

Oakland University Senate

13 November 2008

Minutes

Members present: Andersen, Berven (D), Berven (K), Bhargava, Condic, Connery, Debnath, Doane, Dulio, Dvir, Eis, English, Frick, Giblin, Goslin, Graetz, Grossman, Halpin, Hawley, Hightower, Howell, Keane, Latcha, Lemarbe, Lombardo, Machmut-Jhashi, Meehan, Mili, Mittelstaedt, Moudgil, Murphy, Nixon, Pelfrey, Preisinger, Rammel, Russell, Spagnuolo, Tanniru, Thompson, Townsend, Voelck, Wiggins, Williams

Members absent: Brown, Eberly-Lewis, Ingram, Khattree, Larrabee, Medaugh, Mitton, Moore, Moran, Penprase, Polis, Shablin, Sudol, Wharton

Summary of Actions:

1. Informational Items:

President's Update -- Mr. Russi

Graduate Certificate Programs -- Ms. Rammel

SOM Updates: SBRC and SPRC Reports -- Mr. Krauss, Ms. Stein

2. Roll Call. Approval of minutes of 10-16-08. Ms. Condic, Mr. Berven

3. Motion to approve revised Constitution in the School of Nursing. Ms. Howell, Mr. Frick. Approved.

4. Motion to revise charge of the Campus Development and Environment Committee. Mr. Murphy, Ms. Andersen. Approved.

5. Motion to change membership of the Campus Development and Environment Committee. Mr. Murphy, Mr. Latcha. Approved.

6. Motion to approve staff Senate standing committee. Ms. Bhargava, Mr. Goslin. Approved.

7. Motion to approve a resolution to endorse the SBRC and SPRC reports concerning the School of Medicine and to support the committees' recommendations to add the SOM as a professional School. Mr. Russell, Mr. Hightower. Approved.

Calling the meeting to order at 3:10 p.m., Mr. Moudgil invited Mr. Russi to address the Senate for his annual budget update. Mr. Russi noted that his [presentation](#) would include some familiar material regarding the budget snapshot, but would also offer ideas on new opportunities now before the university. Making the case in Lansing remains crucial for Oakland University. The news of the new medical school has been received positively in Lansing and has generated support from many sectors. The capital outlay bill was positive for OU, specifically for a Human Health Building for SHS and SON. Of the six universities that received funding, OU received the most money (40 million). Higher education received a 1% increase of state appropriations, but for the first time in state history, community colleges received a 2% increase. This is troubling, according to Mr. Russi, as it suggests that legislators believe community colleges have more value. He added that much hard work is taking place to establish a positive relationship with the House of Representatives to counteract a bias against universities. Advocacy and lobbying must

continue. One idea that resurfaces every year is the notion of community colleges offering baccalaureate degrees, an idea that is troubling, but will most certainly be defeated in the lame duck session. Mr. Russi reiterated that lobbying matters; in cases where discretionary money was available, OU has always done well.

Mr. Russi then turned to the now depressingly familiar chart of declining state appropriations, and wondered whether OU should be called "state-supported" or "state-assisted" as the numbers have progressively declined from 56 to 27%. Mid-year reductions are expected as well, which could bring the number to 25% to reflect state dependency. He then described the divisional operating support for Academic Affairs, noting the growth of new faculty numbers within the context of protecting academic programs. Money was allocated this year for infrastructure, which translated into support for the renovation of teaching and learning spaces, and in particular, instructional laboratories. Mr. Russi recounted a tour of science labs with members of the Board of Trustees, who saw antiquated equipment bearing the label "MSU-O." According to Mr. Russi, the Capital Campaign has gone well, raising over 100 million dollars in three and a half years (at its outset the goal was to reach 110 million dollars in five years). He expects the campaign to conclude in the winter term. He is pleased that so many donors have chosen to invest in Oakland University.

Shifting to the topic of challenges and opportunities, Mr. Russi noted the work of the Legislative Commission on Government Efficiency, a bipartisan group designed to reduce cost from the state budget by setting targets in various categories. The reduction target for higher education was 200 million dollars. Mr. Russi observed that two options have been suggested to reach that target: first, the privatization of the University of Michigan, which would entail a huge savings of 300 million to the state budget; second, cutting merit aid that may go to some private colleges and universities. The Commission seems to be coalescing around the latter, which constitutes a 200 million dollar cut to higher education.

A cut in state appropriations is expected before the end of the calendar year. Mr. Russi indicated that OU is prepared for the cut, as the university kept in reserve the 1% increase from the previous allocation. He said that going forward will be a challenge depending on tax revenues, but overall, OU is positioned very well. High school graduation numbers are decreasing beginning this year, with a gradual decline expected over time. Statewide that translates to half of one percent this year, but OU has a great image in terms of value and affordability. OU will continue to work on increasing market share as we move forward. Mr. Russi then remarked that tuition support for graduate students has been eliminated by some companies, such as General Motors. Although that trend is expected to continue, there is evidence that students still want to attend OU and pursue graduate degrees, and that marketing and branding is attracting students to the university.

Concurrent with the financial crisis, it is clear that community college enrollment is increasing. For OU, this is a positive trend as we draw upon the community colleges for enrollment of transfer students. We need to improve our articulation agreements and equivalency guides as we communicate with students in community colleges. Referring to the information in his power point, Mr. Russi highlighted other opportunities affecting the university: the strategic use of financial aid in stressful financial times and of individual giving to the university in the capital

campaign.

Mr. Russi expressed interest in discovering how the financial crisis is impacting various aspects of the university and to that end he has begun a process that will ultimately reposition OU and take advantage of opportunities in the financial crisis. We need to determine how to leverage the crisis on behalf of the university and what steps can be taken immediately. Mr. Russi has asked the dean of the School of Business to put together a team of faculty and students to look at the impact of the financial crisis on OU. That team has established a work plan and is moving forward with their study. In addition, OU will consult with a financial crisis team formed by Dykema Gossett, the largest law firm in the state. Mr. Russi will also ask for campus-wide consultation, welcoming suggestions, observations, and ideas about moving forward as a community. Lastly, Mr. Russi praised the work, effort, and support of the community in challenging times and reiterated his belief that the university is well positioned to move forward.

Ms. Howell expressed appreciation for both Mr. Russi's efforts and his presentation, and then noted that information about Oakland's relative health in the Michigan economy would be helpful to have on the website, especially for recruitment purposes. Mr. Russi explained that he plans to send that message. Mr. Russell asked about an estimate for the state budget cutbacks, noting that Mr. Russi had previously talked about a 1% reduction while leaders from other universities have indicated larger amounts. Mr. Russi replied that some legislators are estimating a range between one and three (or more) percent this year, but that feedback from state fiscal agencies suggests that the governor and the legislature will try to keep that at the lower end. Mr. Russell asked whether there is any indication of deferring the fourth quarter payment, and Mr. Russi said no. Mr. Russell observed that Wayne State faculty have been told the cutback would be 4% but that with their rainy day fund they shouldn't worry. Mr. Russi again stated that he believes the cut will be at the lower end. Mr. Russell asked for clarification regarding information related to the capital campaign, and inquired whether the dollars indicated in the slide presentation represented money brought in by the divisions or allocation of money to support the divisions. Mr. Russi made clear that the amounts he referred to indicated money brought in, and that about 4.5 million remains undesignated.

Mr. Moudgil thanked Mr. Russi for his presentation, and then invited Ms. Rammel to present the informational item involving [Graduate Certificate programs in Nursing](#). Noting that the increasing demand for nursing care and the growing need to replace retirements in an aging nursing workforce, Ms. Rammel presented the School of Nursing certificates: one is a new post-MSN Certificate in Nursing Education and the other involves modifications to an existing Post-BSN Graduate Certificate in Nursing Education. The intent of the Post-MSN certificate is to prepare MSN nurses to teach in both service and academic settings. The Post-BSN certificate was developed for BSN nurses interested in becoming nurse educators in service settings or clinical nursing instructors for academic settings.

Mr. Moudgil then turned to the last informational item regarding the update on the School of Medicine. He explained to the Senators that the Board of Trustees has approved the School of Medicine, likening what they approved to an empty box that now needs to be filled with faculty, staff, and other positions. Because the current AAUP contract pre-dated the establishment of the SOM, the provost requested the AAUP to grant an amendment to the contract to include the

School. Faculty can only be added to an established school, and likewise, curriculum needs to be developed by a faculty, according to LCME requirements. The AAUP Executive Committee requested that the Senate Budget Review and Planning Review committees review the following: the agreement between William Beaumont Hospitals and Oakland University, the organizational structure of the School, and confirmation that general funds from OU would not be used in the SOM budget. The documents were provided to the two Senate committees for review. Mr. Moudgil invited the chairs to present their committees' reports.

First, the chair of SPRC, Ms. Stein, thanked the members of her committee for working quickly, carefully, and thoroughly. She outlined the documents that were reviewed -- the affiliation agreement, the multi-year pro forma budget, structural information and an organizational chart -- and noted that the charge specifically included making [recommendations](#) to the Senate on any changes affecting the academic organization of the university and to advise the senate on university-wide implications of relevant changes affecting the organization of the university. Upon careful review, the committee fully supports the establishment of the Oakland University William Beaumont School of Medicine as an organizational unit within Oakland University to be governed in accordance with other academic units.

Next, Mr. Krauss, chair of SBRC, explained that his committee considered whether general funds were being allocated in the pro-forma budget of the SOM, and also looked at the affiliation agreement to determine who would finance the medical school. The SBRC determined that no general funds are being allocated, and that the committee supports the establishment of the SOM.

Mr. Latcha referred to Mr. Krauss's statement in the [SBRC report](#) stating that 50% of the 2010 expenses and 30% of the 2012 expenses are accounted for by philanthropic support, and that moderate shortfalls may result in management of expenses, and wondered what kind of dollars may be involved in a moderate shortfall. Mr. Krauss responded that approximately 60% of the philanthropic monies expected could be delayed and the budget would look okay. Mr. Latcha asked about both a dollar amount and clarification as to who would make up the shortfalls, to which Mr. Krauss replied that it would amount to approximately four million dollars and that the remedy for a possible shortfall was not articulated in the agreement.

Mr. Moudgil observed that the affiliation agreement is between two institutions, and that OU, being a public institution, does not have deep pockets. We have resources for the general operation of the university, but not for the SOM. A few weeks ago, William Beaumont Hospitals had a meeting with their CEO and administrators of their three hospitals, with over 800 in the audience at the Troy Marriott. The euphoria in the meeting was palpable. The CEO of WBH and the president of their foundation said that the SOM was their top priority and that they would do what it takes to make it succeed. Mr. Moudgil has no doubt that WBH will assist in any deficit situation. Having said that, Mr. Moudgil added that he is not moving forward with the assumption that there will be a deficit or shortfall. He observed that the Dean of the SOM is working well within the budget, and that the articulation agreement does say that WBH will take care of all expenses related to clinical education. While there are no guarantees in life, Mr. Moudgil conveyed his belief that given the tenacity and tenor of WBH's commitment, that OU would not be in a position to shoulder a possible shortfall.

In addition, Mr. Moudgil asserted that indirect cost recovery from faculty, such as the Eye Research Institute faculty, will increase, and that patents, copyright fees, and many types of research generated from work by physicians in the medical school will go the SOM. He also mentioned that many in the philanthropic community are primed to raise money, and that partnerships with pharmaceutical and other companies will generate revenue. Also significant is Brooks Patterson's initiative to create a life sciences corridor in Oakland County, where the SOM will be a primary driver.

Mr. Latcha expressed his concern about reconciling the president's budget report about the economic crisis in southeast Michigan with the funding necessary for a new medical school. It would have been helpful, according to Mr. Latcha, to have the information just provided by the provost added to the materials examined by the SBRC and SPRC. Instead, those materials spoke of shortfalls and deficits. Mr. Latcha surmised that the university is taking a large risk and he wants clarification about where we are headed. He believes the materials reviewed were not thorough enough.

Mr. Moudgil stated that the medical school itself is an economic driver and that there is not a single medical school in the country that has not fueled the economy in its region. He expressed his belief that OU will not be taken down in the economic crisis, and that opportunities must be created to grow and expand. If there are gaps in information, he did not know them. Mr. Moudgil explained that he did exactly what was asked by the AAUP Executive Committee in obtaining the documents, and that the two senate committees carried out their charge and indicated their support.

Mr. Russell, referring to the royalties discussed earlier by the provost, sees real benefit to having only OU faculty in the bargaining unit since OU faculty own copyrights, whereas Beaumont physicians do not. When the AAUP Executive Committee met with the SOM dean and provost, the dean explained Beaumont's position vis a vis the absorption of clinical costs, which is a significant point since the clinical area is the most vulnerable to potential losses. Mr. Russell described the affiliation agreement as establishing a firewall between OU and WBH, so that a potential loss is confined to the basic science department. Thus, any loss will be covered outside Oakland with no OU funds affected. Mr. Russell noted much agreement in the Executive Committee regarding the need for Senate involvement in establishing new academic units. Although the provost has kept the senate informed during the past year, no formal senate action was taken. Mr. Russell stated that it was premature at that time to send anything to senate committees, as it would have been sheer speculation. In order to correct that problem and to move forward with the SOM, the AAUP Executive Committee decided in October what the Senate committees could review. Further, Mr. Russell said that the two Senate committees did complete the review they were charged with, and that clearly both endorse the formation of the SOM and the provision to create a new faculty. What is still missing, according to Mr. Russell, is a Senate endorsement of the committee reports.

The secretary proceeded with the roll call, after which the [minutes](#) of the October meeting were approved (Ms. Condic, Mr. Berven) with the following two amendments: Ms. Andersen added to the list of those present, and a correction to the spelling of the name, Moon Jae Pak.

Old Business

The first item of old business involved a motion to approve a revised Constitution in the School of Nursing. Moved by Ms. Howell, seconded by Mr. Frick.

MOVED that the Senate recommend to the President and the Board of Trustees approval of the new [Constitution](#) of the School of Nursing.

Ms. Mittelstaedt presented the revisions to the SON Constitution that included changes to the wording in article iv. Thus, in item 6 the revised version reads: "at least two or whom must be from the tenure/tenure track ranks" and in item 13: "at least three of whom must be from the tenure/tenure track ranks." The SON faculty assembly ratified the revisions on October 31, 2008. With no comments or questions, the Senate voted to approve the revised SON constitution. Mittelstaedt thanked the Senate.

The next two items of old business involved changes to the charge and membership of the Campus Development and Environment Committee. Moved by Mr. Murphy, seconded by Ms. Andersen.

MOVED that the charge of the Campus Development and Environment Committee read as follows:

To consider the aesthetic, ecological, *and public safety effects* of both present practices and future plans for the physical maintenance and development of the campus, to recommend policies in these areas, and to advise the administrative officers responsible for campus development. Such issues as new construction, location of utilities and parking facilities, aesthetic accouterments, maintenance practices, *public safety environment*, and the identification of areas for outdoor education shall fall within the purview of this committee.

Moved by Mr. Meehan, with a second from Mr. Latcha.

MOVED that the membership of the Campus Development and Environment Committee consist of the following:

Five faculty, four students, four administrative professionals; and the Vice President for Student Affairs (or designee), a representative from Campus Facilities and Operations, the Associate Vice President for Facilities Management, *and the Chief of Police*, ex-officio and non-voting.

Both were approved.

New Business

The Senate approved the only item of new business to staff Senate standing committees (Ms. Bhargava, Mr. Goslin).

MOVED that the person listed below be appointed to Senate standing committee:

University Committee on Undergraduate Instruction (CAS Language/Literature)
Jim Nugent (Writing and Rhetoric) -- 2008-2011

Moving to the Good and Welfare, Mr. Russell moved a resolution to endorse the reports of the Senate Budget Review and Senate Planning Review Committees concerning the School of Medicine and to support their recommendations to add the SOM as a professional school. With a second from Mr. Hightower, the Senate gave unanimous approval.

Ms. Williams raised a concern about scheduling Wednesday night classes prior to the Thanksgiving recess. Since residence halls close at 6:00 p.m. students with an evening class are left with the task of managing personal belongings. For students without vehicles, this poses an awkward problem. The faculty member who asked Ms. Williams to bring this situation to the attention of the Senate wonders about getting the residence hall and academic calendars in sync. Mr. Moudgil suggested that Mary Beth Snyder could address this.

Lastly, Mr. Russell raised an issue that was brought to him by his department chair. He referred to a new policy that requires students taking a course for the second time getting a form approved by the registrar. Mr. Russell's chair expressed concern that this situation would create a huge burden for his department, where it is common for students to retake courses multiple times. The paperwork seems needless. Mr. Meehan stated that the registrar's intent in this practice is to encourage more student advising. Mr. Dulio added that he would take the issue to UCUI for discussion.

The meeting adjourned at 4:20 with a motion from Ms. Mittelstaedt and second by Mr. Dvir.

Respectfully submitted,
Tamara Machmut-Jhashi
Secretary to the University Senate