

**BOARD OF TRUSTEES**

**Temple University – Of The Commonwealth System of Higher Education**

**PUBLIC SESSION**

**Tuesday, May 10, 2011, at 3:30 p.m.**

**Feinstone Lounge, Sullivan Hall  
Liacouras Walk and Polett Walk**

**MINUTES**

**Presiding Officer:  
Patrick J. O'Connor, Chair of the Board**

*Note: The Trustees met for information briefings at 2:30 p.m.*

**PARTICIPANTS**

**Trustees:** Joan H. Ballots, Leonard Barrack, Theodore Z. Davis, Ronald R. Donatucci, Patrick J. Eiding, Judith A. Felgoise, Richard J. Fox, Lewis F. Gould, Jr., Lon R. Greenberg, Ann Weaver Hart, Adrian R. King, Jr., Solomon C. Luo, Scott Mazo, Theodore A. McKee, Christopher W. McNichol, J. William Mills, III, Mitchell L. Morgan, Patrick J. O'Connor, Daniel H. Polett, Robert A. Rovner, Jane Scaccetti, Anthony J. Scirica, James S. White, Michael P. Williams

**University Counsel:** George E. Moore

**Administration and Staff:** Frank P. Annunziato, James C. Bausman, William T. Bergman, William D. Bradshaw, Janet Carruth, John M. Daly, Richard M. Englert, Gloria Frager, Linda Frazer, Michael Gebhardt, Stephanie Ives, Kenneth Kaiser, Larry Kaiser, Susan Karakantas, Thomas Kupp, Jaison G. Kurichi, Tiffany Larson, Jodi Levine Laufgraben, Kenneth Lawrence, Tilghman Moyer, IV, Timothy C. O'Rourke, Theresa Powell, Richard Rumer, Michael Scales, David L. Unruh, Anthony E. Wagner, William J. Wilkinson, Gregory Zimmaro

**Non-Voting Advisory Members:** Paul LaFollette, Colin P. Saltry

**Honorary Life Trustees:** John J. Contoudis

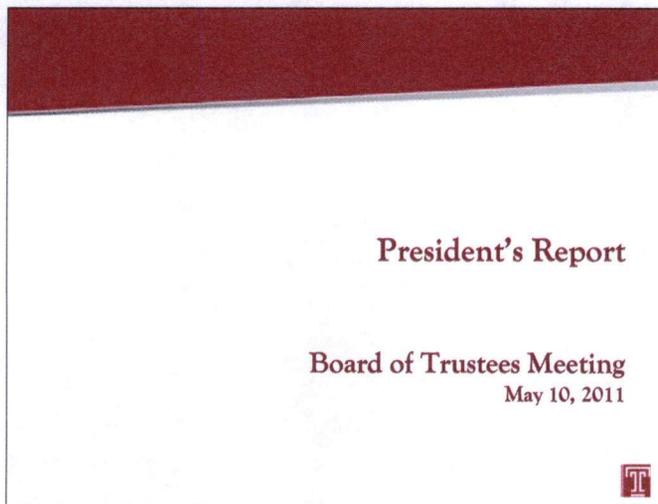
Mr. O'Connor, Chairman of the Board, called the meeting to order.

**INVOCATION:** The invocation was given by Trustee Solomon C. Luo.

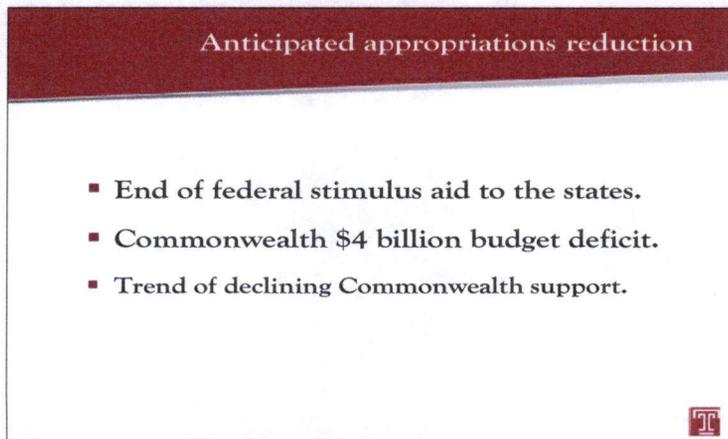
The Chairman of the Board, Mr. O'Connor, introduced and welcomed the invited guests: Dr. Joan Poliner Shapiro (faculty), Colin P. Saltry (student).

**Approval of Minutes:** The minutes of the meeting of March 1, 2011, were approved as distributed.

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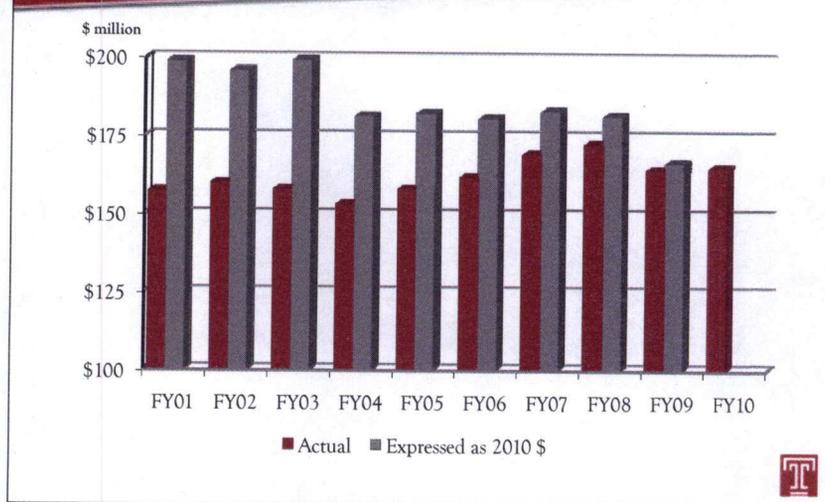


Throughout the calendar year, the major focus of the Trustees, the faculty and the administration has been to address the critical issues facing the State and to prepare for a reduction in Commonwealth appropriation. We have been unified at Temple as a whole. There is a clear message from Temple, including the Health System



Several factors have contributed to the anticipated reduction, including an end of federal stimulus aid to the states. The Federal government had supplied stimulus aid to enable state governments to keep educational funding at pre-recession levels for two years. Anticipating that these funds would not be replaced by the Commonwealth when the stimulus funding ended, Temple used the money for one-time academic improvements, spread over several years but not included in recurring expenses in the general fund. Other factors include the ongoing Commonwealth budget pressures arising from recession and resulting \$4 billion deficit, and the trend of declining State support.

## Trend of declining Commonwealth support



Commonwealth support for E&G has been relatively flat over the last five year (red bars). However, when adjusted for inflation (gray bars), the value of the appropriation has dropped. Over the same time period, total enrollment has increased by nearly 33 percent while the State support per in-state student has dropped 34 percent. At the same time, fixed costs have risen, and in some cases, the increase has been dramatic over this same period.

### UPDATE ON TEMPLE'S GOVERNMENT RELATIONS EFFORTS

House leaders have discussed publicly the possibility of a 25 percent cut. April revenue report revealed higher than expected revenue, which may help to lessen the needs for cuts as drastic as those first proposed.

Temple has actively pursued strategies to work in partnership with the Corbett administration and the General Assembly to help preserve Commonwealth support.

## Government relations efforts

- Meetings with legislative leadership and administration officials
  - Government Relations staff
  - President
  - Trustees
- TALON
  - Rallies and legislator visits
  - Petition
  - Letter writing campaign
- Unions



There have been productive meetings with the legislative leadership and administrative officials in Harrisburg. Meetings have been held with Trustees, the President, and representatives of the University's Government Relations staff, under the direction of Senior Vice President Ken Lawrence.

Special thanks to Chairman O'Connor and co-chairs of the Trustee Committee on Government Relations and External Affairs Ron Donatucci and Pat Larkin for their efforts. +-

### Advocacy efforts of TALON – Temple Advocacy Legislative Outreach Network.

There is strong involvement of Temple Student Government, but also from student body, faculty, staff, parents and alumni. TALON mobilized even before the Governor's announcement of the proposed cuts. Temple students joined students from other state-relateds at a rally held at the Capitol on February 10. On April 26, "Cherry and White Day," Temple students again traveled to Harrisburg to rally for higher education. Broken into small groups, the students visited the offices of all 253 General Assembly members. A petition to the Governor, members of the House and Senate Appropriations committees was submitted urging continued funding of higher education. To date, nearly 8,500 signatures have been attained. A letter-writing campaign was initiated. Those letters contained personal stories from students and alumni on the impact of Temple on their lives. There are more than 5,000 letters to date. Eleven members, mostly from the five-county Philadelphia region, received more than 100 letters. Sixty two members received more than 20 letters, and 85 members received at least 10 letters.

### Temple unions

TAUP held a rally on Broad Street on April 4<sup>th</sup>. The TAUP leadership has encouraged membership to become involved in TALON efforts.

The National Union of Hospital and Health Care Employees' President, Henry Nicholas wrote a powerful letter to the editor of the Philadelphia Inquirer. He cited Temple University Hospital's role in serving the city's most needy and called upon City Council candidates to work with the Commonwealth to ensure adequate funding for city programs.

## Budget measures

- **Primary goals**
  - Preserve academic quality.
  - Control tuition increases.
  
- **Areas of focus**
  - Reducing pressures on personnel costs.
  - Increasing operating efficiencies.
  - Generating non-tuition revenue.



The FY 2012 budget is being prepared without knowing the final outcome of the Commonwealth budget process and working with Board of Trustees Budget & Finance Committee, chaired by Lewis Gould. At this time, budget planning currently is based on about a 25 percent decrease in appropriation. Immediate steps will be taken to reduce expenditures and explore opportunities for permanent budget reductions. Temple must anticipate that trend of yearly appropriation reductions – and continued fixed cost increases for Temple – even as state economy improves.

In preparing the FY 2012 budget, the primary goals are to preserve academic quality while increasing student success, and to control tuition increases.

The efforts are focused on three areas: (1) Reducing pressure on personnel costs – Temple’s budget is driven by personnel costs, which account for 70 percent of the budget, (2) reducing the budget through increased efficiencies, and (3) generating non-tuition revenue.

## Budget measures

- Reducing pressures on personnel costs
  - Freeze on non-union salaries
  - Hiring freeze
    - Exceptions on academic support, health and safety, non-tuition revenue generation
    - Review of active faculty searches
  - Review of benefits packages



### **Reducing pressures on personnel costs**

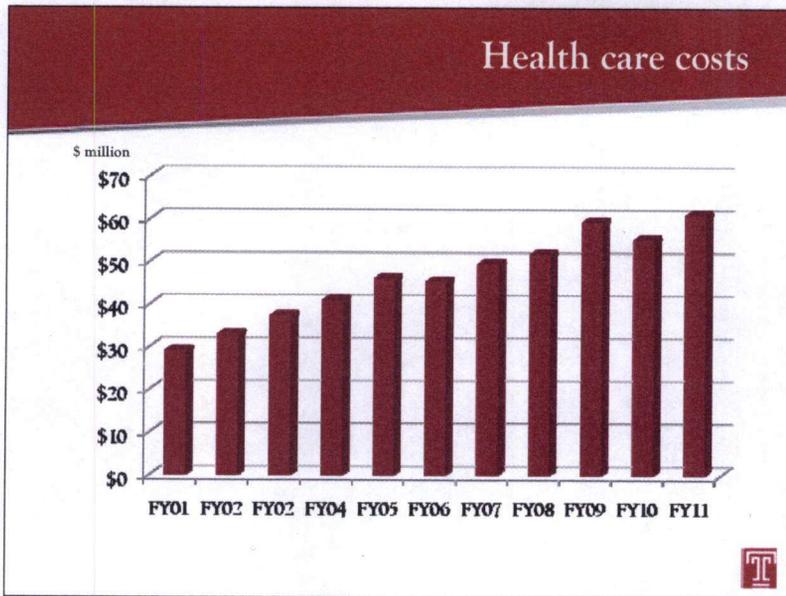
#### Freeze on non-union salaries

A freeze on non-union salaries at the FY 2011 level has been instituted. This is the second salary freeze for non-union employees in three years. This freeze will result in immediate spending savings and will slow the growth of personnel costs in subsequent years.

#### Hiring freeze

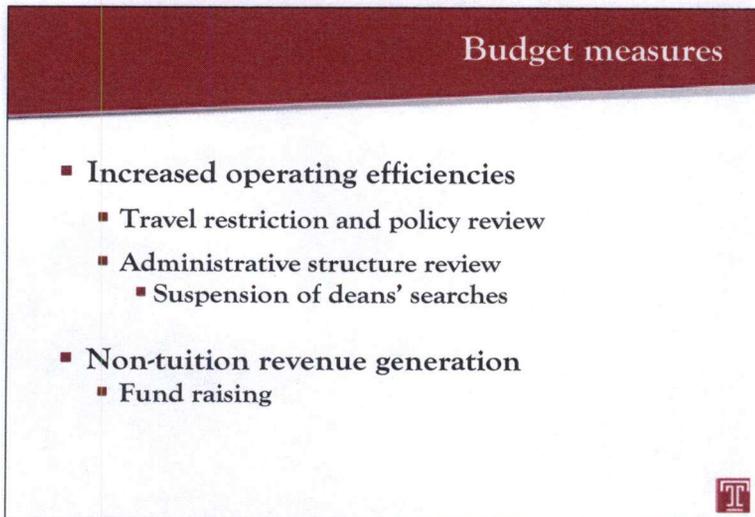
A hiring freeze has been instituted resulting in immediate spending savings. There is flexibility to determine if continuation of a position is necessary, or if elimination of position can figure into permanent budget cuts. Exceptions to the hiring freeze are: grant-funded positions, academic positions directly related to student achievement and support, such as academic advising, positions critical to health and safety services, and positions directly related to non-tuition revenue generation, such as fund-raising staff.

Provost Englert is reviewing all currently authorized faculty searches to determine which should continue until completion and which should come under the hiring freeze. All open dean's searches have been delayed. Additional exceptions to the hiring freeze will require presidential approval at the recommendation of the appropriate senior vice president.



In reviewing the costs of Temple’s benefits packages, the overall benefits costs have increased by 80 percent over the last 10 years. Health care costs account for nearly 40 percent of benefits costs, and costs have more than doubled since 2001. By switching to a self-insured health care plan, Temple saved roughly \$8.0 million. Projected savings for this year with a new three-tiered prescription plan (with savings to both the University and the consumer through use of generics or mail order prescription service that takes advantage of bulk purchasing) is \$500,000. .

### Operating efficiencies



### Travel

A University-wide restriction has been placed on all travel with the 2009 oversight reinstated requiring review and approval at the senior vice president level. Provost Englert will work with the

deans and appropriate Faculty Senate committees to make recommendations for future policies with respect to faculty travel expenditures. Policies will be developed regarding non-faculty travel.

#### Review of administrative structure

A review of the administrative structure will be undertaken with the goal to consolidate the operating structure wherever possible throughout all academic and administrative units. Deans' searches have been suspended pending this review. The Provost is meeting with each of the five affected units (Tyler, School of Communications & Theater, Education, College of Health Professions & Social Work, and University Libraries) to discuss next steps for the leadership of each unit.

#### **Non-tuition revenue generation**

##### Fund raising

Senior Vice President for Institutional Advancement David Unruh is developing a strategic plan to increase annual fund-raising results from the current level of \$50 million to \$100 million in new gifts and pledges by FY 2017. Based on modeling using historical growth rates achieved through the Access to Excellence campaign. Plans are being formulated for a second capital campaign with the public phase launching within three to five years.

#### **PLANNING PROCESS: ENGAGING KEY STAKEHOLDERS**

**Budget planning process:  
engaging key stakeholders**

- **Faculty**
  - Faculty Senate
    - Steering Committee
    - Budget Review Committee
  - Collegiate Assemblies
  - Deans and Department Chairs
  - Dean's Search Committees
  - Additional outreach and consultation
- **Students**
  - Temple Student Government



Every year, the budget is developed via a collaborative process that involves input from the schools and colleges, administrative review and evaluation and recommendation by the Board of Trustees Budget & Finance Committee for approval by the full Board in June.

This year, we have intentionally broadened the outreach to the university community to ensure that we receive input from all groups.

Going forward, continued collaboration among the faculty, the administration and the Trustees is critical.

### Faculty

Primary shared governance responsibilities of the faculty involve the academic curriculum, educational programming and research. As budgeting affects these core missions, faculty play a key role and will be essential to recommending the decisions we will need to make regarding the budget.

The Faculty Senate is the university-wide body of Temple faculty and is the primary forum for the faculty to work together and through which to collaborate with the administration. The President of the Faculty Senate is a non-voting participant of the University Board of Trustees. The Faculty Senate has two representative committees that serve as critical leadership of faculty input on budgetary matters: (1) Faculty Senate Steering Committee – made up of the Faculty Senate officers and elected representatives from each school and college, and (2) Faculty Senate Budget Review Committee.

Special appearances have been made by the President, by Senior Vice President Wagner and Provost Englert at open meetings of the Faculty Senate and the Representative Faculty Senate to discuss budget issues since the beginning of the academic year. Provost Englert attends all Faculty Senate meetings.

Senior Vice President Wagner and Provost Englert have also worked with the Faculty Senate Steering Committee and the Faculty Senate Budget Review Committee. Provost Englert has met with both committees to review the budget measures outlined earlier, prior to the release of my letter to the faculty and staff was released on April 29. Input of the faculty through these representative leadership committees was incorporated into the final measures we announced.

The Collegiate Assemblies are comprised of faculty bodies of each school and college, and a similar group for the University Libraries. It is through these important bodies which the deans work with their faculty on the school/college level. The collegiate assemblies will be heavily involved as full administrative structure reviews progress. Provost Englert has met with most of the Collegiate Assemblies and will continue meeting with others to discuss implementing administrative structure changes that emerge from the reviews.

Each dean has been asked to permanently reduce the operating budget of his/her school or college by seven percent over the next two years, front-loading the reduction with 60 percent coming in the first year. Provost Englert has been meeting regularly with the deans on the budgeting process. Deans and department chairs were asked for input on possible suspension of acting faculty searches. Meetings are held with academic departments individually and will continue this process.

Prior to the suspension of dean's searches, Provost Englert met with the faculty of affected units (the Tyler School of Art, the School of Communications and Theater, the College of Education, the College of Health Professions and Social Work, and University Libraries) to determine leadership going forward.

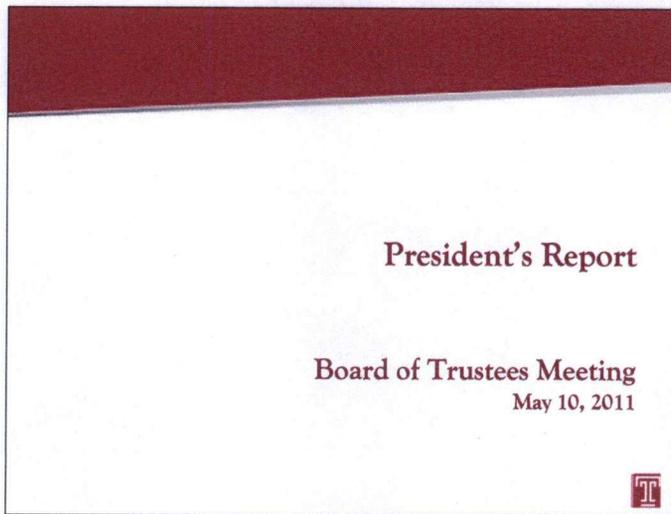
Additional outreach and consultative activities have been held, including Town Hall meetings hosted by the president, a copy of detailed budget being available in library, a symposium being held on April 7, 2011, and hosted by the Faculty Senate and the Faculty Herald and supported by the Provost, entitled "*Governance in Times of Financial Stress.*" Discussion of budget issues are on faculty listserv and in articles/letters published in the Faculty Herald. The provost has engaged in numerous one-on-one discussions, both live and via correspondence with faculty

Students

Students are our major stakeholders and can generate important ideas and activities as evidenced by their participation in through TALON. Administration regularly meets with Temple Student Government leadership to discuss budget issues.

Continuing efforts to collaborate

Each of these vehicles through which the faculty and students engage with the administration and the Board of Trustees are essential to our successful efforts to responsibly manage our budgetary challenges.



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The Chairman of the Board, Mr. O'Connor, thanked Dr. John Daly, retiring Dean of the School of Medicine, for his years of service and dedication to improving the quality of education for Temple students, and his commitment to the Temple community. As a cornerstone of Dr. Daly's administration is the new state-of-the-art School of Medicine building. The Board applauded Dr. Daly.

**REPORTS AND RECOMMENDATIONS FOR ACTION  
STANDING COMMITTEES**

Executive Committee – Anthony J. Scirica, Chair

**1. Report**

The quarterly report of the Executive Committee was accepted as set forth in Agenda Reference 1.

**RECOMMENDATION FOR ACTION:**

**2. Borrowing Authority – July 1, 2011 through October 31, 2011**

Upon motion duly made and seconded, the Board of Trustees authorized the officers to borrow, for operating purposes of the University if needed, up to \$30 million on terms which the officers determine to be best for the University, such authority to cover the period from July 1, 2011, through October 31, 2011.

**3. Establishment of Quasi-Endowment – Fox School of Business**

Upon motion duly made and seconded, the Board of Trustees, upon the recommendation of the President, authorized the officers to transfer \$1,500,000 from the Fox School of Business carry-over funds to a quasi-endowment fund designated for the establishment of up to six named professorships in the Fox School of Business, substantially as set forth in Agenda Reference 3.

Academic Affairs Committee – Theodore A. McKee, Chair

**4. Report**

The quarterly report of the Academic Affairs Committee was accepted as set forth in Agenda Reference 4.

**RECOMMENDATIONS FOR ACTION:**

**5. Consideration of Tenure**

Upon motion duly made and seconded, the Board of Trustees, upon the recommendations of the Academic Affairs Committee (5/2/11) and the President, approved the granting of faculty tenure.

**6. Establish an Additional Diploma Date for the Doctor of Medicine Program in the School of Medicine**

Upon motion duly made and seconded, the Board of Trustees, upon the recommendation of the Academic Affairs Committee (3/29/11), authorized the officers to create an additional diploma date for the third Monday of June for the Doctor of Medicine program in the School of Medicine.

**7. Transfer of Tenure of One Faculty Member from the Department of Pharmaceutical Sciences in the School of Pharmacy to the Department of Pharmacology in the School of Medicine.**

Upon motion duly made and seconded, the Board of Trustees, upon the recommendation of the Academic Affairs Committee (5/2/11), authorized the officers to transfer one faculty member from the Department of Pharmaceutical Sciences in the School of Pharmacy to the Department of Pharmacology in the School of Medicine.

**8. Establish, Restructure and Terminate Curricula in Various Schools and Colleges**

Upon motion duly made and seconded, the Board of Trustees, upon the recommendation of the Academic Affairs Committee (5/2/11), authorized the officers to establish, restructure and terminate curricula as listed and set forth in Agenda Reference 8:

- A. Establish Curricula in Various Schools and Colleges
- Bachelor of Science in Applied Mathematics in the College of Science and Technology
  - Concentration in Human Biology in the Bachelor of Arts in Anthropology in the College of Liberal Arts
  - Five minors in the Fox School of Business and Management (Legal Studies, Entertainment Law and Business, Minor in Legal Studies for Human Resource Managers, Minor in Human Resources for Legal Studies, and Finance)
  - Minor in Community and Regional Planning in the School of Environmental Design
- B. Restructure Curricula in Various Schools and Colleges
- Master of Arts in Broadcasting, Telecommunications and Mass Media in the School of Communications and Theater
  - Master of Business Administration in the Fox School of Business and Management
- C. Terminate the Master of Science in Professional Accounting in the Fox School of Business and Management

Alumni Relations and Development Committee – Richard J. Fox, Chair

**9. Report**

The quarterly report of the Alumni Relations and Development Committee was accepted as set forth in Agenda Reference 9.

**RECOMMENDATIONS FOR ACTION:**

**10. Naming Opportunity – College of Education**

Upon motion duly made and seconded, the Board of Trustees, upon the recommendation of the Alumni Relations and Development Committee (5/10/11), approved the naming of Ritter Annex 150 in the College of Education as the *Shimada Student Center* in recognition of the generosity and loyalty of Koji and Kimiko Shimada.

**11. Authorization to Place Bronze Tree of Peace Sculpture at the Kornberg School of Dentistry**

Upon motion duly made and seconded, the Board of Trustees, upon the recommendation of the Alumni Relations and Development Committee (5/10/11), authorized the placement of a bronze *Tree of Peace* sculpture outside the Kornberg School of Dentistry.

Investment Committee – Christopher W. McNichol, Chair

**12. Report**

The quarterly report of the Investment Committee was accepted as set forth in Agenda Reference 12.

**RECOMMENDATION FOR ACTION:**

**13. Modify the University Investment Policy for the Endowment, Operating Pool and Retirement Funds “Benchmark” Sections**

Upon motion duly made and seconded, the Board of Trustees, upon the recommendation of the Investment Committee (4/28/11), authorized the officers to revise the Investment Policy of the University to move the Endowment Pool, Operating Pool and Retirement Funds custom benchmarks to a new appendix which will be maintained by the treasury staff with oversight by the Investment Committee as described in Agenda Reference 13.

**STANDING COMMITTEE REPORTS FOR INFORMATION**

Audit Committee – Theodore Z. Davis, Chair

**14. Report**

The quarterly report of the Audit Committee was accepted as set forth in Agenda Reference 14.

Budget & Finance Committee – Lewis F. Gould, Jr., Chair

**15. Report**

The quarterly report of the Budget & Finance Committee was accepted as set forth in Agenda Reference 15.

Facilities Committee – Mitchell L. Morgan, Chair

**16. Report**

The quarterly report of the Facilities Committee was accepted as set forth in Agenda Reference 16.

Government Relations and External Affairs Committee – Ronald R. Donatucci, Vice Chair

**17. Report**

The quarterly report of the Government Relations & External Affairs Committee was accepted as set forth in Agenda Reference 17.

Student Affairs Committee – Robert A. Rovner, Chair

**18. Report**

The quarterly report of the Student Affairs Committee was accepted as set forth in Agenda Reference 18.

Board of Directors, Temple University Health System, Inc. – Jane Scaccetti, Chair

**19. Report**

The quarterly report of the Board of Directors of Temple University Health System, Inc., was accepted as set forth in Agenda Reference 19.

The Chairman of the Board, Mr. O'Connor, introduced and welcomed Dr. Larry Kaiser, newly-appointed Senior Vice President for Health Affairs, Dean of the School of Medicine and Chief Executive Officer of Temple University Health System, Inc.

The Athletics Committee and the Campus Life & Diversity Committee did not meet during the reporting period.

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**OFFICER'S REPORT**

**20. Secretary's Report – George E. Moore**

Upon motion duly made and seconded, the Board of Trustees approved the presentation of degrees-in-course as follows:

- (a) that degrees for School of Medicine students who regularly complete their studies in June shall be dated June 20, 2011;
- (b) that degrees for School of Dentistry students who regularly complete their studies in June and early July shall be dated July 7, 2011;
- (c) that degrees for School of Law evening students who regularly complete their studies in July shall be dated July 18, 2011;
- (d) that the respective deans of the Schools of Dentistry, Law and Medicine shall provide a certificate verifying said receipt; and
- (e) that degrees for candidates approved by the appropriate academic committees of the faculty shall be dated August 26, 2011.

**OLD BUSINESS  
NEW BUSINESS  
ADJOURNMENT**