

Minutes  
of the  
Special Meeting  
of the  
Oakland University  
Board of Trustees  
December 6, 1980

The meeting was called to order by Interim President George T. Matthews at 8:05 a.m. in Lounge II of the Oakland Center.

Present: Chairman Richard H. Headlee, Trustees Patricia B. Hartmann, Marvin L. Katke, David B. Lewis, Ken Morris and Arthur W. Saltzman

Absent: Trustees David Handleman and Alex C. Mair

Mr. Matthews stated that the special meeting was called to consider two items, the first being an increase in the winter 1981 tuition and fee schedule. Mr. Matthews said it was unusual to request a tuition increase in midyear, but because of the economic and fiscal conditions in the State, the administration determined that it was necessary. The higher education appropriations bill is not finalized at this time, but it appears that Oakland University, as well as the other State institutions, will receive approximately 6.1 percent less than the 1979-80 appropriation or approximately two million dollars less for the 1980-81 fiscal year. There is no alternative but to raise some revenue through a tuition and fee increase to augment various cost-saving measures. The approval is required in December for implementation for the new semester which begins in January, 1981. Mr. Matthews requested the Board's approval of the following recommendation:

It is recommended that the Board of Trustees approve the proposed tuition and fee schedule for implementation for the winter semester 1981 as shown in the following Schedule I:

Schedule I  
Oakland University  
Proposed Revised 1980-81 Tuition and  
Fee Schedule Effective Winter Term 1981

	Original 1980-81 Rate	Changes	Revised 1980-81 Rate	Percent Increase
<b>1. <u>Tuition per semester credit hour:</u></b>				
a. Michigan residents:				
Undergraduate: Lower	\$ 30.25	\$ .75	\$ 31.00	2.5%
"          : Upper	31.00	2.50	33.50	8.1
Graduate	44.25	5.75	50.00	13.0
b. Non-residents:				
Undergraduate: Lower	76.00	4.00	80.00	5.3
"          : Upper	78.00	6.50	84.50	8.3
Graduate	90.00	10.00	100.00	11.1
c. Competency credit exam fee:				
Undergraduate: Lower	15.00	-	15.00	-
"          : Upper	16.00	-	16.00	-
Graduate	22.00	-	22.00	-
Non-resident	40.00	-	40.00	-
d. Off-campus:				
Undergraduate: Lower	35.75	.25	36.00	0.7
Undergraduate: Lower-Early College Study Program	35.75	(4.75)	31.00	(13.3)
Undergraduate: Upper	36.75	1.25	38.00	3.4
Graduate	49.00	3.00	52.00	6.1
<b>2. <u>General service fee per semester (on-campus students)</u></b>				
a. Undergraduates taking 10 credits or more:				
Oakland Center Allocation	\$ 16.00	-	\$ 16.00	-
Activity Allocation*	7.50	-	7.50	-
Transportation Use Alloc.	6.00	-	6.00	-
Enrollment Allocation	15.00	-	15.00	-
Athletic Allocation	5.00	-	5.00	-
Health Service Allocation	5.00	-	5.00	-
Total	\$ 54.50	-	\$ 54.50	-
b. Undergraduates taking less than 10 credits:				
Oakland Center Allocation	\$ 8.00	-	\$ 8.00	-
Activity Allocation*	6.00	-	6.00	-
Transportation Use Alloc.	3.00	-	3.00	-
Enrollment Allocation	15.00	-	15.00	-
Athletic Allocation	3.50	-	3.50	-
Health Service Allocation	2.50	-	2.50	-
Total	\$ 38.00	-	\$ 38.00	-
c. Graduates taking 10 credits or more:				
Oakland Center Allocation	\$ 16.00	-	\$ 16.00	-
Transportation Use Alloc.	6.00	-	6.00	-
Enrollment Allocation	15.00	-	15.00	-
Health Service Allocation	5.00	-	5.00	-
Total	\$ 42.00	-	\$ 42.00	-

\*Increased \$2.50 effective Spring Term 1980.

Schedule I  
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	Original 1980-81 Rate	Changes	Revised 1980-81 Rate	Percent Increase
d. Graduates taking less than 10 credits:				
Oakland Center Allocation	\$ 8.00	-	\$ 8.00	-
Transportation Use Alloc.	3.00	-	3.00	-
Enrollment Allocation	15.00	-	15.00	-
Health Service Allocation	2.50	-	2.50	-
Total	<u>\$ 28.50</u>	<u>-</u>	<u>\$ 28.50</u>	<u>-</u>
3. <u>Special course fees per course:</u>				
ED 455	\$ 35.00	-	\$ 35.00	-
ED 597	50.00	-	50.00	-
Applied Music:				
Individual Instruction	85.00	-	85.00	-
Group Instruction	25.00	-	25.00	-
4. <u>Summary comparison of on-campus tuition and fee costs (exclusive of special course fees):</u>				
a. Undergraduate Michigan resident student taking a 31 credit hour load for two semesters:				
1) Lower Division:				
Tuition	\$ 937.75	\$ 23.25	\$ 961.00	2.5
General Service Fee*	97.00	-	97.00	-
Total	<u>\$1,034.75</u>	<u>\$ 23.25</u>	<u>\$1,058.00</u>	<u>2.2</u>
2) Upper Division:				
Tuition	\$ 961.00	\$ 77.50	\$1,038.50	8.1
General Service Fee*	97.00	-	97.00	-
Total	<u>\$1,058.00</u>	<u>\$ 77.50</u>	<u>\$1,135.50</u>	<u>7.3</u>
b. Graduate Michigan resident student taking a 24 credit hour load for two semesters:				
Tuition	\$1,062.00	\$138.00	\$1,200.00	13.0
General Service Fee*	72.00	-	72.00	-
Total	<u>\$1,134.00</u>	<u>\$138.00</u>	<u>\$1,272.00</u>	<u>12.2</u>
c. Non-resident undergraduate student taking a 31 credit hour load for two semesters:				
1) Lower Division:				
Tuition	\$2,356.00	\$124.00	\$2,480.00	5.3
General Service Fee*	97.00	-	97.00	-
Total	<u>\$2,453.00</u>	<u>\$124.00</u>	<u>\$2,577.00</u>	<u>5.1</u>
2) Upper Division:				
Tuition	\$2,418.00	\$201.50	\$2,619.50	8.3
General Service Fee*	97.00	-	97.00	-
Total	<u>\$2,515.00</u>	<u>\$201.50</u>	<u>\$2,716.50</u>	<u>8.0</u>
d. Non-resident graduate student taking a 24 credit hour load for two semesters:				
Tuition	\$2,160.00	\$240.00	\$2,400.00	11.1
General Service Fee*	72.00	-	72.00	-
Total	<u>\$2,232.00</u>	<u>\$240.00</u>	<u>\$2,472.00</u>	<u>10.8</u>

\*Excluding portion allocated to transportation use.

Mr. Matthews stated that Mr. Keith R. Kleckner, Associate Provost, would be able to elaborate on the tuition and fee increase proposal since he had chaired the committee which made the recommendations. In addition, Messrs. Robert W. Swanson, Vice President for Business Affairs, and Ray Harris, Budget Director, were also present to answer questions.

Mr. Katke observed that there was no alternative but to increase tuition, and therefore, he moved to approve the recommendation.

Mr. Morris seconded the motion.

Mr. Morris asked if there were any existing studies, or if Oakland University could assess at what point rising tuition costs would deter prospective students from attending college.

Mr. Swanson replied that there is a certain amount of "elasticity in the demand" for an education. However, research by Mr. David Beardslee, Director of Institutional Research, has indicated that with higher costs students are more likely to drop from four courses to three courses and continue on with their studies at a slower pace rather than dropping out. In addition, financial aid is an important factor in helping students continue their studies. He stated that the proposed increase is quite modest in that a lower level undergraduate full-time student would pay less than an additional \$12 for the winter semester; the upper level undergraduate full-time student would pay about \$38 more for the winter semester.

Mr. Headlee inquired about the increase for graduate students.

Mr. Swanson replied that it would be about \$50 per semester. He added that graduate students for the most part are employed and have the greatest ability to pay.

Mr. Laszlo Hetenyi, Acting Dean of the School of Performing Arts, added that there were very few full-time graduate students. Furthermore, many are on scholarships and fellowships.

Mr. Morris said he would like to see some statistics on the impact of constantly rising tuition rates. He asked, "What is the breaking point for driving students away from an education?" He added that the Trustees have a duty to speak out for these students.

Mr. Kleckner responded that there are national studies on the negative effect of rising tuition rates, but these studies apply to private schools. There are no appropriate studies for institutions such as Oakland University with a large commuter and part-time student body. He added that Oakland University has done surveys on why students leave, and financial reasons are low on the list. He continued that it was difficult for Oakland University to obtain this data since its tuition increases have been very modest. The tuition increase over the past few years has been less than the rate of inflation.

Mr. Morris said that he was thinking not only in terms of now, but of the future, and felt that the educational institutions should concern themselves with the development of a study to investigate these matters. He suggested that Mr. John De Carlo, Secretary to the Board of Trustees, talk to the Legislature about funding a study that would show the impact of these tuition increases on students.

Mr. Katke asked what percentage of the total student body received financial aid.

Mr. Kleckner replied "about 40 percent." Twenty percent of aid grants are based on "need" and the other 20 percent are "guaranteed" student loans.

Mr. Katke inquired if the 40 percent figure had changed over the last few years.

Mr. Kleckner replied that the percentage has dropped because many students hold outside jobs.

Mr. Morris reiterated that accurate information was needed including statistics on the number of students working full-time and part-time along with data about the sources of financing their studies. Mr. Morris said that since Oakland University was an institution that relied on the State for its basic income, it was imperative to have a better understanding of exactly where we are going economically and what our actions mean for the future.

Mrs. Hartmann inquired if the increase in tuition rates was "driving well qualified students away from the university" thus effecting the quality of the student body.

Mr. Kleckner replied that he did not believe this was the case. Mr. Kleckner further responded that the university was not losing quality students as measured by standardized tests and high school records. In addition, the tuition differential of other State schools "did not disfavor Oakland University."

Mr. Swanson added that students could apply for either financial aid or a guaranteed student loan to assist them if they really were motivated to continue their education.

Mrs. Hartmann added that she felt that the "quality" of the student body should also be included in the study suggested by Mr. Morris.

Mr. Matthews noted that it was possible that the administration might be forced to ask for another increase in tuition in May if the 1981-82 appropriation was the same as 1980-81 since there would be no other way to finance the institution. Mr. Matthews said he agreed with Mr. Morris that eventually the institution could be "priced out of the market." At the present time he believed that if a student was motivated, he could obtain financial aid. Mr. Matthews stated that he firmly believed that the future of higher education was in the public sector and that it was important for society to have ready access to institutions such as Oakland. He added that Oakland University's proposed tuition increase was in line with the increases of other State institutions, and that the major increase was on the graduate students. He explained that the least amount of increase was assessed to the first two years of the students' enrollment because these students can least afford the cost. As students progress, they can generally afford more. The graduate students are in the best position to pay.

Mr. Headlee asked how this increase would affect the graduate school.

Mr. Kleckner replied that there would be little effect. In many instances the tuition of the graduate students is paid by employers. Mr. Kleckner added that Oakland University provided "the best buy in town" since Wayne State and Michigan are much higher.

Mr. Matthews agreed that Oakland University students were advantaged over University of Michigan students since the latter were taught in great part by graduate students.

Mr. Morris emphasized that he felt it vitally important that studies be made showing the impact of various reimbursement and financial aid programs noting all of the sources involved in order to determine what is happening to education. He expressed the fear that this country may not be able to compete with the rest of the world if "we restrict education." He strongly recommended that a program be developed at the State level to study the problems discussed today.

Mr. Matthews said he would discuss these concerns at the next Presidents Council State Colleges and Universities meeting and suggested that Mr. De Carlo bring this question to the appropriate members of the Legislature.

Mr. De Carlo noted that Representative Gary Owen has established a committee to study tuition increases and he would review Mr. Morris' concerns with him.

Mr. Lewis urged the administration to study the "waiver of tuition" system used at the "Big 3" so that no student who is qualified or wished to be admitted would be turned away.

Mr. Katke agreed that a study including all of the institutions was necessary. In addition, a study should be made relating only to Oakland University and include such information as where the students are coming from, and the reasons for leaving.

Mr. Matthews concurred in this suggestion.

Mr. Hetenyi stated that Mr. David Beardslee could provide such a survey. He suggested that for a comprehensive research project, the Presidents Council should approach the Carnegie Fund or the Ford Foundation for financing.

Mr. Swanson noted that the midyear problem is that a one million dollar short fall must be made up, and that the proposed tuition hike would raise approximately \$286,000 or about 26 percent of that amount. The administration is not looking to its students to "bail us out." In order to make up the differential, other measures will be instituted such as program cutting, and reductions in staff, equipment, travel and supplies.

Mr. Headlee asked what was meant by "staff reductions."

Mr. Swanson replied that 16 positions were already reduced as a result of attrition, and it was anticipated that another 20 positions would also be closed by attrition. Critical positions would be filled by transfers.

Mr. Headlee inquired if any personnel had been laid off.

Mr. Swanson replied that no one has been laid off, and he felt that with sufficient advance planning the situation might be handled through attrition.

Mr. Headlee asked what would happen if the tuition increase was not approved.

Mr. Swanson replied that people would have to be laid off since most of the university's budget was related to people.

Mr. Headlee inquired if Mr. Swanson anticipated that the contingency money would be spent.

Mr. Swanson stated that this amount was being retained in the event of an additional Executive Order cut in February or March 1981.

Mr. Headlee asked what was being done in connection with travel expenses.

Mr. Swanson replied that there was a freeze on all out-of-State travel except for certain research grants and faculty travel which was negotiated in the AAUP contract.

Mr. Headlee inquired if sports teams were also included.

Mr. Swanson stated that sports travel was still intact and called upon Mr. Jack Wilson, Dean of Student Life, to comment.

Mr. Wilson stated that sports travel involved contractual commitments with other institutions. However, all travel plans have been reviewed and except for "holiday game travel," the teams are restricted to distances equal to in-State distances. As for the holiday game travel, where the students will be in Florida, the students each paid \$250 toward their expenses.

Mr. Matthews concurred that a good portion of the out-of-State travel money was contractually bargained for and could not be reduced. Therefore, with the exceptions noted, there is a freeze on travel which will save about \$65-75,000.

The motion to approve the tuition and fee schedule for winter semester 1981 was then voted on and approved by all of the Trustees present.

Mr. Matthews stated that the second item on the agenda authorized a closed session to review applications in connection with the presidential search process. He called upon Mr. John De Carlo to read the following resolution:

RESOLVED, That pursuant to Section 8 subparagraphs (f) and (h) of the Open Meetings Act, MCL 15.268, the Board of Trustees hereby authorizes a closed session commencing at 9 a.m. on Saturday, December 6, 1980, for the following purposes:

- A. To review the specific contents of certain applications for appointment to the office of President of Oakland University, such applicants having requested that their applications remain confidential.
- B. To consider material exempt from discussion or disclosure under Section 13 (1) (a) of the Freedom of Information Act, MCL 15.243, as information of a personal nature regarding the candidates for appointment to the office of President of Oakland University, the public disclosure of which would constitute an unwarranted invasion of the applicants' privacy and the need for confidentiality of which outweighs the public's right to knowledge thereof.

Mr. Morris moved that the recommendation be approved.

Mr. Katke seconded the motion.

Mr. Matthews stated that the Open Meetings Act requires approval by roll call vote of two-thirds of the Board members appointed and serving. He requested that Mr. De Carlo poll the members:

Trustee Hartmann	-	"Yes"
Trustee Headlee	-	"Yes"
Trustee Katke	-	"Yes"
Trustee Lewis	-	"Yes"
Trustee Morris	-	"Yes"
Trustee Saltzman	-	"Yes"

The motion was approved by all of the Trustees present which constituted a two-thirds majority of the members of the Board appointed and serving.

Ms. Gail De George, Editor of The Oakland Sail, was recognized and stated that she wished to have recorded in the minutes her objection to the closed session of the Board since in her opinion this action violates the university community's right to know about the process.

The meeting was adjourned at 9 a.m.

Approved,

John De Carlo, Secretary  
Board of Trustees

Richard H. Headlee, Chairman  
Board of Trustees

Date \_\_\_\_\_