

BOARD OF TRUSTEES

Temple University – Of The Commonwealth System of Higher Education

PUBLIC SESSION

Tuesday, March 8, 2005, at 3:00 p.m.

Trustees only met in Executive Session for an informational briefing.

**Feinstone Lounge, Sullivan Hall
Liacouras Walk and Berks Mall**

MINUTES

**Presiding Officer:
Howard Gittis, Chair of the Board**

PARTICIPANTS

Trustees: David Adamany, Leonard Barrack, Howard Gittis, Lewis F. Gould, Jr., Edward Kassab, Lewis Katz, Susanna E. Lachs, Patrick V. Larkin, Solomon C. Luo, Joseph W. Marshall, III, Christopher W. McNichol, Stephen A. Miskin, Mitchell L. Morgan, Patrick J. O'Connor, Daniel H. Polett, Anthony J. Scirica, James S. White, Michael P. Williams

Ex-Officios: Robert A. Rovner, Lori A. Shorr

University Counsel: George E. Moore

Administration and Staff: Clarence D. Armbrister, William D. Bradshaw, Robert P. Buchholz, Theresa Burt, Janet Carruth, Ainsley Carry, Martin S. Dorph, Richard M. Englert, Mark Eyerly, Jessica Giordano, Vicki McGarvey, Adam P. Michaels, Timothy C. O'Rourke, Catherine M. Paster, Theresa A. Powell, Gregory S. Rost, Richard Rumer, Ira M. Schwartz, Stuart P. Sullivan, Ronald J. Tallarida, Ann F. VanSant, William J. Wilkinson

The meeting was called to order at 3:20 p.m.

INVOCATION: The invocation was given by Trustee Daniel H. Polett.

Chairman Gittis recognized Trustee Daniel H. Polett as the recipient of Modern Healthcare's prestigious Trustee of the Year award. Modern Healthcare is the industry's leading source of healthcare business news. The award is given to a trustee affiliated with a healthcare facility with annual revenues of \$75 million or more. The March 21, 2005, issue of Modern Healthcare magazine will include a detailed story on Mr. Polett.

Introduction of Guests:

Faculty: Dr. Anthony S. Kidawa, Dr. Tully J. Speaker

Students: Oscar A. Chow

Approval of Minutes: The minutes of the meeting of December 14, 2004, were approved.

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PRESIDENT'S REPORT – David Adamany

Thank you, Mr. Chairman.

Please excuse my appearance and some occasional slurring of words. This is not due to the rough ten days we've had in our athletic program. Rather, I've had Bell's Palsy, which is a virus-related paralysis of muscles on one side of the face. It goes away over time, although not quickly enough. That has been compounded by some relatively minor surgery that has left some temporary scar tissue.

All of you are well aware of controversies recently surrounding Temple's athletics programs.

As you know, in a February 22nd game against St. Joseph's University, Coach John Chaney instructed a player to go into the game to commit hard fouls. As a result, John Bryant, a St. Joseph's player, was seriously injured and has been forced to sit out the remainder of the regular season and perhaps the Atlantic 10 tournament competition as well. Coach Chaney compounded his serious breach of sportsmanship by a provocative defense of his actions at a news conference following the game.

As you also know, Coach Chaney almost immediately recognized that what he had done was, to quote his public statement, "wrong, wrong, wrong." The Coach apologized to St. Joseph's University, to Temple, and especially to John Bryant. He paid a call on John Bryant and his parents to deliver his apology in person and to offer to bear any extraordinary medical expenses.

When Coach Chaney visited with me on February 23rd, before the extent of Mr. Bryant's injuries were known, he volunteered to suspend himself for the next game and I accepted that proposal. When it became clear that John Bryant was seriously injured, I suspended Coach Chaney for the remainder of the regular season. Coach Chaney went beyond that by taking himself out of coaching during the A-10 tournament.

There are those who believe that Coach Chaney should have been summarily fired. There has been almost endless comment in the media and from various e-mail correspondents about how Temple should respond to Coach Chaney's behavior. Most of that comment has called for the Coach's dismissal. My own course has been to make a balanced judgment. John Chaney's career as a fine teacher and outstanding coach, as a citizen who has involved himself in many good causes throughout this community, and as a spokesperson and advocate for Temple, are not meaningless. They are not irrelevant when Coach Chaney makes an enormous mistake, quickly admits that mistake, makes public apologies, and accepts suspension from coaching.

We live in an age when some media and a certain segment of the public demand the disgrace and dismissal of every public person who makes a serious mistake. Long and effective service and commitment are dismissed as meaningless. I do not share that view. All humans are flawed, and all make mistakes—sometimes monumental mistakes. Redemption as well as punishment ought to be part of our creed as a university. Mistakes, even huge mistakes, ought to be seen in light of a full life lived. And decisions about human beings should involve balance, not merely the frenzy of the moment. That is the way, I hope, that we address the transgressions of students and employees. It is the demeanor toward others that I hope we teach our students.

John Chaney's disgrace is a severe penalty for a man who has done so much and done it so well. Suspensions are an affirmation of that penalty. Institutional forgiveness as well as institutional punishment ought to be the hallmark of a civilized society. It is my belief that this is the approach to Coach Chaney's mistake that is widely embraced by students, faculty, staff, and alumni at Temple. And whether embraced widely or not, it is way I have approached Coach Chaney's serious errors on February 22.

A second controversy about athletics followed almost immediately. A report from the National Collegiate Athletic Association found that Temple's athletic programs fell below a new NCAA minimum threshold for academic performance of student athletes. In addition, six specific teams were found to fall below minimum performance standards. The *Philadelphia Inquirer* published a front-page report on the NCAA's findings for universities in this area and that story especially emphasized the academic deficiencies the NCAA had found in Temple's athletic programs.

Each of you has received a briefing paper on this matter. As you now know, the academic deficiencies reported in Temple's athletic programs are simply not correct. For the athletic program overall, Temple achieved a score of 940—easily above the minimum acceptable score of 925 and slightly above the average of all NCAA Division 1 public institutions, whose average score was 938.

It may be useful also to know that overall Temple student athletes perform academically at about the same level as the Temple student body. In the fall semester athletes had a cumulative GPA of 2.83 while the overall student body had a cumulative GPA of 2.94.

Men's Soccer, one of the six teams reported to fall below the NCAA acceptable standard, in fact exceeds that standard. Two additional teams—Men's Baseball and Women's Basketball—will not be subject to NCAA sanctions even though they fall very slightly below the cutoff point. This is because the NCAA, to achieve statistical reliability in its scoring, has the equivalent of a "margin of error" that allows teams with scores slightly below the minimum requirement to be spared any penalties.

Temple's review of the data suggest that two more teams—Men's Basketball and Men's Golf—also fall within the margin of error and would not be subject to penalties. If Temple's calculations are correct and are accepted by the NCAA, it appears that only Football is out of compliance with NCAA standards. We have seen improved academic performance in the football program the past several years, but that improvement has not yet been sufficient to meet NCAA standards. We are committed to continuing those improvements until NCAA standards are met.

I want to acknowledge that the errors in the NCAA's report appear to have been caused by Temple. A compliance officer who was leaving the University prepared Temple's data incorrectly. There was no audit process in place in the Athletic Department to check for such mistakes, and the incorrect data were therefore submitted. I have asked the Athletic Department to assure that future submissions are subject to verification before being submitted.

We are working with the NCAA to submit corrected data; and we have been told that the NCAA has a process for receiving corrected information. I also note with gratitude that within two days the *Philadelphia Inquirer* carried a front page story reporting Temple's corrected data.

Some of you may recall a recent discussion of a new Temple academic policy on student academic performance. That policy, implemented only spring semester is actually more stringent than the policy of the NCAA. While the NCAA allows students to remain eligible with a 1.8 grade point average, Temple places on probation students whose grade point average is below 2.0. Such students must raise their grade point average in the following semester or they are dismissed from the University. While on probation, students are ineligible to play intercollegiate sports.

I hope that the controversies about athletics will not overshadow the remarkable success of Temple's Women's Basketball program. With a record of 27 wins and 3 losses, the team is now ranked 15th in the country. One news report has said that the team's 24 consecutive wins is the longest winning streak of any men's or women's basketball program in the country. Last night Dawn Staley and her team won the Atlantic 10 conference championship and will go on to the NCAA tournament. All of us can be proud of the women's basketball team for their success on the court as well as for an academic record that does not subject them to NCAA penalties.

Although this has been a long statement about athletics, I do not want that discussion to overshadow significant progress in our core academic programs.

Freshman admissions applications at this time are about one percent ahead of last year. We anticipate about 17,500 completed applications. We expect to enroll a class of about 3,900 students. The SAT scores of the applicant pool are about 11 points higher than last year. Since students with high SATs have many institutions to choose from, we expect that next year's freshman class will have SAT scores that are five or six points higher than this year's entering freshman class or 60 to 65 points above the national average. We also expect the Honors Program to enroll about 325 freshmen with SAT scores above 1300 (the average enrolled freshmen last year had an SAT score of 1088) and a high school grade point average of 3.8.

We will also continue to enroll transfer students, including many who have participated in our very effective automatic transfer programs with several community colleges. We expect transfer enrollments to be between 2700 and 2800 for next fall.

The projected entering class will be about 70 percent from Pennsylvania and 30 percent from about 45 other states and 60 other countries. We will maintain at least the same racial and ethnic diversity as in this year's freshman class.

A university with strong students must also recruit an outstanding faculty to teach those students and to conduct the scholarly work that supports teaching, expands knowledge, and builds reputation. As you know, this year we have authorized 119 searches for presidential faculty—that is, faculty on the tenure track or tenured. Based on past experience, we do not expect to complete that many searches because, quite frankly, we do not believe that we can find that large a number of faculty who meet our standards. Last year, when we sought to recruit 109 faculty, we were actually able to appoint just a little more than half that number.

To date this year, we have appointed 40 new faculty and we expect to appoint a number more before the year is finished. Faculty committees and deans are taking this responsibility very seriously and are recommending only the strongest candidates. They are deferring searches until next year if they do not find the outstanding candidates for appointment this year. We are seeking faculty from the best institutions in the nation. I note with pride four appointments so far this year from Berkeley, three from Yale, three from the University of Wisconsin at Madison, two from the University of Michigan, two from the University of Pennsylvania, two from the University of Virginia, two from Notre Dame, and others from Princeton, Harvard, Ohio State, the University of North Carolina at Chapel Hill, the University of Washington, the University of Oslo and other institutions of high quality and stature. The Academic Affairs Committee of the Board has reviewed the credentials of a number of new faculty who will be appointed with tenure, and the Committee's comments about the quality of these new faculty have been very positive.

I am pleased also that the faculty we have recruited this year will strengthen diversity in the faculty: 47.5 percent of new faculty appointees are women, and 37.5 percent are members of minority communities.

I hope that some of you noticed yesterday's extended, 26-paragraph story in the *Philadelphia Inquirer* about Robert Levis, a professor of chemistry, recruited to Temple just three years ago. Professor Levis has \$1.25 million in federal grants to advance a technique he developed to break apart molecules and recombine them in new forms—some not known to nature. The potential uses of Professor Levis's work range from "cyclic ozone" that might be used as fuel for rockets traveling to other planets, on the one hand, to the remote detection of deadly chemicals in order to avoid accidents or terrorist incidents, on the other. Graduate students and some undergraduates have an extraordinary opportunity for learning new scientific methods by working in Professor Levis's lab.

Our recruitment of new faculty occurs just as we have successfully reached a collective bargaining contract with the faculty union. Last week, the membership ratified the contract by more than 98 percent, and I have signed on behalf of the University. The new contract raises standards for promotion and tenure and creates a university-wide committee to advise on promotion and tenure decisions. Such a committee brings faculty into the process of insisting that weaker academic units fully meet high University standards.

The contract also places responsibility for the appointment and retention of department chairs in the hands of the administration, and it allows the assignment of certain management responsibilities to department chairs. There will also be a substantial increase in the portion of the salary package that is awarded based on faculty performance—from about 20 percent of the salary

package in prior years to about 33 percent of the salary package for each of the next four years. We have also revised our classifications for faculty who are not on the tenure track because they specialize in one aspect of the University's mission—such as teaching, or research, or clinical practice. The new classifications will bring us into line with national practice and give us considerable additional flexibility in making faculty appointments. The compensation program is fair to the faculty and is affordable for Temple.

Considering the scope of these changes, it should not surprise us that negotiations took seven months and were sometimes controversial. But the result can be viewed with satisfaction by both the University and the faculty. Professor Bill Cutler, president of the faculty union, told the press that it was a “win-win” contract. I agree.

Despite good progress on many fronts, I must once again report that the commitment of the Commonwealth to Temple and to the other state-related universities remains inadequate. Governor Rendell has proposed a 2 percent increase—less than the rate of inflation--in our general educational lines. But deep reductions have been recommended in our funding for education in the health sciences—medicine, dentistry, and podiatry. In FY 2001 Temple's appropriation was \$180.2 million. Today it is \$169.9 million. Next year, under the Governor's recommendation, it will be \$167.7 million.

What is more telling is the appropriation per student. In FY 02 that was \$7,100 per student; today it is \$5,748. At a time when there are more Pennsylvania students seeking a college education than at any time in the state's history, support for higher education is exceedingly weak. As I have previously pointed out to this Board and as we have repeatedly reminded state officials, Pennsylvania ranks 45th in the nation in per capital support for public higher education. It is becoming exceedingly difficult for Temple and the other state-related universities to serve the large number of qualified students seeking a university education and to fulfill our roles in research and economic development that benefit the state.

I previously mentioned the Governor's proposal to deeply cut our funding for education in the health sciences—medicine, dentistry and podiatry. What has been proposed is that the funds removed from our health-science education programs be submitted for matching funds under the federal medical assistance program, and that the federal dollars obtained be returned to us for support of educational programs in medicine, dentistry and podiatry. That would result in an increase in those lines and overall in the University budget.

All of the state-related institutions have significant concerns about this approach. Federal medical assistance programs are in flux, and the national administration is steadily cutting back on those expenditures. We would therefore be substituting reasonably steady support from the Commonwealth for highly volatile federal funding. Moreover, the federal government has not yet agreed that it would match funds used for federal medical assistance purposes to support educational programs in the health professions. Finally, federal medical assistance programs are directed to hospitals and health systems, not to educational institutions. It is not clear how funds directed to the separately incorporated University of Pittsburgh medical center or to the Temple University Health System could then be transferred to university educational programs in an auditable way.

We will be meeting very soon with the Governor's representatives to better understand these proposals and to explore potential pitfalls. In the meantime, the future of funding for our health care education programs remains very much in doubt. This is particularly unfortunate at a time

when there are dramatic shortages of health care professionals in Pennsylvania and when uncertainty about funding of health education programs can only make these shortages worse.

Finally, Mr. Chairman, I hope that members of the Board will make time to glance through the report of the Development Committee. There you find a list of events for alumni that have been held in this area and across the country.

Small dinner events—which we call “Envision Temple”—are opportunities for small groups of alumni who have shown a special interest in the University to discuss with us Temple’s direction and its future. Such events, hosted either by Provost Ira Schwartz or me, along with Stuart Sullivan, our vice president for development and alumni affairs, have already been held this year in Wilmington, Cherry Hill, Washington, Chicago, San Diego, Los Angeles, Scranton, Radnor, Phoenix, and Miami. Additional events are planned in Boston, Atlanta, Denver, San Francisco, and San Jose.

A second series of events, called “Temple on the Road,” are educational programs that feature Temple faculty discussing important issues or offering narratives for events such as art exhibits. These events are usually attended by several hundred people. This year Temple on the Road events have been held at the National Constitution Center and in conjunction with major art exhibits in Boca Rotan and St. Petersburg, Florida. At an increasing number of these events we are turning people away because we reach the capacity of the venues where they are scheduled.

An important event coming up in April is a dinner limited to 125 invited guests, hosted by Dennis Alter, the chairman of Advanta Corporation, who with his wife Gisella has recently given the lead gift for the major expansion of the Fox School of Business and Management, and by me as co-host at the Philadelphia Museum of Art to hear a faculty lecture about Salvador Dali and to see the remarkable exhibit of Dali’s work now on display there.

We have also expanded our program of publications that go to alumni; and as of yesterday, we are reaching 13,807 alumni through our on-line alumni community. In alumni relations and alumni support, we have begun quite far behind many other institutions. We are making every effort now to catch up.

Thank you for your patience with this long report. I hope it communicates that, despite two weeks of controversy, Temple is pursuing its core academic mission purposefully and successfully.

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REPORTS AND RECOMMENDATIONS FOR ACTION STANDING COMMITTEES

Committee on Trustee Affairs – Howard Gittis, Chairman of the Board

1. Report

The report of the Committee on Trustee Affairs was accepted as presented in Agenda Reference 1.

Executive Committee – Daniel H. Polett, Vice Chair

2. Report

The report of the Executive Committee was accepted as presented in Agenda Reference 2.

RECOMMENDATION FOR ACTION:

3. Borrowing Authority – April 1, 2005, through June 30, 2005

Upon motion duly made and seconded, the Board of Trustees authorized 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, 2005, through June 30, 2005.

Board of Directors, Temple University Health System, Inc. –
Joseph W. Marshall, III, Chair & Chief Executive Officer

4. Report

The report of the Temple University Health System, Inc., was accepted as presented in Agenda Reference 4.

Chairman Gittis expressed his disappointment with the proposed reductions in State funds to the education lines in the health science programs. These reductions are particularly difficult for Temple; given that Temple has the largest student population when combining all of the health professional schools, and in light of Temple being the largest provider of health care for the residents of the North Philadelphia community. At the same time, we must remember that the Governor has provided extensive support to the Hospital, the Medical School and the research labs, for which we are grateful. Construction of a new medical school building will soon be underway at a cost of \$175 million, which will be the largest construction project undertaken in Temple's history.

Audit Committee – Patrick V. Larkin, Member

5. Report

The report of the Audit Committee was accepted as presented in Agenda Reference 5.

RECOMMENDATION FOR ACTION:

6. Selection of External Auditor

Upon motion duly made and seconded, the Board of Trustees approved the recommendation of the Audit Committee (1/25/05) that the officers proceed with the appointment of Deloitte & Touche as the external auditor for Temple University and Temple University Health System, Inc.

7. **Report**

The report of the Academic Affairs Committee was accepted as presented in Agenda Reference 7.

RECOMMENDATIONS FOR ACTION:

8. **Consideration of Tenure**

Upon motion duly made and seconded, the Board of Trustees approved the recommendation of the Academic Affairs Committee (2/23/05) and the President regarding the granting of faculty tenure.

9. **Restructure Curriculum of the Advanced Doctor of Dental Medicine (D.M.D.) Degree for Faculty in the School of Dentistry**

Upon motion duly made and seconded, the Board of Trustees approved the recommendation of the Academic Affairs Committee (2/23/05) that the officers be authorized to restructure the curriculum for the Advanced Doctor of Dental Medicine (D.M.D.) degree for Faculty in the School of Dentistry.

10. **Establish an Advanced Standing Doctor of Dental Medicine (D.M.D.) Degree for Transfers in the School of Dentistry**

Upon motion duly made and seconded, the Board of Trustees approved the recommendation of the Academic Affairs Committee (2/23/05) that the officers be authorized to establish an Advanced Standing Doctor of Dental Medicine (D.M.D.) degree for Transfers in the School of Dentistry.

11. **Establish a Department of Neuroscience in the School of Medicine**

Upon motion duly made and seconded, the Board of Trustees approved the recommendation of the Academic Affairs Committee (2/23/05) that the officers be authorized to establish a Department of Neuroscience in the School of Medicine.

12. **Restructure Curriculum of the Master of Business Administration (M.B.A.) Degree in the Fox School of Business and Management**

Upon motion duly made and seconded, the Board of Trustees approved the recommendation of the Academic Affairs Committee (2/23/05) that the officers be authorized to restructure the curriculum for the Master of Business Administration (M.B.A.) degree in the Fox School of Business and Management.

Mr. Gittis remarked that the Fox School of Business and Management continues to achieve significant results nationally and internationally as it strives to become one of the top business schools in the country.

13. **Establish Minor in General Business Studies in the Fox School of Business and Management**

Upon motion duly made and seconded, the Board of Trustees approved the recommendation of the Academic Affairs Committee (2/23/05) that the officers be authorized to establish a minor in General Business Studies in the Fox School of Business and Management.

Development Committee – Leonard Barrack, Vice Chair

14. **Report**

The report of the Development Committee was accepted as presented in Agenda Reference 14.

RECOMMENDATION FOR ACTION:

15. **Naming Opportunity – School of Medicine**

Upon motion duly made and seconded, the Board of Trustees approved the recommendations of the Development Committee (2/23/05), and the Gift Acceptance Committee (2/17/05), and named the clinical simulation center located in the Old Dental School Building in recognition of a donor's support to the School of Medicine, and in further recognition of that support, named the third floor auditorium in the new medical school building in honor of the donor's late wife, and until that new medical school building has been completed, temporarily named Auditorium "A" in the Kresge Building in honor of the donor's late wife; all of the foregoing contingent upon the execution of an irrevocable gift agreement. *[Secretary's Note: The donor's name is on file in the Office of Development and Alumni Affairs.]*

Facilities Committee – Mitchell L. Morgan, Chair

16. **Report**

The report of the Facilities Committee was accepted as presented in Agenda Reference 16.

RECOMMENDATIONS FOR ACTION:

17. **Renovations – School of Communications & Theater, Annenberg Hall**

Upon motion duly made and seconded, the Board of Trustees approved the recommendation of the Facilities Committee (2/10/05) that the officers be authorized to proceed with renovations in the School of Communications & Theater in Annenberg Hall at a cost not-to-exceed \$471,000. The funding and financing sources being the Plant Development Fund and School of Communications & Theater Carryover Funds (#10-1701-335).

18. Beury Hall, Phase II (of V) – Renovation Construction

Upon motion duly made and seconded, the Board of Trustees approved the recommendation of the Facilities Committee (2/10/05) that the officers be authorized to proceed with Phase II of the renovation construction of Beury Hall at a cost not-to-exceed \$3,700,000. The funding and financing source being the Plant Development Fund.

Student Affairs Committee – Patrick J. O'Connor, Chair

19. Report

The report of the Student Affairs Committee was accepted as presented in Agenda Reference 19.

The **Athletics Committee** did not meet during the reporting period.

OFFICERS' REPORTS

20. Secretary's Report – George E. Moore

Upon motion duly made and seconded, the Board of Trustees approve the presentation of degrees-in-course dated May 19, 2005, to candidates approved by the appropriate academic committees of the faculty; and the presentation of degrees-in-course dated June 11, 2005, to candidates approved by the appropriate academic committees of the faculty in Tokyo.

21. Treasurer's Report – Martin S. Dorph

The Report of the Treasurer, including the Investment Reports for the Three Months Ended December 31, 2004, and grants and contracts awarded between October 1 and December 31, 2004, was accepted as presented in Agenda Reference 21.

**OLD/NEW BUSINESS
ADJOURNMENT**

The meeting adjourned at 4:00 p.m.