

## MINUTES

### THE BOARD OF TRUSTEES

Temple University - Of The Commonwealth System of Higher Education

Tuesday, October 12, 1999 - 3:00 P.M.

Fourth Floor Lounge, Tuttleman Learning Center

Presiding Officer, Richard J. Fox, Chairman of the Board

#### ATTENDANCE

**Trustees--** Joan H. Ballots, Francis J. Catania, Theodore Z. Davis, Peter D. DePaul, Nelson A. Diaz, Louis J. Esposito, Richard J. Fox, Paul P. Giordano, Howard Gittis, Lewis F. Gould, Jr., Clifford Scott Green, Lacy H. Hunt, Edward Kassab, Lewis Katz, Mitchell G. Leibovitz, Peter J. Liacouras, Daniel H. Polett, Milton L. Rock, Edward H. Rosen, Robert A. Rovner, James S. White

**Honorary Life Trustee--** William L. Rafsky

**Ex Officio Participants--** Oshunbunmi Samuel, Ann F. VanSant

**Invited Guests--** Mark E. Gershon, Baldev S. Lamba, Linda M. Mauro, Allen J. Orsi

**Administration and Staff--** Beverly L. Breese, Corrinne A. Caldwell, Richard A. Chant, Albert R. Checcio, Martin S. Dorph, Richard M. Englert, Thomas R. Freitag, Marvin Gerstein, Leon S. Malmud, Joseph W. Marshall, III, Thomas Maxey, Timothy C. O'Rourke, Arthur C. Papacostas, Richard Rumer, Valaida S. Walker

**Trustees Absent--** Michael L. Browne, William H. Cosby, Jr., Paul A. Dandridge, Murray G. Dickman, Sidney Kimmel, Arthur G. Raynes, William W. Rieger, Jane Scaccetti, Anthony J. Scirica, James H. Shacklett, III, Isadore A. Shrager, Edna S. Tuttleman, James A. Williams

#### INVOCATION

The Invocation was given by Trustee Daniel H. Polett.

**Approval of Minutes - Special Meeting - June 24, 1999**

On motion duly made and seconded the Minutes of the Special Meeting of June 24, 1999, were approved as distributed.

**Presentation of Resolution honoring former Ex Officio Participant Shontae K. White**

The Board directed the Secretary to send to Shontae K. White a Resolution of Appreciation for his participation on the Board of Trustees while serving as President of Temple University Student Government.

**Reports and Recommendations for Action - Standing Committees**

**Committee on Trustees - Isadore A. Shrager, Chairman**

1. Report

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

2. Election of Chairman of the Board

With Trustee Gittis in the Chair and on motion duly made and seconded, Richard J. Fox, having been duly nominated by the Committee on Trustees, was elected, by acclamation, Chairman of the Board of Trustees for the year 1999-2000, to serve until the next Annual Meeting of the Board or until his successor shall have been elected and qualified.

3. Election of Officers for 1999-2000

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
Acting Provost .....	Corrinne A. Caldwell
Senior Vice President, Health Sciences Center .....	Leon S. Malmud
Vice President, Chief Financial Officer, and Treasurer .....	Martin S. Dorph
Vice President for Student Affairs .....	Valaida S. Walker
Vice President for Administration .....	Richard M. Englert
Vice President for Computer and Information Services .....	Arthur C. Papacostas
Vice President for Development and Alumnae/I Affairs .....	Albert R. Checcio
Vice President .....	William T. Bergman
Vice President .....	Thomas F. Maxey

- Vice President . . . . . Robert J. Reinstein
- 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

4. Re-election of Directors of Temple University Health System, Inc.

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Committee on Trustees, and re-elected the individuals listed below to the Board of Directors of Temple University Health System, Inc., for the term indicated.

1999-2002

- Theodore Z. Davis
- Milton L. Rock
- Daniel H. Polett
- Clark S. Frame

5. Re-appointment of Members of Board of Directors of Temple Educational Support Services, Ltd. (TESS)

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Committee on Trustees, and re-appointed the individuals listed below to the Board of Directors of Temple Educational Support Services, Ltd. (TESS) for the term indicated:

1999-2000

- Paul A. Dandridge, Director
- Nelson A. Diaz, Director
- Louis J. Esposito, Director
- Richard J. Fox, Director (Ex Officio)
- Lewis F. Gould, Jr., Director
- Richard A. Joslyn, Representative Director
- Edward Kassab, Director
- Peter J. Liacouras, Director (Ex Officio)
- Daniel H. Polett, Director
- Edward H. Rosen, Director
- Jane Scaccetti, Director
- Isadore A. Shrager, Director
- Yoshikazu Takaishi, Representative Director

## **PRESIDENT'S REPORT - Peter J. Liacouras**

Before the President began his report, Trustee Diaz asked for an update on the search for a Provost. President Liacouras reported that six candidates will be coming to campus from October 21, 1999, through December 1, 1999. He explained that the search was delayed until the faculty and students returned to campus in September. The Search Committee is on track and is chaired by Vice President Richard M. Englert. The President said that the timetable is such that we would expect that sometime in mid-December, he will have a response on this subject.

The President asked that the record show that Pennsylvania Governor Thomas J. Ridge came to the Tuttleman Learning Center just prior to this meeting and formally thanked the Tuttlemans for their philanthropy.

The President's Report as given follows:

### **President's Report to the Board of Trustees, October 12, 1999**

#### **1. The "10 Challenges for 1999-2000"**

#2 Temple University is "mission critical Y2K ready"

Temple University Health System, Inc. will be "mission critical Y2-K ready" on November 1

#3 On-line educational strategy: "Virtual Temple" is Agenda Item #32

#6 Temple Town:

New student residence hall opened on September 1

Design services for additional on-campus student housing for 1,100 students for Fall 2001 opening is Agenda Item #23

# 9 Football: practice field opened on August 1, and construction of the building is Agenda Item #22

#### **2. Enrollment**

Enrollment report as of October 8 is attached

Total University enrollment increased for the first time in 8 years (since Fall 1991)

Undergraduate enrollment increased by 4.76%

New Undergraduate Freshmen increased by 26.6% New Undergraduate Transfers increased by 2.5%

54% of New Undergraduate Freshmen opted to live on campus

By Fall 2001, at least 6,000 students and staff will live on or within 3 blocks of the Main Campus

The Tuttleman Learning Center opened on September 1

#### **3. "Distinguished Professors":**

Margaret Wang (Educational Psychology)  
Sidney Cohen (Medicine)  
Lawrence Steinberg (Psychology)

These three nationally renown scholars are the fourth, fifth and six faculty in Temple's history to be officially designated "Distinguished Professor."  
A summary of the accomplishments of each is attached.

#### **4. Operating Budgets, 1998-99 and 1999-00**

For the 17th consecutive year, the annual operating budget of the University was balanced, with operations more favorable than budget.

For 1999-00, the annual operating budget for the University contains another major initiative. "The Plan to Renew Temple's Mission, Phase 2 Funds" will be invested in e-commerce, e-media, and on-line initiatives (including start-up costs for "Virtual Temple."

**5. I congratulate the faculty, students, alumni and outstanding administrators for these developments.**

### **10 CHALLENGES FOR 1999-2000**

1. \$100 million in new endowment for schools [12-31-00]  
and colleges (named professorships, etc.)
2. Y2K [Temple: 10-31-99, external "disaster" over by what date?]
3. On-line educational strategy:  
"Virtual Temple" competing with, and  
supporting "Temple Proper"; and [12-15-99, 8-1-00]  
CGS, including degrees [5-10-00, 9-1-00]
4. TAUP contract [10-15-00, or earlier]
5. Arts campus and programmatic  
consolidation of Arts [decisions, 6-1-00]
6. Temple Town: 6 projects (Park Mall,  
6th Apollo, 13th Street, another student  
residence, student parking project,  
Arts Campus completion) [8-31-00, 8-31-00, 9-30-99,  
8-31-00, 9-1-01, 7-31-02]

7. Health -related UG and G programs,  
and reorganization [6-30-00]
8. Strategic Initiatives: Research 1, Regional,  
Ambler, Enrollment, Honors, Co-op [on-going]
9. Football [practice field 8-1-99; facilities 7-15-00; Sugar Bowl 2004]
10. TUHS, Inc. [operations in balance by FY 2000-01; ongoing challenge  
(6-3-99)]

Trustee Diaz asked for the racial composition of the entering class and the composition of the retention. Vice President Maxey indicated that the answers are contained in the Enrollment Report distributed to the Board.

Trustee Leibovitz thanked Vice President Maxey for his extraordinary effort to reverse what has been a steady decline in enrollment. Chairman Fox added that Tom Maxey has done a wonderful job in turning around the image of Temple University.

The Board applauded Vice President Maxey.

**Executive Committee - Howard Gittis, Chairman**

6. Report

The Report of the Executive Committee was received as given in Agenda Reference 6.

7. Board and Standing Committees Scheduled Meetings

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Joint Business and Finance and the Executive Committee that the Scheduled Meetings for the Board and Standing Committees for 1999-2000, be accepted as set forth in SUPPLEMENT I, to these Minutes, with meetings of the Board being held at 3:00 P.M. in Feinstone Lounge, Sullivan Hall, Park and Berks Malls.

8. Nomination for Membership on the Committee on Trustees  
by the Executive Committee

On motion duly made and seconded, the Board of Trustees gave its approval, as required by Article IV, Section 6-A of the By-Laws, to the appointments to the Committee on Trustees made this day by the Executive Committee and effective this date. (See SUPPLEMENT II

to the official copy of these Minutes on file in the Office of the Secretary.)

9. Final University Budget for 1999-2000

Vice President Dorph said that the Final University Budget for 1999-2000 provides for a profit to the University. It does not include a budget for Temple University Health System, Inc.

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Business and Finance Committee and the Executive Committee and adopted the Final University Budget for 1999-2000 as given in SUPPLEMENT III, which is attached to the official copy of these Minutes on file in the Office of the Secretary.

10. Temple University Japan Final Operating Budget 1999-2000

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Joint Business and Finance Committee and Executive Committee and adopted the Temple University Japan Final Operating Budget 1999-2000, as set forth in SUPPLEMENT IV, which is attached to the official copy of the Minutes on file in the Office of the Secretary, the Budget having been reviewed and approved by the TESS Board.

**Board of Directors, Temple University Health System, Inc., Howard Gittis, Chairman**

11. Report

The Report of the Board of Directors of Temple University Health System, Inc. was received as given in Agenda Reference 11.

12. Temple University Health System, Inc. Final Budget for 1999-2000

Trustee Gittis asked that consideration of the Temple University Health System, Inc., Final Budget for 1999-2000 be deferred and asked for a special resolution authorizing the Health System to continue to spend funds.

Trustee Katz asked how a deficit on the hospital side is funded. Trustee Gittis said it is funded by State aid and reserves that we have. He said that the Health System is now running a number of entities and has over a \$600 million budget. The Health System is the low cost provider in this area and provides the highest quality care. Our difficulty is that, in the present year, we have about \$72 million in unreimbursed or underreimbursed care. Philadelphia is the only city that does not have a municipal hospital and, in the absence of one, provides no aid.

On motion duly made and seconded, the Board of Trustees voted to authorize the

officers of Temple University Health System, Inc., (TUHS) and its subsidiaries to continue spending at the levels approved in the 1998-1999 TUHS Budget until the Final TUHS Budget for 1999-2000 is received and approved.

**Committee on Educational Policies - Isadore A. Shrager, Chairman**

13. **Report**

The Report of the Committee on Educational Policies was received as given in Agenda Reference 13.

President Liacouras noted that it is the Board that grants tenure and it is only the Board that can take away tenure. Tenure at Temple University is in a Department, not in a School or the entire University. The following are four transfers, with tenure, from one Department to another.

14. Transfer of Dr. Thomas Gordon, with tenure, from the Department of Communication Science, College of Allied Health Professions to the Department of Health Studies

On motion duly made and seconded, the Board of Trustees accepted the recommendation of the Educational Policies Committee and approved the transfer, with tenure, of faculty member Dr. Thomas Gordon from the Department of Communication Science, College of Allied Health Professions to the Department of Health Studies, effective July 1, 1999, as substantially set forth in letters from Dr. Gordon, Dean Doukas, Dean Leonard and Acting Provost Caldwell, said letters being attached as SUPPLEMENT V to the official copy of these Minutes on file in the Office of the Secretary.

15. Transfer of Dr. Forrest E. Huffman, with tenure, from the Department of Legal and Real Estate Studies, in the Fox School of Business and Management, to the Department of Finance, in the Fox School of Business and Management

On motion duly made and seconded the Board of Trustees accepted the recommendation of the Educational Policies Committee and approved the transfer of faculty member Dr. Forrest E. Huffman, with tenure, from the Department of Legal and Real Estate Studies, in the Fox School of Business and Management, to the Department of Finance, in the Fox School of Business and Management, effective July 1, 1999, as substantially set forth in letters from Dr. Kopecky, and Dean Porat and Acting Provost Caldwell, said letters being attached as SUPPLEMENT VI to the official copy of these Minutes on file in the Office of the Secretary.

16. Transfer of Dr. Paul K. Asabere, with tenure, from the Department of Legal and Real Estate Studies, in the Fox School of Business and Management, to the Department of Finance, in the Fox School of Business and Management

On motion duly made and seconded, the Board of Trustees accepted the recommendation



of the Educational Policies Committee and approved the transfer of faculty member Dr. Paul K. Asabere, with tenure, from the Department of Legal and Real Estate Studies, in the Fox School of Business and Management, to the Department of Finance, in the Fox School of Business and Management, effective July 1, 1999, as substantially set forth in letters from Dr. Kopecky, Dean Porat and Acting Provost Caldwell, copies of which are attached as SUPPLEMENT VII to the official copy of these Minutes on file in the Office of the Secretary.

17. Transfer of Dr. David H. Watt, with tenure, from the Department of Religion in the College of Liberal Arts to the Department of History in the College of Liberal Arts.

On motion duly made and seconded, the Board of Trustees accepted the recommendation of the Educational Policies Committee and approved the transfer of faculty member Dr. David H. Watt, with tenure, from the Department of Religion in the College of Liberal Arts to the Department of History, in the College of Liberal Arts, effective July 1, 1998, as substantially set forth in letters from Drs. Immerman, Blankinship, Dean Adams and Acting Provost Caldwell, copies of which are attached as SUPPLEMENT VIII to the official copy of these Minutes on file in the Office of the Secretary.

**Committee on Audit - Mitchell G. Leibovitz, Chairman**

18. Report

The Report of the Committee on Audit was received as given in Agenda Reference 18.

**Committee on Campus Planning and Plant Management - Louis J. Esposito, Chairman**

19. Report

The Report of the Committee on Campus Planning and Plant Management was received as given in Agenda Reference 19.

20. Installation Central Air Conditioning System in Peabody Hall

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Campus Planning and Plant Management Committee and authorized the officers to install central air conditioning in Peabody Hall at a price not-to-exceed \$910,000, with the Funding and Financing Source being the Housing Renewal and Renovation Fund.

21. Parking Lot #2 Improvements - Additional Funding

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Campus Planning and Plant Management Committee and authorized the officers

to provide phase 1 improvements to Parking Lot #2 at an additional cost not-to-exceed \$119,092, with a total project cost not-to-exceed \$406,350, with the Funding and Financing Source being the Plant Development Fund.

22. Practice Facility Building Construction - Main Campus

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Campus Planning and Plant Management Committee and authorized the officers to construct a new practice facility building on the block bounded by Susquehanna, Diamond, 11th St., and the SEPTA rail tracks at a cost not-to-exceed \$4,683,008; with a total project cost not-to-exceed \$6,968,487, with the Funding Source being Football Giving and the Financing Source being Plant Funds.

23. New Student Housing Phase 3 Design Services - Additional Funding

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Campus Planning and Plant Management Committee and authorized the officers to retain professional services for design of a new student residence hall on Main Campus at an additional cost not-to-exceed \$601,500, with a total design cost not-to-exceed \$1,480,500, with the Funding Source being Housing Revenue and Financing source being the Bond Proceeds.

Committee on Business and Finance - Edward H. Rosen, Chairman

24. Report

The Report of the Committee on Business and Finance was received as given in Agenda Reference 24.

Committee on Development - Howard Gittis, Chairman

25. Report

The Report of the Committee on Development was received as given in Agenda Reference 25.

Committee on Honorary Degrees - Peter J. Liacouras, Chairman

26. Report

The Report of the Committee on Honorary Degrees was received as given in Agenda Reference 26.

## APPOINTMENT OF STANDING COMMITTEES FOR 1999-2000

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

On motion duly made and seconded, the Board of Trustees gave its approval, as required by Article IV, Section 1-A of the By-Laws, to the following appointments to the Executive Committee made this day by the Chairman of the Board and effective this date: Paul A. Dandridge, Louis J Esposito, Richard J. Fox, Howard Gittis, Clifford Scott Green, Lewis Katz, Mitchell G. Leibovitz, Peter J. Liacouras, Daniel H. Polett, Arthur G. Raynes, Edward H. Rosen, Anthony J. Scirica, Isadore A. Shrager.

28. Appointment of Committee on Honorary Degrees by the President

The President appointed the following trustees to the Committee on Honorary Degrees: Louis J. Esposito, Lewis Katz, Daniel H. Polett.

29. Chairman of Board Announces Appointments to Committees Other than Executive Committee, Honorary Degrees Committee, and Committee on Trustees

Appointments to Committees other than Executive Committee , Honorary Degrees Committee and Committee on Trustees was distributed as Agenda Reference 29 and is attached as SUPPLEMENT IX to the official copy of these Minutes on file in the Office of the Secretary.

## OFFICER'S REPORT

30. **Treasurer's Report - Martin S. Dorph**

On motion duly made and seconded, the lists of gifts received for the Quarter ended June 30, 1999; grants and contracts awarded between July 1, 1998 and June 30, 1999 and the purchases and sales of securities for the Fourth Quarter Fiscal Year 1999 were received, said report being attached as SUPPLEMENT X to the official copy of these Minutes on file in the Office of the Secretary.

## NEW BUSINESS

31. Amendment to Basic Tax Sheltered Annuity Plan of Temple University and the Retirement Savings Plan for Employees of Temple University

On motion duly made and seconded, the Board of Trustees approved the amendments to the Basic Tax-Sheltered Annuity Plan of Temple University and the Retirement Savings Plan for

Employees of Temple University, as was set forth in the Resolution distributed as Agenda Reference 31, and authorized the officers to take all necessary and appropriate actions to accomplish the foregoing.

**32. Authorization to Establish a For-Profit Educational Subsidiary**

President Liacouras explained that this is a proposal to create an on-line, for-profit institution wholly owned by Temple University, but without the authority to confer Temple University degrees.

The President said that this is simply Temple University preparing to move into a new marketplace. It is not to be confused with Temple University creating on-line courses, a College of General Studies, or "on-line" instruction as one of a variety of instructional modes in the University. "Virtual Temple" is another, independent, mobile actor that would compete, cooperate, affiliate, etc. with other on-line entities—including those that the University itself cannot compete with. What we are talking about here is an additional entity—a flexible vehicle-- aimed at regional and world markets, not through the traditional in-person delivery of our inherited teaching skills, but on-line. The precise products would be determined by Virtual Temple based on market demand and Virtual Temple's quality controls. Virtual Temple would be an independent corporation operating independently of the University, on a day-to-day basis.

The Temple University Board of Trustees would appoint the directors of this new corporation. Temple University would be the sole shareholder. The Virtual Temple Board would have an advisory committee of academics, business and marketing folks. A CEO would promptly be appointed with a small staff. There will be some money from The Plan to Renew, Phase II.

"Necessary and appropriate steps" includes the intention of the officers to consult with faculty and other internal actors and external experts.

Trustee Rosen said that, under Trustee Polett, the Strategic Planning Committee has been working with the President and others. Before this becomes reality, we will be back to the Board for approval with a little more flesh on the bones.

On motion duly made and seconded, the Board of Trustees, upon the recommendation of the Strategic Planning Committee (9/28/99), authorized the officers to take all necessary and appropriate steps to establish a for-profit educational subsidiary corporation to facilitate the development, marketing, gathering capital and delivery of on-line and technology-mediated distance education programs in regional and global markets.

**ADJOURNMENT**

On motion duly made and seconded, the meeting of the Board of Trustees adjourned at 4:25 P.M.