

MINUTES

The Board of Trustees

Temple University - Of The Commonwealth System of Higher Education

Tuesday, March 13, 1990

3:00 P.M., Feinstone Lounge, Sullivan Hall,  
Park and Berks Malls

Attendance:

Members - Richard J. Fox, Chairman; Harry P. Begier, Jr.,  
Patricia J. Clifford, John J. Contoudis, Paul A. Dandridge,  
Lewis F. Gould, Jr., Peter J. Liacouras, Edward F. Mannino,  
Brian J. O'Neill, Edward H. Rosen, Anthony J. Scirica,  
Isadore A. Shrager, Francis R. Strawbridge, Clare L. Wofford,

being a quorum of the Board of Trustees;

Vice Chairman, Hospital Board of Governors - Daniel H. Polett

Invited Guests - Faculty - George Baran, Marta Browning,  
Kenneth R. Cundy,  
- Students - Noah Gladstone, Tara Santhanna

Administration and Staff - Barbara L. Brownstein, Leon S. Malmud,  
Robert J. Reinstein, Laurent J. Remillard, H. Patrick Swygert,  
David V. Randall, Kent Rayburn, Paul H. Boehringer,  
William G. Sites, Kathy Gosliner, Arthur Papacostas,  
Jesse Milan, C. Robert Harrington, Robert Lux,  
Timothy O'Rourke, Stephen Zelnick, Kenneth Smukler,  
Beverly L. Breese, William C. Seyler

General Counsel - Peter Mattoon, Matthew Strickler

University Counsel - George E. Moore

Members Absent - Francis J. Catania, Nicholas A. Cipriani,  
Bill Cosby, Peter D. DePaul, Robert C. Donatucci,  
Louis J. Esposito, Chaka Fattah, Howard Gittis,  
William H. Gray, III, Clifford Scott Green, Lacy H. Hunt,  
D. Donald Jamieson, Irving K. Kessler, Mitchell G. Leibovitz,  
Henry H. Nichols, R. Anderson Pew, William W. Rieger,  
Milton L. Rock, James A. Williams

The Opening prayer was given by Mrs. Wofford.

The Chairman of the Board, Mr. Fox, then introduced and welcomed the guests from the faculty and the student body.

## ACTIONS OF THE BOARD OF TRUSTEES

### 1. Approval of Minutes - Special Meeting of February 7, 1990 and Adjourned Special Meeting of February 22, 1990

On motion duly made and seconded, the Minutes of the Special Meeting of February 7, 1990, and the Adjourned Special Meeting of February 22, 1990 were approved as previously mailed to members.

### 2. President's Report

President Liacouras asked that copies of the following letters be distributed to the Trustees present: (1) Letter of March 9, 1990 from Secretary of Public Welfare John F. White, Jr.; (2) a letter of today's date, responding to Secretary White, which letter the President has not yet sent and which he would like the Board to review and approve before it is sent; and (3) his letter of today to Mayor Goode, which letter has been sent, regarding Temple's lawsuit against the City.

#### A. Update on Temple University Hospital Situation

The President said that his report today will consist mainly of an update on the situation concerning the Temple University Hospital. (Secretary's Note: Judge Anthony J. Scirica asked that the record show that he took no part in discussion or vote on Temple University Hospital matters.) Since the most recent meeting of the Board on February 22, the University has conducted earnest discussions with the Commonwealth on how the State under-reimburses the University for costs covering the treatment of Medical Assistance in-patients at our Hospital. On this past Friday, 3/9, Governor Casey, through Welfare Secretary White, committed the State to an additional \$9 million for in-patient Medical Assistance patients, over and above what was in force prior to Judge Fullam's interim order--all of which will improve the bottom line of the Hospital and will help considerably in the present fiscal year.

The President said that the University greatly appreciates Governor Casey's leadership and efforts on our behalf, as do the citizens of North Philadelphia, and we all appreciate very much the additional funding. At the most recent Board meeting, we said that we expected that the good faith efforts would continue, and while Temple University is not fully reimbursed for its costs, there is considerable improvement. The President said he will be recommending that we accept the offer of Governor Casey through Secretary White, and that the President's letter of today's date (which has been distributed) is such an acceptance of the Commonwealth's offer. At the point when we take up the Hospital Budget and some related matters (Items 2-A, 2-B and 9 of today's Agenda), the President would like the Board to approve his letter to Secretary White, or by consensus agree that it should be sent.

The President said that the Hospital continues to face a deficit for the present fiscal year of some \$4.8 million, despite heroic efforts on the part of Vice President Malmud, CEO Boehringer, and Chief Hospital Financial Officer Lux. We are still at a point of shortfall of \$4.8 million, which is about \$1.1 million better than we were two months ago because one of the factors, the Payor Mix at the Hospital, improved. It is difficult to order Hospital management to continue to cut

expenses, and to expect that the high quality of medical services will continue. We have prided ourselves in having balanced budgets, but that does not seem possible for 1989-90. There is only one place to go--the University as a whole; and the Hospital's numbers this time are so large that such an approach is not feasible. Realistically, we will be looking at a Hospital Budget that is a deficit budget. Despite the strong efforts of the State, we are still looking at a minimum deficit of \$4.8 million for 1989-90. The challenge is how we will deal with this deficit, keeping in mind that it was about \$14 million before last Friday, March 9. Governor Casey, through Secretary White, has contributed \$9 million toward this deficit. Even though the Hospital is acknowledged to be the most efficient of the teaching hospitals in the area, we are always trying to cut costs and to bring in additional paying patients to help cover the losses from non-paying patients. The physicians have been making a contribution and will make further contributions. The University as a whole will make additional contributions. You can imagine what it would be like for Temple University to ask for increased funding for education. The reaction will be--you have already gotten \$9 million for the Hospital; why are you coming back to ask for more. The President mentions this because the Hospital is part of the University, but the University loses the opportunity to raise funds over and above what the Hospital needs to provide medical care for the indigent--and this is very unfair. The University, over and above the matter of lost opportunities, will be making additional contributions to the Hospital.

All of the above leaves one entity unaccounted for--the City of Philadelphia--from whom we receive not one cent for the University as a whole or for the Hospital. Today, the President talked with Mayor Goode, requesting that he direct his Counsel to join with us in expediting a determination of the issues before the Court regarding our lawsuit against the City, particularly the legal obligation of the City to take care of the medical care of its citizens. Our Hospital is providing this year some \$8 million worth of medical care for citizens of Philadelphia and is receiving no reimbursement whatsoever from the City for this service. The Mayor does not think it is the City's legal obligation to pay for medical care of its citizens; he believes this is the State's obligation. The Mayor said he will direct his Solicitor to expedite as much as possible the litigation that is before Common Pleas Court. Finally, the Mayor indicated that even if a lower court, or an intermediate court, orders the City to pay Temple University for medical care provided to Philadelphia citizens, the City will not pay until the matter is decided by the State Supreme Court. In view of the Mayor's willingness to help us expedite our litigation against the City, we expect our Counsel to be dealing tomorrow with the City Solicitor.

The President said there are three other items on today's Board Agenda which are related to the Hospital: (1) Item 9, which would provide a Magnetic Resonance Imaging (MRI) Facility; (2) Item 2A, which will provide for an FHA Mortgage Increase to help with the Hospital's Capital Financing Program; and (3) Item 2B, which covers the development of a Business Plan for the Hospital's Strategic Plan, thereby improving revenues.

The MRI has been discussed by various Board Committees but we have delayed bringing it to the Board until we have a Final Hospital

Budget for 1989-90 in place. The President noted that Dr. William Buchheit, who is a nationally renowned neurosurgeon who would be one of the major users of the MRI, is present and would be pleased to answer any questions Trustees may have about the MRI.

The purpose of the request for an increase in the Hospital's FHA Mortgage is to make available cash for capital purposes rather than using University cash. We would have a positive cash flow for two years as a result of increasing the FHA Mortgage but our long term indebtedness would increase. This proposal would also give the officers the ability not to fund cash into a Depreciation Account for two years, which will also help our cash position.

The President emphasized that the acquisition of the MRI is necessary to insure the kind of medical excellence that Temple University Hospital already possesses.

The President paid tribute to the many people who have worked at the Hospital with dedication--the every day workers, the people in North Philadelphia who spoke out so clearly when the proposed closing of programs was made public. We have to realize that the University is not the government and the only places we can go to get back our costs are the State or the City. It would be unconscionable for us to charge students additional tuition because the City isn't paying for certain costs which the Hospital has for providing medical care to those who cannot pay. We will maintain vital programs at the Hospital for the time being because that is part of the arrangement we worked out with the Commonwealth. We are not 100% reimbursed for our costs. We are totally unreimbursed by the City for "no pay" patients.

The President thanked Governor Casey for his help on this matter, the Chairman of the Board for his help, Executive Vice President Swygert, Vice President Malmud, CEO Boehringer, Hospital Chief Financial Officer Lux, Vice President Reinstein, and University Counsel Moore. The President is reasonably satisfied that the Board should approve all of the Hospital-related items on today's Agenda, including the Final Hospital Budget for 1989-90.

Judge Dandridge referred to the President's letter to Secretary White, noting that we are not yet "on all fours." The President said that his letter to Secretary White is confidential to this Board of Trustees--and the President believes that we are "on all fours." There is a commitment of \$9 million over and above the amount the Hospital had coming to it prior to the Judge's interim order. We can't spell out many more details at this time. It was agreed that University Counsel Moore will discuss this matter with Judge Dandridge.

### Hospital Board of Governors Report and Recommendations for Action

#### 3. Report of the Hospital Board of Governors

Mr. Polett, Vice Chairman of the Hospital Board of Governors, said he will explain how an earlier projected Hospital Deficit has been reduced from \$14.9 million to \$4.8 million. First, we are going to bring the Hospital Budget in \$400,000 lower than originally projected; so, this reduces it to \$14.5. Second, the \$9 million from the State brings it to \$5.5 million. Third, there is a \$300,000 reduction that came about when the Governor announced his Budget, reducing it to

\$3.2 million. Finally, we are projecting an additional \$400,000 in savings--and this gets it to the \$4.8 million projected deficit.

Mr. Shrager noted that we are talking about projections, and, as a member of the Hospital Board of Governors, in the past, he has seen these projections turn out to be inaccurate. Mr. Fox noted that we are seven or eight months into the Fiscal Year, so that projections at this stage should be more reliable than at the beginning of the Fiscal Year. Mr. Fox believes we are in the range of a \$4 million to \$5 million deficit. There are other funding sources (primarily the City of Philadelphia) that have to stand up and be responsible for the services we provide to indigent citizens of the City. The City of Philadelphia brings to our Hospital's Emergency Department a significant number of the homeless, and we have treated them, many of whom have expensive medical and other requirements. What we are saying is that we do not have any other sources to go to. The University cannot call upon the students, faculty, and administrators to subsidize medical care in the City of Philadelphia. Our primary job is to educate. The State has stepped up with \$9 million, and we have to address the \$4.8 million remaining deficit.

Judge Dandridge asked if the \$4.8 million takes into account the \$2.5 million which is assigned to the Hospital from the University's appropriation from the State. The President said if this were taken away, the deficit would be \$7.3 million (\$4.8 million plus \$2.5 million). This is part of the "Education and General" line of the University's appropriation. It was formerly \$2.5 million but the University now makes available about \$3 million to the Hospital. So, if you take into account this \$3 million, the Hospital's deficit would really be \$7.8 million. The University has been funding the City's obligation for all these years.

Mr. Fox said the City gives zero dollars to Temple University for the Hospital or for the University as a whole. Even the amount that was given for Legal Aid has been withdrawn. The University is suing the City for \$8 million a year, and that is the suit that the President referred to in his letter to Mayor Goode.

The President re-emphasized that the Mayor said he wouldn't accept any decision from a local or from an intermediate court (but only from the State Supreme Court) on the question of the City's liability to pay for medical care for the indigent.

Mr. Rosen asked if the 2.5% increase is going to supplement the \$9 million in the years beyond 1989-90. The President said that the interim order of Judge Fullam for the period between 1/24/90 and 6/30/90 will be replaced by \$9 million for this fiscal year. With respect to working out final acceptable rates, the University is working with the State to work out a fair and affordable system. Our view is that the \$9 million is a "floor." We are working with the State, pursuant to Judge Fullam's order to develop a fair system; until that new system is in place, the \$9 million for this Fiscal Year will be continued.

Mr. Moore said it is hoped that the new system will be worked out by 7/1/90; if worse comes to worse, there is always Judge Fullam's order and that rate could take place from 7/1/90 onward.

The President thanked Mr. Strickler of Ballard Spahr for his excellent work on this litigation before Judge Fullam and in negotiations with the Commonwealth. The President noted that the Mayor's indicating that he would await a decision from the Pennsylvania Supreme Court on our litigation means that even if we won this lawsuit, we would undoubtedly be well into the next Fiscal Year.

Mr. Contoudis asked if any thought had been given to divesting ourselves of the Hospital, turning it over to the State, and having the University manage it for the State. He doesn't think we should continue taking from tuition to put into the Hospital.

The President said that we are not taking money from the students for the Hospital. As soon as the Hospital turns around on the cash side, the University will be better off as a result of all of these actions, including the increase in the FHA mortgage. Instead of having \$32 million in advances from the University to the Hospital, as of 6/30/90, we could be as low as \$21 million, so that we could have improved our cash position. There are some positive sides. Rather than the University saying we will make a \$4.8 million contribution to the Hospital, we are saying that as of now, the Hospital is running a \$4.8 million deficit. If the University agreed to fund the Hospital's deficit, then we would be using students' tuition; but that is not our intention.

Mr. Fox said the University is advancing cash, covered primarily by Accounts Receivable to run a \$100+ budget. On a cash basis, if the FHA agrees to waive the funding of the Depreciation Reserve Account for two years, we will probably have a balanced cash budget. The depreciation is real--things do need replacing. We are borrowing against the future to handle our cash situation. In terms of cash balances, it would be prudent to do that on a brand new Hospital for two years. Assuming the FHA allows us not to fund Depreciation Reserve for two years, on a cash basis, we would break even; on an operating basis, we would lose \$4.8 million.

Judge Dandridge said that at a recent meeting, a discussion of the future of the Hospital was tabled on the basis of the offer made by the Governor. It seems to him that we should now have that overall discussion about the future of the Hospital. Mr. Fox agreed that we should have this in-depth discussion. Although the State's offer has been of temporary help, we should step back and see where we are and and where we are going.

After further discussion, it was agreed that a Board Retreat on the Future of the Hospital will be scheduled for some time in April to review the facts and the history of our problems with the Hospital. It seems clear that we cannot continue to operate our Hospital in a crisis environment. Hopefully, what comes out of the Judge Fullam final order will be helpful, but that still doesn't address the \$8 million City problem. We are still operating in a very difficult environment. As part of our acceptance of the Commonwealth's offer of \$9 million, we have agreed for the time being not to cut out such programs as the Trauma Center. The bottom line is that the Hospital, which is well run, still cannot break even unless a number of things change. We need to change the Payor Mix; we need to get more paying patients; and we need the City to assume its responsibilities with respect to "no pay" patients who are Philadelphia citizens.

The President said that the Hospital Board of Governors has worked diligently with Hospital management to develop a Strategic plan, and they have worked with the Physician's practice Plan, which is chaired by Dr. Buchheit. What we are recommending today with respect to the MRI, the FHA Mortgage Increase, and the development of a Business Plan--all of these are part of the Strategic Plan. If we hold back on these items, we will be delaying the opportunity for pay-back that will help the paying patients revenue stream to the Hospital.

The President said that he wanted to correct an earlier statistic he gave the Board. At the end of this Fiscal Year (6/30/90), based on present projections, the cash position will have improved to only \$24 million (instead of to \$21 million, as indicated in line 5 above.) This had been as high as \$38 million. We would like to get it down to \$10 million.

Mr. Fox said (in responding to a question from Mrs. Wofford) that Judge Fullam's order to the State essentially said that the present State reimbursement plan violates federal law, and he directed the State to come back with a Plan that meets federal requirements. The \$9 million is really an interim agreement, for this fiscal year, and our expectation is that this \$9 million is really a "floor" for the future. The expectation for this fiscal year is reasonable that when everything is worked out, we will have a formula that pays us for our costs for Medical Assistance in-patients--or if it is equal to Medicare, that would create a situation where Temple Hospital wouldn't be penalized for having a very large medicaid load--and we are being penalized because of the mix of the patients we have.

Mr. Begier asked if we can assume we will get the \$9 million, and Mr. Fox said we will get the \$9 million at least through 6/30/90. Mr. Moore said the Judge's order is in place, and after June 30 we will be entitled to what we get under that order. It appears that we would have gotten about \$7.5 million per year under the Order. The President said that it appears that the Governor has gone beyond the legal requirement of the Judge's order. We also have the Governor designating our Hospital as "unique" and really going beyond the Judge's order.

Judge Dandridge said the Board was told at its most recent meeting that the \$9 million constituted only \$6 million of new money. The President said that this is now \$9 million of new money. He referred to the important role which Mr. Mannino had played in getting this matter of "new money" squared away.

Mr. Mannino said that the \$9 million is more money than the State originally offered. He feels the only way Temple will continue to get support of this magnitude is if the State continues to keep Temple in an "unique" position. There is no guarantee as to what next year's support will be. Payment is contingent upon Temple's maintaining its basic services at the Hospital. He is not sure where the extra money will come from if the City doesn't come through. The most we can do right now is thank the State for coming up with more than its fair share, and hope the Hospital can be run even more efficiently, along with the hope that the City will meet its obligations.

Mr. Rosen said he has difficulty understanding exactly what the State offer is at this stage. The President said that at this stage the State's offer is \$9 million of new money.

4. Final Hospital Budget - 1989-1990

Mr. Fox said that since there is no actual Final Hospital Budget before the Trustees, the Board probably should not take final action today. At the President's suggestion, it was agreed that the Board authorizes the Business and Finance Committee and the Executive Committee to act on the Final Hospital Budget for 1989-1990 at their Joint Meeting of March 22, with the understanding that all Board Members will be invited to attend this March 22 Joint Meeting.

5. Temple University Hospital Capital Finance Program--  
FHA Mortgage Increase

Mr. Fox said that the recommendation before the Board is to increase the FHA Mortgage, which secures the 1986 Hospital Revenue Bonds, from \$100 million to an amount not to exceed \$115 million, in order to provide additional funds to finance the costs of certain equipment and capital improvements; and to recalculate and amend the deposit schedule of the Depreciation Reserve Agreement to result in a return to the university of approximately \$4 million of contributions previously made and the deferment of contributions for the fiscal years 1989-90 and 1990-91.

Mr. Begier asked when the University can get access to the Depreciation Reserve money, and Mr. Mattoon said this could be done only with the permission of the FHA. We are negotiating with the FHA on this matter, and they would like to do what is being recommended to the Board.

After further discussion, on motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Board of Governors of the Hospital (10/3/89) that the officers be authorized to apply to and enter into agreements with the Federal Housing commissioner ("FHA") (a) to amend the FHA-Insured Note and Mortgage which secure the 1986 Hospital Revenue Bonds by increasing the principal amount of the note and mortgage from \$100 million to an amount not to exceed \$115,000,000, in order to provide additional funds to finance the costs of certain equipment and capital improvements, which agreement will be authorized by a bond Resolution of this Board, and (b) to recalculate and amend the deposit schedule of the Depreciation Reserve Fund under the Depreciation Reserve Fund Agreement to result in a return to the University of approximately \$4 million of contributions previously made and the deferment of contributions for the fiscal years 1989-90 and 1990-91.

6. Development of a Business plan for the  
Temple University Hospital's Strategic Plan

Mr. Fox said it is estimated cost of the consulting for the development of this Business Plan will be \$150,000, but the recommendation before the Board is only for \$50,000 for the first Phase of the project.



Judge Dandridge asked if this matter had gone through the normal bid procedures. The President said that the Board of Governors' Strategic Planning Committee has been overseeing this project, and Mr. Remillard said that there were five firms interviewed before the Strategic Planning Committee made a recommendation to the Board of Governors, which approved the recommendation on 3/6/90.

Mr. Mannino asked what the consultant will do on this project, and Dr. Malmud said that the Board of Governors had adopted a Strategic Plan to enhance revenues, with focus on these areas: (1) Cardiovascular Diseases; (2) Cancer; (3) Gastroenterology; (4) Infant and Maternal Health; and (5) Musculoskeletal Disorders and Trauma. These five programs represent the Strategic Plan of the Hospital in the eyes of the Board of Governors and of the management. Mr. Mannino said this Strategic Plan was discussed at the 11/5/89 Retreat of the Board--and Dr. Malmud said that was correct. Mr. Begier said that it was his understanding that the Business Plan will identify how we are to market those five areas. The President said that the administration takes all of these consulting arrangements to the Board, especially when they involve \$50,000 or more--as was done recently with a consultant for our Temple-Japan Program. Dr. Malmud said that at the time of the 11/5 retreat, we were not ready to retain a consultant at that time.

After further discussion, on motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Hospital Board of Governors (3/6/90), authorizing the expenditure of \$50,000 for the first phase of the development of a Business Plan for the Hospital's Strategic Plan, the consulting to be done by Peat Marwick, with the understanding that the approximate cost of this project will be \$150,000, and with the further understanding that approval by the Board of Governors and the Board of Trustees will be required before the consultant moves beyond Phase I of this project.

#### 7. Magnetic Resonance Imaging (MRI) Facility

The President referred to these final provisions of the recommendation before the Board--"....and \$2,000,000 for the MRI equipment, from sources to be determined (most probably FHA mortgage increase), but not to proceed until the final source has been secured and a Final Hospital Budget for 1989-90 has been approved."--and the President noted we cannot proceed on this until at least March 22, when the Final Hospital Budget will be up for approval by the Joint Committees' meeting of that date (with all Board Members being invited to attend). So, if the recommendation is approved by the Board, there will only be a delay from today, 3/13, until 3/22.

Mr. Mannino said that a lot of Hospitals have MRIs--and he was wondering who is really coordinating the purchasing of such expensive equipment throughout the entire area. He recalled Harold Kohn's questions about this kind of equipment, and whether it is essential that every hospital acquire it. Dr. Malmud said that certain programs produce revenue, and the MRI is one such program, which is used by many hospital and medical school units, so that it cuts across several departments. This equipment is essential to any large hospital such as ours. In response to a question, Dr. Malmud said that we do have an MRI, which was leased five years ago. The technology has advanced

considerably, and the new MRI will provide us with better images and generally much improved service.

Responding to Mr. Mannino's earlier question about the approval of a coordinating body, Mr. Mattoon said that we do have an approved Certificate of Need for the acquisition of this MRI.

Judge Dandridge said his concern is that until we know what the configuration of our Hospital will be, whether we should be spending these kinds of dollars. It could turn out that we might not need such equipment. Mr. Begier asked what the leasing cost is for our present machine, and Mr. Boehringer said it is \$46,000 a month, noting that we got the machine under a Food & Drug licensing demonstration program. That leasing expense will go away when we acquire this new machine.

After further discussion, on motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (2/2/90) to authorize the officers to (1) hire the L. F. Driscoll Company as construction managers at a cost not to exceed \$119,000; (2) add shell space for two operating rooms to the proposed MRI building at a cost not to exceed \$600,000 (bringing the total cost of building construction to \$1,700,000); and (3) purchase an MRI machine from General Electric at a cost not to exceed \$2,000,000, with funding of \$1,700,000 for construction cost from the balance available from prepayment of Hospital PHEFA 1985 equipment loans (\$1,147,000); the balance of funds from the sale of radiation therapy equipment to Salick (\$97,000); the balance of funds collected under the New Hospital building fund raiser (\$456,000); and \$2,000,000 for the MRI equipment, from sources to be determined (most probably FHA mortgage increase), but not to proceed until the final source has been secured and a Final Hospital Budget for 1989-90 has been approved.

8. Approval of President's Letter of 3/13/90 to Welfare Secretary White, Accepting the Commonwealth's Offer of 3/9/90, of \$9 Million for Inpatient Medical Assistance Services for Fiscal Year 1989-90

Copies of the President's captioned letter had been distributed to the Trustees, and it was agreed that this letter should be sent to Secretary White.

#### Executive Committee Report and Recommendations for Action

Judge Scirica, Chairman of the Executive Committee, called attention to the Report of that Committee (Agenda Reference 3) and recommended approval of the matters covered in Items 9 and 10 of these Minutes.

9. Borrowing Authority - 4/1/90 - 6/30/90

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Executive Committee (2/22/90) that the officers be authorized 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, 1990 through June 30, 1990. (Resolution is attached as SUPPLEMENT I.)

10. Naming of Auditory Research Laboratory  
for Mr. George Garfield

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Executive Committee (2/22/90) that the officers be authorized to name the Auditory Research Laboratory in the Temple University School of Medicine The George Garfield Auditory Research Laboratory in recognition of Mr. Garfield's most generous support of the establishment of this Laboratory.

Campus Planning and Plant Management Committee Report and  
Recommendations for Action

Judge Dandridge, Vice Chairman of the Campus Planning and Plant Management Committee, called attention to the report of that Committee (Agenda Reference 6), and recommended approval of the matters covered in Items 11, 12, and 13 of these Minutes.

11. Proposed Sale of Property in Egg Harbor, New Jersey

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (3/2/90) that the officers be authorized to negotiate an agreement for the sale of the Temple University owned property in Egg Harbor, New Jersey, at a sale price of not less than \$1,500,000.

12. Temple University Stadium - Proposed Sale

Judge Dandridge said that the Board has talked about putting this Stadium area property up for sale on previous occasions, and he asked Mr. Swygert to brief the Board on this matter. Mr. Swygert said that we had engaged a realtor regarding this property and we also had an appraisal made of the property. We would anticipate receiving an offer and the Board would then act on the offer.

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (3/2/90) that the officers be authorized to enter into an agreement for brokerage services for the marketing of the Temple University Stadium property at an offering price of \$150,000 per acre, such broker to be recommended by the Ad Hoc Committee on Real Estate Development from the three proposals submitted to the Campus Planning and Plant Management Committee on 3/2/90 for a fee not to exceed 6% of the agreed-upon purchase price plus a marketing/advertising allowance for reimbursables not to exceed \$10,000.

13. Human Resource Information System

Judge Dandridge said that the recommendation before the Board is based on a well documented presentation which was made to the Campus Planning and Plant Management Committee on 3/8/90, and that Committee recommends approval of the purchasing of the software necessary to implement this project. He noted that there will be other expenses associated with this HRIS, over a five-year period, and this is the first step of the process.

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Campus Planning and Plant Management Committee (3/8/90), authorizing the officers to expend \$300,000 for the purchase of software for the Human Resource Information System.

#### Educational Policies Committee Report and Recommendations for Action

Mr. Shrager, Chairman of the Educational Policies Committee, called attention to the Report of that Committee (Agenda Reference 11), and recommended approval of the matters covered in Items 14 and 15 of these Minutes.

14. Approval of Doctor of Philosophy Degree in Molecular Biology and Genetics

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Educational Policies Committee (1/22/90), authorizing the granting of a Ph.D. degree in Molecular Biology and Genetics, as described in SUPPLEMENT II.

15. Change of Department of Anatomy Name to Department of Anatomy and Cell Biology

On motion duly made and seconded, the Board of Trustees voted to approve the recommendation of the Educational Policies Committee (1/22/90), authorizing the change in the name of the Department of Anatomy to Department of Anatomy and Cell Biology.

16. Report on the Core Curriculum

It was agreed that the Provost will provide a written report on the Core Curriculum in advance of the May 8, 1990 meeting of the Board, so that this matter can be discussed at this May 8 meeting.

#### Employee Relations Committee Report

In the absence of the Chairman of the Employee Relations Committee (Mr. Kessler), the President called attention to the Report of that Committee (Agenda Reference 15), and he asked Mr. Swygert to brief the Board regarding the request from a group of graduate students. Mr. Swygert said that in the last two or three months, we have received a request from a group of graduate students that the University recognize the group for collective bargaining purposes. We have explained that the authority to grant such a request is not vested in Temple University, but rather with the Pennsylvania Labor Relations Board. We have tried to be as responsive as possible to this group but we do not have the authority to grant such a request. The Provost has also explained this to this group. There is an extensive process for gaining recognition as a collective bargaining unit, and this process is with the PLRB, and not with Temple University.

#### Student Affairs Committee Report

In the absence of the Chairman of the Student Affairs Committee (Judge Green), Mr. Fox called attention to the Report of that Committee (Agenda Reference 16), and he asked Mr. Swygert and Dean Wiernicki to report on the status of the Greek Proposal.

Mr. Swygert said this is the first whole year of the implementation of the Fraternity and Sorority Recognition Policy. The item that most concerned the Trustees had to do with the question of liability insurance. We have begun a process of explanation and education. A number of the Greek groups have gotten coverage to the extent of \$1 million per incident. We have received compliance from a number of the 24 involved, and our emphasis has been to try to convince those units which have houses to get the necessary liability insurance coverage.

The President said that the Board has required that all of the Fraternities and Sororities have liability coverage, and now we find that not all of them have it. For the next board meeting, we should have a report which clearly indicates which units are in compliance and which are not. Mr. Swygert said his understanding of the Board action was that the Board indicated it was the wish of the Board that all of the organizations should get liability insurance; it was left to administration to come up with a reasonable time-table. Dean Wiernicki said that five of the 24 have met the requirement; another seven have some coverage but not the \$1 million per incident--so that about one-half of the 24 have either met the requirement or are working toward compliance. We are working with them to try to get compliance. Mr. Fox asked when the Board might expect these organizations to be in compliance, and Mr. Swygert said that by the fall of 1990 we would expect to have the residential organizations (the ones having Houses) in compliance. It is an additional expense of \$3,000, and that money would not be available from the national organizations, so that it is understandable why only five have been able to be in full compliance. In addition, seven others have made some progress. The remaining ones do not maintain houses on or near campus. When they give parties, they are given on campus, where they have to purchase an insurance binder, or in commercial establishments where there is liability coverage. We hope that by fall of this year, we will have 100% compliance.

Mr. Fox said that we should have this matter on the Board's Agenda for the October 1990 meeting. We should have 100% compliance by the beginning of the fall semester.

#### Business and Finance Committee Report

In the absence of the Chairman of the Business and Finance Committee (Dr. Hunt), Mr. Fox called attention to the Report of that Committee (Agenda Reference 20), and he said that the Subcommittee on Investments, under the chairmanship of Dr. Hunt, is operating on a regular basis to discuss and direct the investment portfolio of the University.

#### Development Committee Report

Mr. Rosen, Chairman of the Development Committee, called attention to the Report of that Committee (Agenda Reference 21), noting that Planned Giving shows an increase of 161% over the comparable period of last year. Responding to a question as to why the different category increases varied so much, the President pointed out that there are widely differing bases among the groups.

## Committee on Trustees Report

Mr. Shrager, Chairman of the Committee on Trustees, called attention to the Report of that Committee (Agenda Reference 22), noting that the Committee had held a very constructive meeting with officers of the General Alumni Association. The Trustees learned a good deal from the GAA officers, and we hope they learned something from the Committee.

Mr. Fox agreed that this was a constructive meeting, noting that there have been some communication problems between the Trustees and the GAA, and hopefully we were able to iron those out. He believes that the GAA officers left the meeting with the feeling that it had been a constructive session. We agreed we should cooperate with each other to achieve our common goal of making Temple University an even greater institution.

## Reports of Other Committees

The Chairman of the Board called attention to the Reports of other Committees (Agenda References 16, 18, 19, and 20), suggesting that if Trustees had questions about these Reports, they should communicate with the appropriate Chairman.

### 17. Treasurer's Report

Without objection, the Board of Trustees received the list of grants and contracts awarded between October 1, 1989 and December 31, 1989, the major gifts and grants received between October 1, 1989 and December 31, 1989 and the purchases and sales of securities between October 1, 1989 and December 31, 1989, said report having been distributed at the Board meeting of today (Agenda Reference 23).

### 18. Secretary's Report

On motion duly made and seconded, the Board of Trustees voted to approve the presentation of degrees-in-course dated May 24, 1990 to candidates approved by the appropriate academic committees of the faculty; the presentation of degrees-in-course dated May 13, 1990 to candidates approved by the appropriate academic committees of the faculty in Tokyo, Japan; and the presentation of degrees-in-course dated May 27, 1990 to candidates approved by the appropriate academic committees of the faculty in Osaka, Japan.

### 19. Honor for President of Temple--Japan Program

President Liacouras reported to the Board that Dr. Higashi, President of Temple--Japan, has been elected to the Vice Chairmanship of the Japanese program, in charge of Fisheries, Agriculture, and some other programs, which is a major spot in the leadership of the Japanese Diet. Dr. Higashi is moving up the leadership to a Vice Premiership, covering a number of important areas in Japan.

20. Congratulatory Remarks Regarding the \$9 Million Settlement with the Commonwealth for Under-Reimbursement of Medicaid Inpatients

Mr. Swygert congratulated the President, the Chairman of the Board, Mr. Mannino, and other Board Members for the leadership they provided in getting a recovery from the State that is really extraordinary. The Governor and his staff also deserve the University's thanks. We can all take some pleasure in this settlement. Although we are not out of the woods yet, we are certainly a lot better off than we were a few days ago.

Mr. Fox said that the Governor and the people in his administration have delivered a result which we all should feel good about. The Governor recognized Temple University Hospital's "unique" situation in terms of supplying medical care to the indigent. We thank the Governor for his interest and for his concern. Mr. Fox believes we can all feel very good about the results and the final outcome. He congratulates everyone who was involved in this settlement because it was a win--win situation.

21. Request for the Board to Address the Matter of Student Housing

Mr. Rosen requested that at our next meeting (the next regular Meeting is in May), the Board address the matter of Student Housing. Our existing student housing is virtually at or over capacity; we have students housed in extremely remote areas. He thinks it is incumbent on this Board to be very aware of this situation and when we deal with high priority matters, Student Housing certainly has to be at the top of the list.

Mr. Fox agreed with Mr. Rosen, noting that we have made Student Housing a top priority in terms of fund-raising and the development of more than 1,000 additional beds. He is sure that as the physical development plan unfolds, Student Housing will be the top order of priority. Mr. Rayburn is working on this matter now and we will soon have basic proposals for the Board to consider, along with a fund raising effort that will start this year to provide the necessary resources. There is no question that Student Housing is a top priority.

The President said that at the last Joint Meeting of the Executive Committee and the Business and Finance Committee, approval was given to proceed with engineering and architectural studies for Student Housing--so we are moving very quickly.

The President noted that at the recent Appropriations Hearings in Harrisburg, one of the Representatives asked if Temple had any designs on the Armory site (on Broad Street, just north of the Main Campus), and the President said we certainly did since we have used the site for more than 20 years. There was a letter from the Redevelopment Authority, claiming the Armory site for the City. Not only is the City not reimbursing us for the provision of medical care to indigent Philadelphians, it is now claiming a site which Temple has used for 20 years and is a perfect place for 400 student beds. The City also wants title to this Armory property. We have made it clear that with respect

to the Woodhaven Center (about which we have been negotiating with the State), we will not accept the land at Woodhaven unless the Armory site is part of the arrangement, free and clear. We must either stand up to the City, or we are wasting our time in planning for Student Housing on the Armory site. There is no reason that Temple should not have title to the Armory site, having used it for 20 years and having a perfect use for it in terms of student housing.

## 22. Status of Hospital Budget Planning for 1990-91

Mr. Begier asked about the status of Hospital Budget Planning for 1990-91, particularly since that fiscal year begins 7/1/90. The President said that we do have a three-year Hospital Budget projection, and the Tentative Budget for the University (which includes the Hospital Budget) would customarily come before the next Joint Executive and Business and Finance Committee meeting of April 26, with consideration by the full Board at its May 8th meeting. Historically, we have delayed the Tentative Budget until after the State Appropriation is known. In effect, we would have a Preliminary Tentative Budget for April and May--and then a June or July meeting (hopefully, at which time the State Appropriation amount is known) to adopt the "regular" Tentative Budget.

Mr. Begier said that the sooner we start to see the budget projections for 1990-91, the better decisions we can make. The President said those projections will certainly be available for the Joint Meeting in late April and for the full Board meeting on May 8.

The meeting of the Board of Trustees was adjourned at 4:55 P.M.

*M.C.S.*