

MINUTES

BOARD OF TRUSTEES - SPECIAL MEETING Temple University - Of The Commonwealth System of Higher Education

Thursday, June 24, 1999 - 3:20 P.M., Feinstone Lounge
Sullivan Hall, Park and Berks Malls

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

ATTENDANCE

Trustees - Joan H. Ballots, Francis J. Catania, John J. Contoudis, Nelson A. Diaz, Louis J. Esposito, Richard J. Fox, Jane S. Fumo (by telephone), Howard Gittis, Lewis F. Gould, Jr., Clifford Scott Green, Edward Kassab, Peter J. Liacouras, Mitchell G. Leibovitz (by telephone), Daniel H. Polett, Edward H. Rosen, Robert A. Rovner, James H. Shacklett, III, Isadore A. Shrager, James S. White

Honorary Life Trustee - William L. Rafsky

Ex Officio Participant - Ann F. VanSant

Invited Guests - Jacqueline Leonard, Wilbert Roget, Ira G. Shapiro (Faculty)

Administration and Staff - James C. Bausman, William T. Bergman, Paul Boehringer, Beverly L. Breese, Corrinne A. Caldwell, Richard A. Chant, Albert R. Checcio, Martin S. Dorph, Richard M. Englert, Linda T. Frazer, Thomas R. Freitag, Leon S. Malmud, Joseph W. Marshall, III, Thomas Maxey, Timothy C. O'Rourke, Arthur C. Papacostas, Robert J. Reinstein, Valaida S. Walker

University Counsel - George E. Moore

Trustees Absent - Michael L. Browne, William H. Cosby, Jr., Paul A. Dandridge, Theodore Z. Davis, Peter D. DePaul, Murray G. Dickman, Paul P. Giordano, Lacy H. Hunt, Lewis Katz, Sidney Kimmel, Arthur G. Raynes, William W. Rieger, Milton L. Rock, Anthony J. Scirica, Edna S. Tuttleman, James A. Williams

Invocation

The Invocation was given by Trustee Daniel H. Polett.

Approval of Minutes - Meeting of May 11, 1999

On motion duly made and seconded, the Minutes of the meeting of May 11, 1999, were approved as distributed.

President's Report - Peter J. Liacouras

- 1a. President's Letter Dated June 3, 1999, with attached "10 Challenges for 1999-2000"

The President's Letter Dated June 3, 1999, with attached "10 Challenges for 1999-2000" follows:

TEMPLE UNIVERSITY
PHILADELPHIA, PENNSYLVANIA 19122

THE PRESIDENT

June 3, 1999

Temple University Board of Trustees, University Cabinet, Council of Deans, Steering Committee of the Faculty Senate, Officers of Temple Student Government, Officers of General Alumnae(I) Association

Dear Colleagues:

The next academic year should be especially exciting. We'll have major "openings" (e.g., Tuttleman Learning Center, new Student Residence, Park Mall), convocations (e.g., Fox School of Business and Management), a large and academically strong and diverse undergraduate freshman class, additional revitalization of the Ambler Campus, spectacular concerts and exhibits by Temple's performing and fine artists, and a top-ranked men's basketball team.

Academic programs are the *raison d'etre* for a university, with everything else in support of students and faculty. The Deans and Faculty are focused on producing the finest graduates in America. The sciences, in particular, are being re-tooled to insure Temple's Carnegie Research level of external funding. The Board of Trustees, through its Strategic Planning Committee, is overseeing a process to insure thoughtful progressive and prompt adjustment within Temple to

the extraordinary changes in the marketplace of higher education. The process of reexamination and adjustment in the continuous pursuit of excellence involves all of us, and is ongoing.

For every year, we also set specific goals and timetables. In the spirit of shaping common goals and working together to achieve them, I am listing ten challenges for 1999-2000 and respectfully request your support in achieving them to insure Temple's greatness in the next decade. These ten challenges are not meant to be exhaustive, but they do represent my priorities for the next year.

Please e-mail or call me with your comments, criticisms, suggestions.

Again, thanks for making 1998-99 a very good year with renewed Temple pride.

Sincerely,

Peter J. Liacouras

10 CHALLENGES FOR 1999-2000

1. \$100 million in new endowment for schools and colleges (named professorships, etc.) [12-31-00]
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]
6. 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 I, Regional,
Ambler, Enrollment, Honors, Co-Op [ongoing]
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)

President Liacouras thanked the Board, faculty, students and administrators for their very strong support of him as President. He said he has been pleased over the years to have an outstanding group of administrators helping to implement the teaching and learning that takes place at the University.

He reviewed some of the 10 Challenges.

On the Y2K Challenge, the President said that, through Vice President Papacostas' leadership, the entire University will be Y2K compliant by October 31, 1999. In fact, the University itself is already compliant. The date for compliance at the Temple University Health System, Inc. (TUHS), is October 31, 1999, but there could be external events that create problems for us there.

On the on-line educational strategy challenge, the President said that he is very happy to introduce the person who will be appointed Dean of Temple University Ambler, Dr. Sophia Wisniewska. Dr. Wisniewska is currently Associate Dean for Academic Programs for Penn State's statewide Commonwealth College. She was one of the pioneers behind the development of Penn State Great Valley on Route 202.

The President said that when looking at on-line education strategy, we might consider a model that could transform Ambler into a degree-granting college like the Johnstown Campus of the University of Pittsburgh. Ambler also could have a feeder function. In further developing the Ambler Campus, we could develop an on-line "Virtual Temple" with its home office located at Ambler. Ambler could also be the site of the administrative offices of Continuing Education.

The President said that, with Dr. Wisniewska, we have a person who will initiate a proposed strategic plan for our consideration.

Dr. Wisniewska received the applause of the Board.

On the TAUP contract challenge, the President said that we hope it is completed ahead

of schedule.

On the Arts campus and programmatic consolidation of Arts challenge, the President said that we want to bring these to a conclusion. We are planning on the use of the "Charette block" that will eventually include a building or buildings. The first stage is to create a consistent visual pattern. Those decisions should be brought to the Board for final determination by next May.

On the Temple Town challenge, the President pointed out that six presently closed buildings will become restaurants, a bed and breakfast inn and retail space, with offices on the first floor. The new residence hall will be opening in September. The Entertainment, Education Community Center should be opening shortly. We also expect that WRTI will move into the Center. The President said that another student residence will have to be considered by the Board next year. There are plans to build a high-rise parking facility on what is now Lot #1, with rental space on the first floor.

On the health-related undergraduate and graduate programs challenge, the President informed the Board that those decisions are being moved back to next year so that advice from external evaluators can be sought.

On the Strategic Initiatives challenge, the President reported that Dean Platsoucas is announcing the addition of four new faculty who will come to Temple University from the former Allegheny, Penn and Jefferson systems.

President Liacouras said that the undergraduate new freshmen enrollment is now projected to be in the range of a 20% increase, but we should count on between 5%-10%. The quality of the applicant pool is up, and the diversity of those coming in has been maintained. There is a slight increase in transfer undergraduates. The Honors Program is being expanded.

On the football challenge, the President reported that the Practice Field will be ready within a month. New facilities are planned that will move the program to 10th Street in a year.

On the TUHS, Inc. challenge, the President said that it is important that we all understand that Temple University is a big family, including what are legally separated entities, but the University will rise or fall as a whole. Right now there are structural issues in this region regarding health care which makes it necessary for the University to look at additional investments where needed to support the Health System. The President said that historically only Temple University Japan reached its own balanced full-cost, full-revenue line. There is no other program throughout the University that can make that claim.

The President said that we also must understand that our Medical School, according to Dean and Vice President Malmud, will rise or fall with the Health System. He said he wanted to make it clear that we are in this together, and we will have some hard decisions to make together; and hopefully a long-term benefit to the University will be the result.

Trustee Esposito asked about the 13th Street closing. President Liacouras said that he will be talking to the Mayor next week. He said that some groups and some individuals in this area object to the closure. We have offered 20 scholarships to the area residents for those who qualify, which is something that we do when we have projects we consider very important.

The President congratulated Messrs. Fox, Gittis and Marshall for their roles in securing the University's State appropriation.

REPORTS AND RECOMMENDATIONS FOR ACTION--Standing Committees

Committee on Educational Policies - Isadore A. Shrager, Chairman

1. Establishment of B.A. in Organizational Studies (CLA)

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Educational Policies Committee and authorized the officers to establish a B.A. in Organizational Studies in the College of Liberal Arts.

2. Establishment of a B.A. in American Culture and Media Art (either in CLA or SCAT)

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Educational Policies Committee and authorized the officers to establish a B.A. in American Culture and Media Arts (either in CLA or SCAT).

3. Establishment of a B.S. in Biophysics (CST)

On motion duly made and seconded, the the Board of Trustees approved the recommendation of the Educational Policies Committee and authorized the officers to establish a B.S. in Biophysics (CST).

4. Replacement of Doctor of Education Degree in Urban Education with a Doctor of Philosophy Degree in Urban Education

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Educational Policies Committee and authorized the officers to replace the Doctor of Education degree in Urban Education with a Doctor of Philosophy degree in Urban Education.

Executive Committee - Howard Gittis, Chairman

5. Tentative University Budget for 1999-2000

President Liacouras noted that the budget is a balanced one and permits the University to go forward with a number of important initiatives.

The tuition increase is less than that of Pitt and Penn State, cumulatively about 19.5% behind on the rates of increase over the past ten years. The President commended the Board for keeping rates of increase as low as possible and consistent with the mission to make a Temple education available to all qualified applicants. A final budget will be presented for approval in October.

On motion duly made and seconded, the Board of Trustees adopted a Tentative University Budget for 1999-2000 as was set forth in Agenda Reference 5, which is attached as SUPPLEMENT I to the official copy of these Minutes on file in the Office of the Secretary..

5a. Spending Rule for the True and Quasi-Endowments that are used to Fund the Temple University School of Podiatry

On motion duly made and seconded, the Board of Trustees accepted the recommendation of the Subcommittee on Investments and approved the Policy Regarding the Spending Rule for the True and Quasi-Endowments that are used to Fund the Temple University School of Podiatry as was set forth in Agenda Reference 5a, which is attached as SUPPLEMENT II to the official copy of these Minutes on file in the Office of the Secretary.

Committee on Student Affairs - Clifford Scott Green, Chairman

6. Tuition Schedule for 1999-2000

Trustee Green explained that the tuition increase was held to the lowest possible figure consistent with educational excellence.

Chairman Fox said that this is always a difficult decision to make. We are dealing with the needs of our students to have the lowest possible tuition with the other imperative being to keep the University in solid financial condition.

On motion duly made and seconded, the Board of Trustees, upon the recommendation of the Committee on Student Affairs, approved the Proposed Tuition Rates for 1999-2000, as set forth in Agenda Reference 6, which is attached as SUPPLEMENT III to the official copy of these Minutes on file in the Office of the Secretary.

7. General Activities, Computer and Technology, Student Health Services and Student Recreation Fees for 1999-2000

On motion duly made and seconded, the Board of Trustees, upon the recommendation of the Committee on Student Affairs approved the General Activities, Computer and Technology, Student Health Services and Student Recreation Fees for 1999-2000, as set forth in Agenda Reference 7, which is attached as SUPPLEMENT IV to the official copy of these Minutes on file in the Office of the Secretary..

8. School of Podiatric Medicine Apartment Rates Proposal for 1999-2000

On motion duly made and seconded, the Board of Trustees, upon the recommendation of the Committee on Student Affairs, approved the School of Podiatric Medicine Apartment Rates for 1999-2000, as was more fully set forth in Agenda Reference 8, which is attached as SUPPLEMENT V to the official copy of these Minutes on file in the Office of the Secretary.

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

9. Student Activity Center Roof Replacement

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 proceed with the SAC roof replacement at a cost not-to-exceed \$344,000, with the Funding and Financing Sources being the Plant Development Fund.

10. Completion of Phase III of the School of Dentistry

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 proceed with the completion of Phase III of the School of Dentistry Project in the Clinical Facility at a cost not-to-exceed \$800,000, with the Funding Source being Internal Borrowing and the Financing Source being Repayment from Incremental Dental School Revenue.

11. Wissahickon Industrial Center (WIC) - Centralized Practice Plan Lease Renewal and Telephone System Replacement

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 authorize a lease with the Philadelphia Design and Distribution Center, LP at 4700 Wissahickon Ave., Philadelphia, PA and the expenses related to the purchase of a new telephone system at the same location, for a total cost not-to-exceed \$1,177,512, with the Funding Source being the Practice Plan.

12. Park Mall Project

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 enter into the ground lease with Park Mall Partners, L.P. at a cost-not-to-exceed (a) \$350,000 for a one-time Tenant Buyout (Existing Campus Grill), and (b) \$450,000 Annual Rent Expense (Office Space), with the Funding Source for the Rental Expense being Annual Operating Costs and the Financing Source for the Tenant Buyout being Internal Borrowing.

13. Berks/Student Pavilion Entry Plaza

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 pedestrian plaza and entry way to the new Student Pavilion and west campus at an increased cost of \$164,183, changing the previously approved cost not-to-exceed to \$639,477, with the Funding and Financing Sources being the Plant Development Fund.

14. Practice Facility Phase 2 Design Services - 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 retain architectural, mechanical engineering, and civil engineering services for the design of a new practice facility building on the block bounded by Susquehanna, Diamond, 11th Street, and the SEPTA rail tracks at a cost not-to-exceed \$140,850, with the Funding Source being Football Giving and the Financing Source being Football Program.

15. Parking Lot #2 Improvements - Phase 1

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 I Improvements to Parking Lot #2 at a cost-not-to exceed \$287,258, with the Funding Source being Plant Development Fund.

16. Brewpub Lease

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 enter into a five-year lease with options to renew, with Henry Ortlieb's Beerworks, Ltd. for approximately 6400 square feet of space at 1431 Cecil B. Moore Avenue.

17. Ambler Greenhouse 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 additional design services for the development of a new greenhouse and Headhouse at the Ambler Campus at an additional cost not-to-exceed \$24,231; with a total design cost not-to-exceed \$73,741, with the Funding and Financing Sources being Plant Development Fund.

18. Roof Replacement Bio Life Sciences Building

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 a new roof on the Bio Life Sciences Building at a cost not-to-exceed \$431,687, with the Funding and Financing Sources being the Plant Development Fund.

19. Advanced Academic Technology Expenditures for 1999-2000
(Year 4 of the Plan to Renew Temple's Mission)

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 proceed with the purchase and installation of computer and other technology equipment in an amount not-to-exceed \$8,000,000, with the Funding and Financing Sources being the Plan to

Renew Temple's Mission, Computer and Technology Fee, VP for CIS "10" fund budget, Technology Quasi-endowment.

Strategic Planning Committee - Daniel H. Polett, Chairman

20. Distance and Continuing Education Subcommittee Report

The Distance and Continuing Education Subcommittee Report was presented by Trustee Edward H. Rosen, Subcommittee Chair, as was given in Agenda Reference 20, which is attached as SUPPLEMENT VI to the official copy of these Minutes on file in the Office of the Secretary..

Trustee Rosen reported that the Subcommittee, with the help of Acting Provost Caldwell, has been putting in a great deal of time and effort, including a full day's meeting on April 22. The Subcommittee hopes to present more complete responses in the near future.

On motion duly made and seconded, the Board voted to pursue the initiatives contained in the Distance and Continuing Education Subcommittee Report, with the understanding that specific budgetary requests will be brought to the Board for consideration and action.

21. Health Professions Education Subcommittee Report

Trustee Kassab, Chairman of the Health Professions Education Subcommittee, presented the Report which was distributed as Agenda Reference 21 and is attached as SUPPLEMENT VII to the official copy of these Minutes on file in the Office of the Secretary.

Mr. Kassab said that the Subcommittee concluded that it could not meet the President's charge without advice from external sources. The Subcommittee is, therefore, asking that a blue ribbon panel be established with a report due by February 1, 2000. The panel will be appointed by the President.

On motion duly made and seconded, the Board approved the recommendations contained in the Health Professions Education Subcommittee Report.

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

Recommendation for Action:

22. Temple University Health System, Inc. (TUHS) Tentative Budget 1999-2000

Trustee Gittis reported that the Temple University Health System, Inc. (TUHS) Tentative Budget 1999-2000 is not being presented because, as submitted, it was not acceptable to the TUHS Board of Directors. He said that TUHS will finish this fiscal year at a loss of about \$20 million, but the operating loss of the System is in the \$60 million range. Much of it is caused by events beyond the capacity of one institution or one system to deal with. It is caused by the reductions in reimbursement from the Federal and State governments, as well as the third party payers.

Trustee Gittis said that TUHS is the lowest cost provider of any academic health system in the country, but there is a level of service and level of employee staffing below which you cannot go to provide the quality of health care necessary. We are essentially the municipal hospital for North Philadelphia. Philadelphia also is the only city for which you get no municipal assistance.

For the past fiscal year, we have received insufficient reimbursements to cover our costs, with the total in excess of \$65 million. If we were being paid for the free care we give or being paid for our costs, we would be running a balanced budget.

Chairman Fox said that another problem is the HMO problem. They are the wedge between the deliverers and the patients and make 15% on every dollar that they handle, and that comes right out of the system. That is \$60 million that comes out of the institution that does not add anything to the quality of the care that people are getting.

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Board of Directors of Temple University Health System (TUHS) that the officers of TUHS and its subsidiaries be authorized 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 at the October meeting.

23. Temple University Hospital Refinancing of the Northwood Nursing and Convalescent Center Bridge Financing

On motion duly made and seconded, the Board of Trustees approved the recommendation of the Board of Directors of the Temple University Health System, Inc., authorizing the replacement bridge financing for the Northwood Nursing and Convalescent Center and the Temple University Health System, Inc. guarantee of such financing.

Report for Information

24. Report on Billing Compliance Plan

The Report on Billing Compliance Plan was received as given in Agenda Reference 24.

OLD BUSINESS

There was no Old Business.

ADJOURNMENT

On motion duly made and seconded, this Special Meeting of the Board of Trustees was adjourned at 4:15 P.M.