

The Board of Trustees

Temple University - Of The Commonwealth System of Higher Education

Tuesday, May 14, 1985

3:00 P.M., Ritter Hall South, Room 106, KIVA
Park Mall and Columbia Avenue

Attendance:

Members - Richard J. Fox, Chairman; Mildred D. Beck, Francis J. Catania, John J. Contoudis, Paul A. Dandridge, Ethan Allen Doty, Louis J. Esposito, Clifford Scott Green, John C. Haas, Irving K. Kessler, Harold E. Kohn, Peter J. Liacouras, Henry H. Nichols, R. Anderson Pew, William A. Pollard, Royal T. Popper, William L. Rafsky, Frances B. Rauch, Milton L. Rock, Charles F. Schalch, Isadore A. Shrager

being a quorum of the Board of Trustees

Ex Officio Member - James Hunter, Commissioner of Higher Education, representing Secretary of Education Margaret A. Smith

Honorary Life Trustee - Marvin Wachman

Invited Guests - Faculty - Emily L. Christian, S. Elizabeth Davis, Alma N. Quigley

Students - Prevo Butler, Jonathan D. Libby

Administration and Staff - Barbara L. Brownstein, Rodney D. Johnson, Harold B. Morley, Francis J. Sweeney, Jr., Michael Jhin, Richard Englert, Stanton B. Felzer, Philip B. Schaeffer, James W. Hilty, Kathy Gosliner, Bonnie S. Squires, William C. Seyler

General Counsel - Peter Mattoon

Members Absent - Gail M. Barsky, Linda D. Brawner, Patricia J. Clifford, Bill Cosby, Alphonso Deal, Chaka Fattah, Howard Gittis, Esther Boyer Griswold, Roger S. Hillis, Hillel S. Levinson, Brian J. O'Neill, William W. Rieger, Edward H. Rosen, Samuel Rudofker, Anthony J. Scirica

The meeting was opened with prayer by Dr. Henry H. Nichols.

The Chairman of the Board, Mr. Fox, introduced and welcomed the guests from the faculty and from the student body. The Chairman also introduced and welcomed Dr. James Hunter, Commissioner for Higher Education, representing Secretary of Education Margaret A. Smith. The Chairman welcomed former President and now Chancellor of the University, Dr. Marvin Wachman.

ACTIONS OF THE BOARD OF TRUSTEES

1. Approval of Minutes - Regular Meeting of March 12, 1985

On motion duly made and seconded, the Minutes of the Regular

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Meeting of March 12, 1985 were approved as previously distributed to the members.

2. President's Report

A. Letter to Mayor Goode Regarding Tragic Fire in West Philadelphia: The President referred to the captioned letter, a copy of which was distributed to those present, noting that he had spoken to the Mayor at 7:30 this morning, and the letter was delivered to the Mayor this afternoon. The letter offers the University's help to those who were made homeless by last night's fire in terms of temporary housing, the donation of clothes, the setting up of a Special Admissions Hot-Line, and Financial Aid. Vice President Swygert is not present today because he is conferring with Commissioner of Human Services, Dr. Irene Pernsley, in an effort to expedite Temple's assistance to those needing help.

B. Tentative University Budget for 1985-86: The President said that when this Budget is proposed later in the meeting, it will be noted that the Tuition increase is 5%, which is the amount of increase that has prevailed for the last two years. There is also an assumption of a 7% increase in our State Appropriation. It may be more realistic to think about a 7% tuition increase, and we would still have something of a gap between revenues and expenditures. The President wanted to alert the Board to this possibility. Our best information is that the appropriation increase will be about 7% if we are fortunate enough to have the Legislature and Governor agree on this amount. He noted that the Executive Committee will, if the Board agrees, be authorized to take final action on the Tentative Budget at its late June meeting.

C. University's Investment Policy: The President noted he has reviewed our divestiture policy on investments. There is a reference to this matter in the Executive Committee report, pointing out that in 1979 the Board of Trustees determined as a matter of investment responsibility that the maximum return on investment be the guiding principle. Through written instructions to the investment equity portfolio managers, however, allowance could be made for social responsibility, so that there could be some form of social divestiture or subscription to the Sullivan principles. We have found no written instructions by the Business and Finance Committee to the managers of the equity portfolios. The administration then proposed at the Joint Executive--Business and Finance Committee meeting on 4/24/85 that presuming the status quo the Board could (1) take no action; (2) have complete divestiture; or (3) require that University funds not be invested in any company that does not subscribe to the Sullivan Principles with our recommendation that if #3 be chosen, the company must fulfill all three of the following conditions: (a) is a signatory to the "Sullivan Principles"; (b) is "making good progress" and is therefore in rating Category I; and (c) subscribes to the "The (Sullivan) Statement of Principles (Fourth Amplification), November 8, 1984." The Joint Committees, following considerable discussion, adopted the third of the options, with written instructions to be sent to the portfolio managers. It is required that there be no financial loss to the University, and that a report be made on this matter to the Board meeting in October 1985. Thus, the University policy on divestiture is as restricted as it can be without total and complete divestiture. The President understands that the restriction relating to Category I ("making good progress") is applied by only a few other organizations including the New York Board of Trade.

D. Admissions: Our admissions for the next year are assumed in the Tentative Budget to remain the same; right now, we are on target. We will be a little bit above last year's "mix" of students in terms of revenue. The professional schools are off slightly. The Graduate School is about the same, and the Undergraduate figures are a little bit up. We feel that our estimates will be sustained in the face of declining demographics.

E. Challenge Grant from the National Endowment for the Humanities: The President referred to the captioned matter, noting that the University has received a \$750,000 Challenge Grant from the National Endowment for Humanities, and in order to receive this money, Temple must raise \$2.25 million from private sources within three years. The President said that the University will seek support at the State Capitol and from the private sector so that we can meet the "match" requirements of the grant as well as the deadline.

F. Establishment of Named Professorships and Chairs: The President said that the Executive Committee has authorized the President to establish named Professorships and Chairs, in consultation with the Educational Policies Committee of the Board. Heretofore, Schools or Colleges took on this responsibility, which is not a prudent way to have this be consistent, fair or equal. The Educational Policies Committee, acting under the Executive Committee authorization, has approved the establishment of 20 Professorships named in honor of Laura Carnell, the first Dean of Temple University and later Associate President, and a close confidante and skilled administrator for Dr. Conwell. An announcement will be going out, explaining that these Professorships will be awarded to worthy individuals (who are presently at Temple or will be coming to Temple) by the President, after conferring with a Committee and after consulting with the Educational Policies Committee of the Board. These Professorships will be for exceptional performance in creative arts or scholarship, or teaching, or research, or service functions. There will be no change in the salary of the Professor, but a fund is in the Tentative Budget to support modestly some of the research that would be performed by the professor over and above his normal support. The President also pointed out that he has, in consultation with the Educational Policies Committee of the Board, appointed Russell Weigley as the second Distinguished Professor of Temple University, and that release will be out today or tomorrow.

G. Honorary Degree Recipients at May 23 Commencement: The President noted that there will be a variety of honors that will be presented on May 23 at Commencement, and the following four persons will receive Honorary Degrees:

Ruth Patrick, noted limnologist, will be presented by the Chair of the Biology Department, Nina Hillman, for the honorary degree of Doctor of Science.

Joseph Boyle, president of the American Medical Association and graduate of Temple's School of Medicine, will be presented by Dean Sol Sherry, for the degree of Doctor of Science.

Jaime Fuster, Resident Commissioner from Puerto Rico in the U.S. House of Representatives and a former president of Catholic University in Puerto Rico, will be presented by Dr. Adriana Galanes, professor of Spanish and Portuguese, for an honorary degree of Doctor of Laws.

Mayor W. Wilson Goode, who will be presented by his daughter, Muriel, a second year law student in the Temple School of Law, for a Doctor of Humane Letters.

H. Ad Hoc Committee on Drugs and Drug Testing for Intercollegiate Athletics: The President said that he had established this Committee, responding not to any specific incident but to take a preventive, educational approach. The Board Committee on Athletics directed the Ad Hoc Committee, through the President, to institute mandatory drug testing for steroids and whatever other drugs the Committee would recommend. The President is pleased to say that the Ad Hoc Committee has reported to the Athletic Council, which is a Presidential Committee, and he has reported to the Board the intention to do precisely that. The drug testing program is expected to be established by 7/1/85, with a heavy educational part to the program. By 11/1/85, there should be random testing of those athletes who represent Temple University in Intercollegiate Athletics. The standards and procedures will be almost exclusively implemented by medical people. It is an attempt at education and, where necessary, rehabilitation. We have great confidence in the Department of Athletics, the coaches and our student athletes. With the great increase in the use of drugs in society, compared with 20 years ago, and with the increased use of steroids by athletes for body-building, we are acting preventively rather than wait for an incident to occur. At the June meeting of the Athletics Committee, our policy and formal procedures will be announced. We have not made this known publicly until now.

I. WCAU-AM Radio Neighborhood Holiday Fund: The President said that he was using the last few minutes of his time to introduce Allan Serxner, vice president and general manager of WCAU-AM Radio, who will speak about the captioned Fund. The President also noted that Temple will be the University whose football games will be broadcast by WCAU, replacing Penn State after many years.

Mr. Serxner said that this Fund is in its fourth year, having raised \$35,000 in its first year, which amount increased to \$150,000 last year. Many corporations have joined in supporting the Fund, including Mellon Bank, McDonald's, Strawbridge & Clothier and the Philadelphia Hershey Hotel. WCAU absorbs all of the over-head so that every penny goes to needy persons, and Mellon Bank absorbs the collection costs. Brochures giving further details about the Fund were distributed.

Ms. Ann Brophy of WCAU also gave further details about the Fund and played a cassette containing the kinds of promotionals which corporate sponsors get when they cooperate with the Fund.

President Liacouras thanked Mr. Serxner and Ms. Brophy for their presentations, indicating that Temple will seek to get involved with the Neighborhood Holiday Fund.

J. "Buy American Steel" Pennsylvania Statute: The President called attention to the captioned Statute, noting that it applies to the origin of steel in contracts funded by the Commonwealth and certain instrumentalities of the Commonwealth, including Temple University. About six or seven months ago it was determined that some of the steel used in the construction of the addition to the Capitol complex was not manufactured in the U.S.A., and considerable discussions ensued. The largest other ongoing construction contract involving some State fund-

ing is the Temple University Hospital project. About three months ago, the pertinent State official contacted Temple to determine whether we could supply the necessary support for Temple's compliance with the State statute. It has taken about two and one-half to three months to gather the information; meanwhile the State has held up on \$4 to \$5 million in payments.

In the Temple contract with Turner Construction Company the pertinent State law is recited. Temple has been meeting its payments to Turner, even though Temple has not been receiving \$4 to \$5 million from the State. We are at the point where it may turn out that only 98%, rather than 100%, of the steel in the Hospital project is of US origin. The President asked Mr. Mattoon, General Counsel, to research this subject as to what Temple's claims would be against the construction company if it came forth with only 98% steel of US origin. We are monitoring this contract for the Commonwealth, with the sanction that there could be some withholding of funds. Vice President Sweeney and Mr. Randall, our government relations representative, are keeping close watch on this.

Mr. Pew noted that if we have been meeting our payments to Turner, we have lost the time value of those monies. It seems to him that by virtue of the construction company not having their records up to date, that Temple would have relief against Turner to the extent of the lost time value of money, and we could proceed against them. Mr. Mattoon said that it is possible to take the position that Temple is an instrumentality, and we could recover from Turner all of the payments that were made. The potential remedies for Temple are quite sweeping.

Executive Committee Report and Recommendations for Action

Mr. Fox, Board Chairman (in the absence of Mr. Gittis, Chairman of the Executive Committee), called the attention of the Board to the report of the Executive Committee (Agenda Reference 1), and then recommended approval of the matters covered in Items 3 through 9 of these Minutes.

3. Borrowing Authority - 7/1/85 - 9/30/85

On motion duly made and seconded, the Board voted to approve the recommendation of the Executive Committee (4/24/85) that the officers be authorized to borrow for operating purposes of the University, such authorization to cover the period from July 1, 1985 through September 30, 1985. (Resolution is attached as SUPPLEMENT I.)

4. Tentative University Budget for 1985-86

On motion duly made and seconded, the Board voted to approve the recommendation of the Business and Finance Committee and the Executive Committee (4/24/85) that the Board adopt the Tentative University Budget for 1985-86, said Budget being attached as SUPPLEMENT II; and that the Board authorize the Executive Committee to act further, if necessary, on behalf of the Board with respect to the Tentative University Budget for 1985-86, including any further action which may be necessary regarding Tuition for 1985-86 and expenditure levels, with the understanding that all Board members will be invited to attend the meeting of the Executive Committee on June 27, 1985 at which time these important matters are determined.

5. Tuition Schedule for 1985-86

On motion duly made and seconded, the Board voted to approve the recommendation of the Business and Finance Committee and the Executive Committee (4/24/85) that the Board adopt the Tuition Schedule for 1985-86, said Schedule being attached as SUPPLEMENT III, with the understanding that this recommendation is based on a Tentative University Budget for 1985-86, and that the Tuition Schedule represents target figures which may have to be changed if some unforeseen developments should occur.

6. General Activity Fee for 1985-86

On motion duly made and seconded, the Board voted to approve the recommendations of the Business and Finance Committee and the Executive Committee (4/24/85) that the Board approve a General Activity Fee for 1985-86, said Fee being described in SUPPLEMENT IV.

7. Residence Fees for Academic Year 1985-86

The President said that as a result of some possible modifications there may be created three-bedroom apartments instead of two-bedroom units in the Yorketown Apartments, and those three-bedroom units could end up being priced more than 10% above the rates for the dormitories and the Cooney and Triangle Apartments. He suggested that this matter might be taken to the Executive Committee at its 6/27/85 meeting. Mr. Fox said that the changes would not alter the overall dormitory rents schedule. It would enhance the value to the student occupants and reduce the capital costs. So, Mr. Fox feels there was a major positive change, with the same rental level being maintained.

On motion duly made and seconded, the Board voted to approve the recommendation of the Student Affairs Committee (4/24/85) that approval be given to the Student Housing Rates for 1985-86, attached as SUPPLEMENT V, and that the Board also approve a rate for the Yorketown Apartments at a level which will not be more than 10% higher than the rates for the dormitories and Cooney and Triangle Apartments.

8. Subsidy to Fund Student Housing Improvements

On motion duly made and seconded, the Board voted to approve the recommendation of the Student Affairs Committee (4/23/85) and the Business and Finance Committee and the Executive Committee (4/24/85) that the University provide a subsidy of \$176,000 to student housing as the third year of a six-year package plan for repayment of the \$1.1 million renovation package for 1983-84.

9. Tentative Hospital Budget for 1985-86

On motion duly made and seconded, the Board voted to approve the recommendation of the Business and Finance Committee and the Executive Committee (4/24/85) that the Board adopt the Tentative Hospital Budget for 1985-86, said Budget being attached as SUPPLEMENT VI, and said Budget having been recommended for approval by the Hospital Board of Governors on 4/16/85 (Board of Governors By-Laws Article III, Section 4-3).

Committee on Educational Policies Report and Recommendations for Action

Mr. Shrager, Chairman of the Educational Policies Committee, called

attention to the Report of that Committee (Agenda Reference 9) and then recommended approval of the matters covered in Items 10 and 11 of these Minutes.

10. Tenure for Faculty, 1985-86

On motion duly made and seconded, the Board voted to approve the recommendation of the Educational Policies Committee (4/29/85) with respect to the recommendations made by the President regarding the granting of Faculty Tenure for 1985-86, said recommendations being on file in the Office of the Provost, with the exception that action on Tenure for faculty in the School of Dentistry and Pharmacy be deferred, keeping in mind that notice of an adverse decision on a tenure case must be delivered to a faculty member prior to 6/30/85; and that the Board authorize the Executive Committee at its 6/27/85 meeting to act on behalf of the Board with respect to any pending Tenure cases which may be recommended to it from the June 1985 meeting of the Educational Policies Committee.

11. Promotions for Faculty, 1985-86

On motion duly made and seconded, the Board voted to approve the recommendation of the Educational Policies Committee (4/29/85) with respect to the recommendations made by the President regarding the granting of Faculty Promotions for 1985-86, said recommendations being on file in the Office of the Provost, with the exception that action on Promotions for faculty in the Schools of Dentistry and Pharmacy be deferred; and that the Board authorize the Executive Committee at its 6/27/85 meeting to act on behalf of the Board with respect to any pending Promotions cases which may be recommended to it from the June 1985 meeting of the Educational Policies Committee.

Board of Governors, Temple University Hospital -
Report and Recommendation for Action

Mr. Haas, Chairman of the Board of Governors, called attention to the Report of that Committee (Agenda Reference 12), noting that hospital admissions are up but the length of stay is down, and the patient days are down. The total operating budget is projected to be a break-even budget, after the application of the \$2.5 million appropriation from the Commonwealth. The Hospital Budget will require very close monitoring because of the uncertainties caused by moving into the New Hospital, possible changes in the reimbursement rates, etc.

Mr. Haas noted that there have been five heart transplantations performed at Temple University Hospital. The Hospital has received a renewal of its license, following a visit by staff of the State Department of Health. The Joint Commission on Accreditation is anticipated, with the formal report to be received within six months. Mr. Haas noted that the hospital construction is moving along reasonably well.

Mr. Fox noted that Temple University Hospital and the Physicians Practice Plan are now contributing over \$9 million of free, unreimbursed or under-reimbursed medical care to the citizens of Philadelphia. He noted that proposed legislation for reimbursement of Hospitals and Medical Schools beyond 1985-86 could produce deficits as much as \$7 million a year. This Board should be on general notice that, even though in the initial year of the new reimbursement rules the Hospitals have done fairly well, if the screws are tightened, we will be confronted with a potential for losses on the order that were suffered

10 years ago. Steps are being taken by Vice President Sweeney and by the Board of Governors to anticipate as much as possible these potential circumstances. Despite a new Hospital, we still have a major task in purchasing equipment. Dr. Sweeney and the Hospital staff are developing strategies and remedies to what we know is coming. Shortly we will be discussing these problems in greater detail. We have to be concerned with what Temple University has to do to preserve its financial stability when Hospital costs are not going to be reimbursed as they were in the past. The State appropriation has been constant and does not reflect any inflationary increases. Hospital costs have risen while the State appropriation has remained constant. We will have to grapple with ways to maintain an outstanding Medical School and Hospital and still remain solvent.

Responding to a question from Mr. Pew as to when the next JCAH review will be made, Dr. Sweeney said there is no indication that the review will be in one year; rather, it seems likely that the next review will be in three years.

Mr. Haas then recommended approval of the matter covered in Item 12 of these Minutes.

12. Election of Member to Board of Governors,
Temple University Hospital

In accordance with the Trustees' By-Laws (Art. IV, Section 13) and in accordance with the Governor's By-Laws (Art. III, Sections 1, 2A and 2B), the Board of Trustees voted to elect the person listed below to membership on the Board of Governors, Temple University Hospital, for the term indicated effective May 14, 1985, this person having been duly nominated by the Board of Governors on 3/19/85:

For Remainder of Two-Year Term (1984-86)

Howard Gittis

The Board instructed the Secretary to cast an unanimous ballot for the election of Howard Gittis, and this was done.

Audit Committee Report

Mr. Kessler, Chairman of the Audit Committee, said that people tend not to understand the function of the Audit Committee. The Board of Trustees is ultimately responsible for everything that happens in the financial areas at the University. The Audit Committee acts on behalf of the Trustees. It is the responsibility of the Audit Committee to investigate all areas of the University and to meet with the internal auditor, without the presence of management, to exercise the responsibility of the Board to make certain that everything has been transacted properly. He thinks perhaps the Audit Committee has been remiss in not reporting to the Board the results of audits that are undertaken, insuring that procedures are being tightened up.

It was noted that Vice President Johnson has prepared a Financial Systems Study which the Audit Committee will review on 7/25/85. The Audit Committee does follow up, and it is particularly concerned with the impact on data automation, and the need for transfer data by people who need to know.

Committee on Athletics Report

In the absence of the Committee Chairman, Mr. Levinson, Board Chairman Fox called attention to the Report of that Committee (Agenda Reference 16), and also called attention to an article by Trustee R. Anderson Pew, "Some Thoughts on Intercollegiate Athletics at Temple", which appears in the Spring issue of The Temple Review. Mr. Fox recommended that all Trustees read this article.

Committee on Development Report

Mr. Fox expressed the thanks of the Board to Mr. Kohn, Chairman of the Development Committee, for the gift of a second \$100,000 to Temple University. Mr. Kohn then said that the most important item which the Development Committee is waiting for is the report from the Administration on its Development Program. He asked if the President could tell the Board when it may expect such a report.

President Liacouras said that the lead article in the Spring issue of The Temple Review ("The President's Message - We Must Raise Our Sights") establishes a direction. We are waiting for the administration to present its detailed plan, following up the priorities that we set six months ago. The President estimates that the earliest we could launch a major campaign would be 15 to 18 months from now. We will have to secure from one-quarter to one-third of the dollars for the campaign. He expects that by about June 1, the Development Committee will be meeting to consider Dr. Morley's detailed proposals, which the President has revised a couple of times. We will meet over the summer to put together a group, and over a 15 to 18-month period we will work to secure the necessary pledges to move to a multi-year campaign.

Mr. Kohn said that, in the meantime, he would emphasize the following: (1) continued effort should be made to remind the alumni that they have an ongoing obligation, year to year. Gratitude is not the most common of feelings; (2) there should be an ongoing program for students as they come in; there is no reason why they should not be reminded that they are not paying for the full cost of their education; they have an obligation to re-pay as they benefit from their education; this is a function of the administration, and it does not require any special campaign; this effort should be started when the student first appears; and (3) the Trustees themselves have different opportunities to contribute to the University; they should be alert to possibilities in terms of groups with which they are affiliated so that these groups might contribute to the University; to the extent possible, we Trustees should consider Temple University high on our own list of gift-giving-- and this should be an ongoing consideration, high on the priority list of every Trustee.

Committee on Honorary Degrees Report

The President called attention to the Report of the Committee on Honorary Degrees (Agenda Reference 20), noting that we have begun a tradition of a Student Speaker at Commencement. The Student Speaker was selected through a broad-based, democratic procedure, with three names being submitted to him, and he took these names to the Committee on Honorary Degrees. The Student Speaker is an outstanding person who happens to have been the head of student government at Ambler. The person selected is an outstanding individual, and the President thinks that those who come to Commencement will enjoy the remarks that will be made by the Student Speaker.

Committee on University and Community Relations Report

Judge Dandridge, Chairman of the University and Community Relations Committee, called attention to the Report of that Committee (Agenda Reference 22), noting the important work being done by the students in the "Temple Mile" program and suggesting that at the October meeting of the Board perhaps five minutes could be devoted to a report on this program.

The President said that we are depending on private sources for this program, which sources we will be seeking between now and July 1, 1985. Mr. Fox said he would hope that we will be resourceful enough to find contributors or benefactors to handle this program. It is an important part of what we are trying to do, and we will do our very best to try to continue this program. Mr. Pew said that this type of program has a great deal of appeal for fund-raising.

Reports of Other Committees

The Chairman of the Board called attention to the Reports of the other Committees (Agenda Reference 14, 17, 18, 21, and 22), suggesting that if Trustees had questions about these Reports, they should communicate with the respective chairmen.

13. Treasurer's Report

Without objection, the Board of Trustees received the list of gifts and grants received and purchases and sales of securities between February 1, 1985 and March 31, 1985, said Report having been distributed at the Board meeting today (Agenda Reference 24).

14. Secretary's Report

On motion duly made and seconded, the Board of Trustees voted to approve the presentation of degrees-in-course dated August 30, 1985, to candidates approved by the appropriate academic committees of the faculty, with the understanding that degrees for Law School Evening students who regularly complete their studies in July shall be dated July 23, 1985, with a certificate of the Dean of the Law School verifying said date of receipt.

The meeting of the Board of Trustees was adjourned at 4:20 P.M.

W. C. S.