in the northern, western and southern suburbs, emphasizing the value of state-related Temple's small classes and excellent education; one that utilizes Temple faculty, students and alumnae(i) in reaching out to those communities under-served by Temple; and (2) developing a simplified, non-bureaucratic, prompt and coordinated approach to the range of a student's overall Temple experience, including but not limited to support services (such as academic advising) within colleges, and throughout the university.

AP Kahn will spearhead this year-long effort with VP for Student Affairs Valaida Walker and Provost England (acting through their senior colleagues, Timm Rinehart and Robert Schneider), with AP Mackin (marketing). Broad-based task forces of faculty, students and deans will oversee these efforts. Action dates are November 1, December 15, February 1, March 15. (Kearney will assist in this effort.)

2. An enhanced and larger role for strategically located Ambler in delivering a Temple education.

Provost England establishes a broad-based Task Force, chaired by Professor James W. Hilty, with an interim report and recommendations to the President due on December 1. The Task Force is asked to generate alternatives, including the model of a Branch Campus, for consideration. Board consideration: December 12 and March 12. (Kearney will assist in this effort.)

3. Marketing the University.

AP Mackin, with deans, officers, faculty, students, alumnae(i), and AP Kahn, will revisit strategic assumptions and existing marketing plans. The task force reports to the President on November 15, with action plan on December 5, and February 20.

4. Responsibility-Based (Center) Management Budgeting that reflects full costs and revenues, with incentives and disincentives linked to productivity, enrollment and other revenue changes, and programmatic excellence.

CFO Martin Dorpb will organize this effort. The senior officers will oversee this process with a task force comprised of deans, faculty and student leadership. Preliminary report: December 1. Report to the President: February 10. Board action: March 12.

5. Establishment of a non-profit, Temple-affiliated corporation to manage auxiliary activities.

EVP White will organize this effort. Preliminary report: December 1. Board action: March 12. (Kearney will assist in this effort.)

Sometime after February 15, 1996, the President will initiate University-wide discussion on this variously-defined subject, that will turn on the changes from the other clusters of priorities. Action on a CGS should occur sometime during the following (1996-97) academic year.

The President pointed out that the Kearney Report was among the material distributed to the Board at today's meeting. Mr. Rosen asked to what extent the Trustees will participate in the implementation of the Report. The President said that in looking at the role of the Strategic Planning Task Force, you will see that it should be reviewing everything we do or don't do in preparation for the December 12 meeting of the Board of Trustees.

The President said that, in a formal sense, the Task Force of the Board will be dealing with all the issues in a way similar to the strategic planning task force that Mr. Polett and Mr. Marshall and others of the Board of Governors established to oversee the changes being made at the Temple University Hospital.

Mr. Fox said that it will be the responsibility of the Board as a whole to review each of the initiatives as they occur. All items will be reviewed by the Task Force and will be reported at the next meeting of the Board. Over the next twelve months, we will be doing a comprehensive review of all activities. We will be looking at all the factors that will enable Temple University to succeed in an increasingly competitive and difficult environment.

Mr. Fox said that on the next review of public funding, Congress will be looking at education expenditures in the same way it has been looking at hospital expenditures. What we are doing is, hopefully, getting ahead of the curve. The effort is to make Temple University a university which is responsive to what is happening in the world and one that can focus its resources to produce an excellent result.

Mr. Fox said that one of the difficulties at Temple University is that we have a very rigid structure, brought about by the history of the organization and the fact that we have 14 labor groups. He said that change will not occur easily. We are trying to create an environment and process that will involve everyone. If successful, our students will be much better educated in the future than today.

Executive Committee

4. Report

The Report of the Executive Committee was received as given in Agenda Reference 4.

Recommendations for Action:

5. Board and Standing Committees Scheduled Meetings:

On motion duly made and seconded, the Board of Trustees approved the Scheduled Meetings for the Board and Standing Committees for 1995-1996, as set forth on SUPPLEMENT I which is attached to the official copy of these Minutes on file in the Office of the Secretary, with meetings of the Board being held at 3:00 P.M. in Feinstone Lounge, Sullivan Hall, Park and Berks Mall.

6. Final Consolidated Budget for 1995-1996

On motion duly made and seconded, the Board of Trustees adopted the Final Consolidated Budget for 1995-1996 as given in Agenda Reference 6.

7. Bank Account Withdrawal Authorization Resolution

On motion duly made and seconded, the Board of Trustees adopted the Bank Account Withdrawal Resolution which was distributed as Agenda Reference 7, substituting the name of Martin S. Dorph for Laurent J. Remillard and adding the name of Sheila Winfrey-Brown, Director of Cash Operations.

Mr. Fox welcomed Mr. Martin S. Dorph, the newly elected Vice President, Chief Financial Officer and Treasurer of Temple University.

Board of Governors

8. Report

The Board received the Report of the Board of Governors as given in Agenda Reference 8.

Recommendation for Action:

9. Election of Members of the Board of Governors of Temple University Hospital

On motion duly made and seconded, the Board of Trustees, in accordance with the Trustees By-Laws, (Article IV, Section 13) and in accordance with the Governors By-Laws (Article III, Sections 1 2A and 2B), unanimously elected and re-elected the persons listed below to membership on the Board of Governors, Temple University Hospital, for the term indicated, effective October 10, 1995, these persons having been duly nominated by the Board of Governors.

Re-Elected for 1995-1998 Term

Anita E. Debrest
David Eastburn
Jane Scaccetti Fumo
H. Robert Jacobs
Isadore A. Shrager

10. Temple University Health System, Inc., Strategic Plan

[Secretary's Note: Because of Senior Vice President Malmud's absence from today's meeting, due to an illness in the family, the captioned item was withdrawn from consideration.]

President Liacouras explained that the Plan has been discussed, but not formally approved by the Board of Trustees.

Committee on Educational Policies

11. Report

The Report of the Committee on Educational Policies was received as given in Agenda Reference 11.

Recommendations for Action:

12. Restructuring Graduate Education

Provost England described the actions that led to this recommendation. He said that, starting last January, he asked for a review of the doctoral programs in particular. That review began in February with the appointment of an Ad Hoc Committee of faculty and an independent committee of the Graduate Board called the Graduate Program Subcommittee of the Graduate Board.

Two individual groups of faculty had the responsibility of making recommendations. The Provost said he asked for detailed information from departments. This information was reviewed by the two faculty committees, but the work was not completed. They will continue the review this fall and winter.

In early May, the Provost announced his tentative recommendation based on the evidence received from departments and these two faculty committees. He also announced, at that time, that he would meet with any programs which felt the recommendations were not appropriate, and he met with about twenty programs. Based on those discussions, he revised his recommendations.

The Provost said his tentative recommendations are different than those being brought forward today, as given in Agenda Reference 12.

Dr. England reported that two weeks ago the National Research Council published a set of evaluations of research-based doctoral programs in the United States. They evaluated a number of doctoral programs and their evaluation slightly changes the circumstances that confront us. The Provost said he has tried to base his recommendations on evidence as it becomes available to him, and this information just became available two weeks ago. As a result and after discussion with Judge Scirica, the Judge has agreed to offer a substitute motion.

Judge Scirica informed the Board that the Educational Policies Committee (EPC) had a very extensive meeting a few weeks

ago on this recommendation of the Provost's, with both himself and Mrs. Wofford present. They were very impressed with the timely evaluations and recommendations to the Board. It was clear that the administration had gone over the matter very carefully.

Judge Scirica explained that a major part of the EPC meeting was devoted to the recommendation on the Computer and Information Science (CIS) Ph.D. program being scheduled for termination. The faculty appeared before the Committee and made a strong presentation. It appears that the information received from the National Research Council has caused him to re-look at that recommendation.

Judge Scirica moved the following amendment to the motion on Restructuring Graduate Education: that instead of the Board suspending admissions in the CIS Ph.D. program, the Provost handle it on an administrative basis so that the control will remain in his hands. The motion to amend was seconded.

President Liacouras asked if that amendment would also apply to the program in Psychoeducational Processes (PEP) and to the MA in French. He asked if the suggestion is that these programs be put in the same category of having admissions suspended administratively. Judge Scirica said that is not his intent. He does this mainly on the basis of this new information that came up that seems to put CIS in a different category.

President Liacouras said this is the area where the issue of quality of research of the faculty has been dominant in the thinking of the Provost and the Committee. The question of market conditions, how the graduates perceive themselves and the market perceives them is another indication. At the EPC meeting the PEP program was not represented. However, this past Friday he met with 15 graduates and faculty of PEP. The overriding point made by that group is that the PEP program is, in terms of market, one of the more solid programs. He mentions this because the EPC had the benefit of hearing from CIS and getting more information on that program but did not receive information from PEP.

The President said the question of whether there should be an indefinite suspension in the admissions of all four of the programs until a structure acceptable to the Provost is submitted would seem to cover all four and not single one out unless he is missing something on the importance of CIS as distinguished from PEP. The President said the question he has is whether the Provost would consider including PEP as well as the other two programs within the ambit of that motion. The Provost said he would not. He said there is new information from the National Research Council on CIS, but there is not concerning the other programs.

The Provost said that the language we are trying to use for any action to close a program is one that would not prevent the University from reopening the program in the future without going back to the State Department of Education. The difference between the action of Judge Scirica would be that the CIS program admissions would be held in abeyance pending his coming back to the

Board in the May or June meeting with a plan that would revitalize the program; and if he is not able to do that, the program would close.

The Board voted to approve the amendment to the motion on Restructuring Graduate Education that instead of the Board suspending admissions in the CIS Ph.D. program, the Provost handle it on an administrative basis so that the control will remain in his hands.

After discussion and on motion duly made and seconded, the Board of Trustees approved the recommendation of the Educational Policies Committee, with the amendment that instead of the Board suspending admissions in the CIS Ph.D. program the Provost handle it on an administrative basis so that the control will remain in his hands, regarding the Provost's recommendations on the discontinuation of graduate programs as given in Agenda Reference 12.

[Secretary's Note: Judge Dandridge abstained from voting on the recommendation regarding Restructuring Graduate Education.]

Mr. Latham moved that the Board reverse its action and not suspend admissions in PEP, but have the Provost handle it on an administrative basis, as is being done with the CIS Ph.D. program. Mr. Latham said he believes the Board should take into serious consideration being flexible and should pay attention to market conditions. He said the job market is very tight; opportunities are not there anymore. If there is the opportunity to keep a program which will offer opportunities to students, we must continue it. He thinks, if possible, the University should continue the PEP program and look at another avenue for savings.

Mr. Marshall said he appreciates the sentiment of Mr. Latham's motion, but pointed out that the program could be reactivated at some time.

Mr. Fox pointed out that that these programs were evaluated on a qualitative basis and not on a fiscal basis. He said the process has been going on for a year.

The question was called. The motion that the Provost handle the discontinuance of the PEP program on an administrative basis so as to maintain control failed.

13. Tenure for Faculty 1995-1996

On motion duly made and seconded, the Board of Trustees, pursuant to the procedures outlined in the Temple University Faculty Handbook, approved the recommendations of the Educational Policies Committee with respect to the granting of faculty tenure for 1995-1996. (The list of the faculty recommended for tenure is on file in the Office of the Provost.)

Committee on Audit

14. Report

The Report of the Committee on Audit was received as given in Agenda Reference 14.

15. The Commonwealth of Pennsylvania Auditor General's Report for Fiscal Year Ended June 30, 1994

On motion duly made and seconded, the Board of Trustees accepted the recommendation of the Audit Committee and received the Audit Report of the Office of the Auditor General of the Commonwealth of Pennsylvania for the fiscal year ended June 30, 1994, noting that it does not require a management response.

Committee on Campus Planning and Plant Management

16. Report

The Report of the Committee on Campus Planning and Plant Management was received as given in Agenda Reference 16.

Committee on Athletics

17. Report

The Report of the Committee on Athletics was received as given in Agenda Reference 17.

Committee on Business and Finance

18. Report

The Report of the Committee on Business and Finance was received as given in Agenda Reference 18.

Committee on Development

19. Report

The Report of the Committee on Development was received as given in Agenda Reference 19.

Committee on Student Affairs

20. Report

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

APPOINTMENT OF STANDING COMMITTEES FOR 1995-1995

21. **Nominations for Membership on the Executive Committee by the Chairman of the Board**

On motion duly made and seconded, the Board of Trustees approved, as required by Article IV, Section 1-A of the By-Laws, the appointments to the Executive Committee, as given in Agenda Reference 21, made this day by the Chairman of the Board and effective this date.

22. **Appointment of Committee on Honorary Degrees by the President**

The President's appointments to the Committee on Honorary Degrees are given in Agenda Reference 22.

23. **Nomination for Membership on the Committee on Trustees by the Executive Committee**

On motion duly made and seconded, the Board of Trustees approved, as required by (Article IV, Section 6-A) of the By-Laws, the appointments to the Committee on Trustees made this day by the Executive Committee and effective this date, as given in Agenda Reference 23.

24. **Chairman of the Board Announces Appointments to Committees Other Than Executive Committee, Honorary Degrees Committee and Committee on Trustees**

Mr. Fox announced the captioned appointments as given in Agenda Reference 24.

REPORT OF THE OFFICERS

25. **Treasurer's Report**

On motion duly made and seconded, the Board received the lists of gifts received for the Quarter ended June 30, 1995; grants and contracts awarded between July 1, 1994 and June 30, 1995 and the purchases and sales of securities for the Fourth Quarter Fiscal Year 1995, as given in Agenda Reference 25.

OLD BUSINESS

There was no Old Business.

NEW BUSINESS

26. **Professional Services Agreement with A.T. Kearney, Inc.**

On motion duly made and seconded, the Board of Trustees authorized the officers to enter into a consulting contract with A.T. Kearney, Inc., to provide professional consulting and advisory services as requested by the University with respect to certain of

the strategic issues identified by Kearney's prior reports at a cost not to exceed \$375,000.

27. Workers' Compensation Self-Insurance for Northeastern Hospital, Innovative Physicians Inc., and Temple Physicians, Inc.

Mr. Marshall explained that this item came before the Board of Governors yesterday.

Judge Dandridge expressed concern that this time is coming to the Board only today and the Board did not have an opportunity to review information. Mr. Fox explained that there is a timing problem. He said we need to cover the workers' compensation self-insurance for these University subsidiaries, which will result in savings to them.

President Liacouras said he thought that since we are splitting off the Hospital, we should not put the University in a position of having a potential liability between June 29 and the end of the year when the new status of the corporation will be effective. He asked if this action engages the University in some ongoing future potential liability.

Mr. Moore pointed out the recommendation is based upon TUHS, Inc and the Hospital agreeing to reimburse the University for any liability tht it may incur pursuant to the guarantee.

On motion duly made and seconded, the Board of Trustees voted to authorize the officers to execute and deliver such documents and instruments as appropriate whereby the University shall guarangtee the payment by Northeastern Hospital of Philadelphia, Innovative Physicians Services, Inc., and Temple Physicians, Inc. of all compensation payable to employees, dependents or others entitled thereunder, or legal representatives thereof, under Pennsylvania's Workers' Compensation Act, as amended, as more fully set forth in the Resolution which was distributed as Agenda Reference 27.

ADJOURNMENT

On motion duly made and seconded, the meeting of the Board of Trustees was adjourned at 5:40 P.M.