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Minutes of the Meeting
of the
Oakland University Board of Trustees
June 10, 1987

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Present: Chairman David Handleman, Trustees Donald Bemis, Larry Chunovich, Phyllis Law Googasian, Patricia Hartmann, Ken Morris, Stephan Sharf, and Howard Sims

Chairman Handleman called the meeting to order at 5:20 p.m. in Lounge II of the Oakland Center.

Chairman Handleman congratulated Trustee Hartmann on her 32nd wedding anniversary and expressed appreciation for her attendance at the meeting on the anniversary date.

Approval of the Minutes of the Meeting of May 18, 1987

Chairman Handleman asked for any additions or corrections to the proposed minutes for the meeting of May 18, 1987.

Trustee Sharf, seconded by Trustee Googasian, moved to approve the minutes as proposed. The motion was unanimously carried.

Gifts and Grants to Oakland University

Mr. David Rodwell, Vice President for External Affairs, stated that the gifts and grants to Oakland University totaled \$501,687.

Trustee Hartmann, seconded by Trustee Morris, moved the acceptance of the gifts and grants. The motion was unanimously carried.

Information Report on Gifts and Grants to the Oakland University Foundation

Mr. Robert Swanson, Vice President for Developmental Affairs, stated that the gifts and grants to the Oakland University Foundation totaled \$136,556.34.

Trustee Morris, seconded by Trustee Hartmann, moved to accept the information report. The motion was unanimously carried.

Faculty Personnel Actions

Mr. Keith Kleckner, Senior Vice President for University Affairs and Provost, made the following recommendation:

Appointment

Klemanski, John S., Assistant Professor of Political Science, effective August 15, 1987

Meehan, Albert J., Assistant Professor of Sociology, effective August 15, 1987

Warner, Rebecca Lynn, Assistant Professor of Sociology, effective August 15, 1987

Leave of Absence

Aksoy, Asuman, Assistant Professor of Mathematical Sciences, leave from August 25, 1987, through April 27, 1988

Kulkarni, Devadatta M., Assistant Professor of Mathematical Sciences, leave from August 25, 1987, through April 27, 1988

Lepkowski, Frank J., Assistant Professor, University Library, leave from August 15, 1987, through August 14, 1988

Windeknecht, Thomas G., Professor of Engineering, sabbatical leave from August 25, 1987, through December 18, 1987

Resignation

Schwartz, Helen J., Professor of English, effective August 14, 1987

Trustee Morris, seconded by Trustee Hartmann, moved to accept the recommendation. The motion was unanimously carried.

Approval of Career Development Leave for William W. Connellan, Associate Provost

Mr. Kleckner stated that Mr. William W. Connellan has requested approval for a three-month Career Development Leave to be taken in July, August, and September of 1987. Mr. Connellan plans to study faculty staffing patterns of member institutions of the American Association of State Colleges and Universities and how these patterns will be affected by expected retirements in the 1990's. Mr. Connellan would also use the leave to refresh his journalism skills by writing newspaper articles. This experience relates to his teaching in the journalism program at Oakland.

Mr. Kleckner made the following recommendation:

RESOLVED, That the Board of Trustees approves a three-month Career Development Leave for William W. Connellan, Associate Provost, to be taken in July, August, and September of 1987, for the purposes of conducting research on faculty staffing patterns and writing newspaper articles to update his skills relating to the teaching of journalism classes.

Trustee Googasian, seconded by Trustee Hartmann, moved approval of the recommendation. The motion was unanimously carried.

Establishment of Position of Medical Director - Meadow Brook Health Enhancement Institute

Mr. Willard Kendall, Director of Employee Relations, stated that the Meadow Brook Health Enhancement Institute has grown to the point where a full-time Medical Director is required. This position will be funded out of the revenue generated by the Institute.

Mr. Kendall made the following recommendation:

RESOLVED, That the Board of Trustees approves the establishment of the position of Medical Director of the Meadow Brook Health Enhancement Institute.

Trustee Morris, seconded by Trustee Chunovich, moved to approve the recommendation. The motion was unanimously carried.

Recommendation for Approval of Degree Candidates of April 25, 1987

Mr. Kleckner stated that the April 25, 1987, list of degree candidates contained the names of students receiving undergraduate and graduate degrees. He noted that three PhD degree recipients were included.

Trustee Sims, seconded by Trustee Hartmann, moved to approve the degree candidate list. The motion was unanimously carried.

Proposal for a Bachelor of Science Degree in Perfusion Technology

Mr. Kleckner stated that the Perfusion Technology degree item has been considered by the Board on several occasions. At the May 18, 1987, Board meeting, the matter was tabled because of concerns regarding insurance protection for the University. Mr. Kleckner stated that the insurance issue has been studied, and the materials submitted to the Board include a report from Fred S. James & Company of Michigan, an insurance consultant, concerning recommendations about the coverage.

Mr. Kleckner made the following recommendation:

RESOLVED, That the Board of Trustees authorizes the implementation, retroactively with the Fall 1986 semester, by the School of Health Sciences of a Bachelor of Science degree in Perfusion Technology, upon execution of a contract with PSICOR, Inc. that is consistent with the recommendations of the University's risk management consultants; and be it further

RESOLVED, That Harry R. Hoerr, Jr., and Michael F. Kraemer be appointed special instructors in Perfusion Technology effective with the implementation of this program.

Trustee Hartmann made the following statement:

The University Affairs Committee discussed this issue at the June 3, 1987, meeting. In view of the issues raised by the Trustees regarding insurance coverage for PSICOR, Inc. and the University in connection with the Perfusion Technology program, a report was requested from the Risk Management Office and from an independent insurance consultant. These reports were reviewed by the University Affairs Committee, and it was determined that the Perfusion Technology program should be approved subject to the implementation of the recommendations of the insurance consultant. This condition is contained in the recommendation submitted by Mr. Kleckner, and subject to compliance with this provision, I move approval of the recommendation.

Trustee Googasian seconded the motion.

Trustee Bemis stated that the letter from James & Company reads that "it should be noted that we have not reviewed the insurance policies of the University, nor have we seen a loss history of PSICOR's past general/professional liability claims activity. This information should be reviewed." He asked if this information has been reviewed.

Trustee Hartmann stated that it was part of the recommendation that these materials be reviewed prior to implementation of a contract.

Trustee Bemis questioned the intent of the words "consistent with the recommendations of the University's risk management consultants" as they appeared in the resolution proposed by Mr. Kleckner.

Trustee Hartmann summarized the recommendations of James & Company.

Trustee Bemis questioned if all of the recommendations would have to be complied with before the execution of the contract.

Trustee Hartmann stated that is what the University Affairs Committee has suggested.

Trustee Bemis asked if that were part of the motion.

Trustee Hartmann stated that the use of the words "consistent with" meant that the recommendations must be complied with.

Mr. John De Carlo, Secretary to the Board of Trustees, Vice President for Governmental Affairs, and General Counsel, stated that he believed that it was Mr. Kleckner's intent that the recommendations of James & Company be complied with. He added that the Office of the General Counsel was currently working on the amendments to the contract. He stated that if Trustee Bemis preferred "in compliance with" over "consistent with", he would have no objection.

President Joseph E. Champagne asked if Mr. Kleckner had spoken with Mr. Michael Dunaway, President of PSICOR.

Mr. Kleckner stated that Mr. Dunaway is "favorably disposed" to the requirements, because they were discussed with PSICOR's insurance agent as well.

Trustee Bemis requested that the words "consistent with" be changed to "compliance with".

Mr. Kleckner and Trustee Hartmann stated that was satisfactory to them, as the intent is the same.

Trustee Bemis asked if all enclosures and comments of the insurance consultant's report have been reviewed by the legal counsel of the University.

Mr. De Carlo stated that the items have been reviewed. He stated that there is an element of risk in the program, but the administration believes that the risks will be minimized in the best manner possible if the recommendations are followed.

Trustee Hartmann stated that the same element of risk is inherent in any medical program.

The motion was revised to read as follows:

RESOLVED, That the Board of Trustees authorizes the implementation, retroactively, with the Fall 1986 semester, by the School of Health Sciences, of a Bachelor of Science degree in Perfusion Technology, upon execution of a contract with PSICOR, Inc. that is in compliance with the recommendations of the University's risk management consultants; and be it further

RESOLVED, That Harry R. Hoerr, Jr., and Michael F. Kraemer be appointed special instructors in perfusion technology effective with the implementation of this program.

The motion was unanimously approved.

Matilda R. and Alfred G. Wilson Award Recipients

Mrs. Wilma Ray-Bledsoe, Vice President for Student Affairs, stated that the Matilda R. Wilson Award is given annually to an outstanding senior female student and the Alfred G. Wilson Award is given annually to an outstanding male senior student. The recognition is based on outstanding academic achievement, contributions to the quality of campus life, and a demonstrated interest in social and community issues. She introduced Ms. Mary Beth Tierney, recipient of the Matilda R. Wilson Award, and read the following recommendation:

WHEREAS, Ms. Mary Beth Tierney entered Oakland University in the fall of 1983 as a Student Life Scholar in the residence halls from Milford, Michigan, Brighton High School; and

WHEREAS, Ms. Tierney demonstrated academic excellence by maintaining a 3.8 grade point average as a member of the honors college in pursuit of a major in biology; and

WHEREAS, Ms. Tierney's academic excellence has been recognized by her being a recipient of a writing excellence award, upperclass achievement scholarship, and an undergraduate alumni research grant; and

WHEREAS, Ms. Tierney has demonstrated leadership capabilities and commitment to the university by her participation in a variety of campus functions, including Resident Assistant, Residence Hall Wellness Committee, University Teaching and Learning Committee, Student

Program Board, Student Involvement Committee, Residence Halls Positive Committee and Cinema Review Society; and

WHEREAS, Ms. Tierney has served as a student representative of Oakland University to the public through her work as a member of the St. John Fisher Chapel Board of Directors, Career Day volunteer, Campus Tour Guide volunteer, Cardiac Rehabilitation Program volunteer, and Crittenton Hospital Emergency Room volunteer; and

WHEREAS, Ms. Tierney has been selected as the 1987 recipient of the Matilda R. Wilson Award given annually to a senior woman who has maintained high academic standards, who has demonstrated extraordinary leadership capabilities and involvement in the Oakland University Community and who has expressed social concern; now, therefore, be it

RESOLVED, That the Board of Trustees expresses its appreciation to Ms. Mary Beth Tierney for her commitment to campus life at Oakland University; and be it further

RESOLVED, That the Board of Trustees commends Ms. Mary Beth Tierney for the quality of her scholarship and leadership.

Mrs. Ray-Bledsoe stated that Ms. Tierney will attend Cornell University where she will begin studies for a PhD in Biology and will be a Teaching Assistant.

Trustee Bemis, seconded by Trustee Hartmann, moved approval of the recommendation. The motion was unanimously carried.

Chairman Handleman stated that he was very pleased to present Ms. Tierney with a copy of the Board of Trustees' resolution. He congratulated her on behalf of the Board.

Mrs. Ray-Bledsoe stated that Mr. Dennis Washington, recipient of the Alfred G. Wilson Award, was unable to attend the meeting due to a transportation problem. She stated that Mr. Washington will be attending Harvard University over the summer, and he will begin studies at the University of Minnesota under a Sloan Foundation Fellowship for a joint degree program in Public Policy and Law.

Mrs. Ray-Bledsoe read the following recommendation:

WHEREAS, Mr. Dennis Washington entered Oakland University in the fall of 1983 as a Student Life Scholar in the residence halls from Detroit, Michigan, Renaissance High School; and

WHEREAS, Mr. Washington demonstrated academic excellence by maintaining a 3.3 grade point average as a member of the Honors College in pursuit of a major in English; and

WHEREAS, Mr. Washington's leadership and academic excellence have been recognized by his successful and active participation as a member of the Honors College Council, selection as a delegate to the National Collegiate Honors Council Conference, selection as the 1986 Michigan Association of Governing Boards Outstanding Student of the Year and selection as the Sidney Fink Memorial Award Recipient; and

WHEREAS, Mr. Washington has demonstrated superior leadership capabilities and commitment to the University by his participation in a variety of campus functions, including Resident Assistant, President of the Association of Black Students, University Congress, Oakland Sail Board of Directors, Student Life Scholarship Renewal Committee, Student Life Lecture Board, Major Events Committee, Meadow Brook Ball Committee, President's Council, the Minority Concerns Committee and Orientation Group Leader; and

WHEREAS, Mr. Washington has served as a student representative of Oakland University to the public through an internship in the office of a Justice of the State Supreme Court; and

WHEREAS, Mr. Washington has been selected as the 1987 recipient of the Alfred G. Wilson Award given annually to a senior man who has maintained high academic standards, who has demonstrated extraordinary leadership capabilities and involvement in the Oakland University community and who has expressed social concern; now, therefore, be it

RESOLVED, That the Board of Trustees expresses its appreciation to Mr. Dennis Washington for his commitment to campus life at Oakland University; and be it further

RESOLVED, that the Board of Trustees commends Mr. Dennis Washington for the quality of his scholarship and leadership.

Trustee Googasian, seconded by Trustee Bemis, moved to accept the recommendation. The motion was unanimously carried.

The resolution was accepted for Mr. Washington by Mrs. Ray-Bledsoe.

Meadow Brook Subdivision Financing Guarantee

Mr. McGarry stated that as of May 19, 1987, the Board of Trustees was guarantor of 44 mortgages with balances totaling \$1,407,171.10. On April 30, 1987, the University guaranteed payment on promissory notes for two refinancings. One was for \$61,500 with an interest rate of 9.5%, and the other was \$48,000 with an interest rate of 8.75%. Both notes are with Standard Federal Bank.

Trustee Morris, seconded by Trustee Chunovich, moved to accept the report. The motion was unanimously carried.

1987/88 General Fund Budget - Resolution to Continue at 1986/87 Level

Mr. McGarry stated that the State appropriation is unknown and there will not be sufficient time to prepare a budget before the end of the fiscal year, June 30, 1987. Mr. McGarry then made the following recommendation:

RESOLVED, That the Board of Trustees authorizes a continuation General Fund Budget for 1987-88 at the level of the 1986-87 expenditure budget, adjusted for previously approved contractual agreements; and be it further

RESOLVED, That any other employee compensation agreements that are granted within the guidelines established by the Finance and Personnel Committee of the Board of Trustees in the interim budget period, shall be subject to ratification by the Board of Trustees.

Trustee Morris, seconded by Trustee Chunovich, moved to approve the recommendation. The motion was unanimously carried.

Contract to Install Uninterruptible Power Supply in the Computer Center

Mr. McGarry stated that the request for approval to obtain bids for a contract to install an uninterruptible power supply in the Computer Center was before the Board in November, 1986. The administration delayed taking action on the matter until EDS Corporation had an opportunity to analyze the Computer Center. This item has been reviewed with EDS, and its recommendation is that the University proceed with the installation of an uninterruptible power supply and power distribution unit in the Computer Center. This is a battery back-up system which would allow the Computer Center to take the computers down in a controlled method when there is a power failure.

Mr. McGarry made the following recommendation:

RESOLVED, That the Vice President for Finance and Administration is authorized to award the contract for the installation of an uninterruptible power supply system and power distribution unit in the Computer Center to the Gerald L. Reed Electric Company, with total project costs not to exceed \$138,000, and be it further

RESOLVED, That the contract will be approved by legal counsel and be in accordance with the University's affirmative action policy.

Trustee Sims noted that the low bidder increased its bid after the bidding period had expired. He asked if all bidders were contacted as to whether they would hold or extend their bids for an additional period beyond the expiration date. Mr. Douglas Gniewek, Assistant Vice President for Administration and Risk Management, stated that when the bid time expired each vendor was called to find out whether they could extend another 45 days.

Trustee Sims asked if the Reed Electric bid was legal, since it was not held firm. Mr. Gniewek stated that he believed that it was legal.

Trustee Sims stated he had reservations as to whether or not the raising of the bid by Reed Electric was procedurally correct. He questioned if the Reed bid is now a responsive bid, since it was changed.

Trustee Bemis asked if the question to the bidders was phrased, "Are you willing to extend your bid for 30 days?" Mr. Gniewek stated that he personally did not make the phone calls, but he was certain that was how the question was approached.

Chairman Handleman asked what the justification was for raising the bid. Mr. Gniewek responded that Reed Electric had increased costs. Mr. McGarry stated that there is a letter to that effect.

Chairman Handleman asked about the time period between the letter and the delay of the bid. Mr. Gniewek did not have that information.

Mr. McGarry stated that the administration received Board authority to take bids in November. On April 3, the administration received a letter from Reed Electric stating that the bid would rise because of labor and material costs. Reed Electric has stated that they will hold this bid until June 18, 1987.

Trustee Chunovich asked if a written communication was received from each of the other four companies indicating that they will hold their bids for the extended period of time. Mr. Gniewek stated that, after reconsideration of his statement, he was sure there was not. He added that the administration did not feel it was necessary to go to other bidders as long as Reed Electric was still the low bidder.

Trustee Sims moved to table the issue as there were questions on bidding procedures.

Trustee Sharf stated that if the issue were tabled, there may be another increase in the bid due to the time element involved.

Trustee Bemis stated that he is concerned with the integrity of the bidding process.

Trustee Sharf stated that since Reed Electric is still the lowest bidder, even if its bid has been raised, there is no reason to request new bids.

Mr. McGarry stated that if the University had acted in a timely fashion, this would have never occurred.

Trustee Sharf stated that it is important to know which company is the better company, as the bids are so close.

Trustee Howard Sims asked if the University was obligated to take the lowest bid.

President Champagne stated that the University is not obligated as long as there is a good reason for the action. Mr. De Carlo stated that the University had that right if there is a provision in the bid specifications providing the University with the right to reject or accept any bid.

A question was raised as to whether the administration had contacted the other bidders. Mr. Gniewek stated that he believed there was communication only with the low bidder. As long as the low bidder remained the lowest, there was no reason to go to the other bidders.

Mr. De Carlo stated that if the bid specifications provided for the right to reject and negotiate bids, such action could occur, but it would be preferable to contact all bidders. However, if this was a sealed bid process and a condition in the specifications is not complied with, or if a bidder changes the bid because of a changed condition, then the other bidders must be given the same right to change their bid or the matter should be rebid. He stated that it is inappropriate to contact only one bidder with a sealed bid process.

Mr. Gniewek stated that he believed that there is a choice of either negotiating with the low bidder or rebidding the project.

Mr. De Carlo stated that if he understood the facts correctly, other bidders could request an opportunity to change their bids. The question arises as to whether the bid was a sealed bid or not. Mr. De Carlo stated that the letting of the bid appeared flawed because the administration did not require adherence to the price that was bid.

Trustee Chunovich moved to authorize the administration to enter into an agreement with Reed Electric at its original price, if that is acceptable to the company. If not, the University could offer the contract to the next lowest responsive bidder.

President Champagne stated that this was a preferable way to handle the situation rather than risk a large increase by reopening the bidding.

Trustee Bemis clarified that the administration would ask the vendors if their bid was still valid and that they waived the awarding date provision. Those bids that are still valid are still to be considered. Those that are not will be rejected. The lowest bid will be accepted.

Trustee Hartmann stated that this method may cost only \$500 whereas opening the bidding process again could cost the University a considerably larger amount.

Trustee Googasian seconded the motion made by Trustee Chunovich which reads as follows:

RESOLVED, That the Board of Trustees authorizes the Vice President for Finance and Administration to contact the bidders for the project relating to providing an uninterruptible power supply system and power distribution unit in the Computer Center, as set forth in the Board agenda report, to ascertain if the original bids are still firm and if there is a waiver of the date requirement for awarding of the bid; and be it further

RESOLVED, That the University may award the bid to the lowest qualified bidder who waives the date requirement, at a contract cost not to exceed \$115,000, with a project cost not to exceed \$138,000; and be it further

RESOLVED, That the contract will be approved by legal counsel and be in accordance with the University's affirmative action policy.

Trustees Bemis, Chunovich, Googasian, Handleman, Hartmann, Morris, and Sims voted to pass the motion, Trustee Sharf was opposed. The motion was carried.

Replacement and Disposal of PCB Transformers

Mr. McGarry stated that federal Environmental Protection Agency regulations dictate that the University dispose of all PCB transformers by October, 1990. He stated that the administration has done an extensive study of the situation. He added that all University PCB transformers do not have to be replaced at this time; however, he recommended that they be replaced in order to save money and avoid any future problems.

Mr. McGarry made the following recommendation:

RESOLVED, That the Vice President for Finance and Administration is authorized to enter into a fixed price contract with Electric Equipment Service Corporation for a campus wide replacement of fourteen PCB transformers, as well as the removal/disposal of five other PCB transformers, as identified in the university's PCB Plan, at a cost of \$321,197, plus \$48,089 for transformer carcass incineration pending EPA approval and certification, and be it further

RESOLVED, That the total project cost shall not exceed \$400,000 of which \$180,000 is to be provided from funds provided by the State of Michigan and \$220,000 from university sources, and be it further

RESOLVED, That PCB disposal be fully in accordance with EPA regulations.

President Champagne stated that this matter was discussed in the Finance and Personnel Committee meeting and that the Committee feels that the bids should be questioned because of the very wide spread between the bids. The Committee is uncomfortable with such a large difference. In order to have the project completed this summer, it was suggested that the Board should grant authority to award the contract to the Finance and Personnel Committee. President Champagne read the following suggested resolution:

RESOLVED, That the Vice President for Finance and Administration is authorized to enter into a fixed price contract with a contractor at an amount not greater than the highest bid received as of the date of this writing, subject to the approval of the Finance and Personnel Committee.

President Champagne stated that he realizes that this is an unusual procedure, but it is to make sure that the low bid in this case is truly a correct bid.

Trustee Sharf asked if Electric Equipment Service Corp. ("EESC") or the low bid was being questioned. He stated that EESC should not have to be questioned as the Trustees should assume that the companies presented to them are approved. He added that no company should be submitted to the Board if the administration feels it is not capable of doing the job.

Chairman Handleman stated that the rationale for reviewing the recommendation was based on the fact that the variance in the bids was so extreme, and since EESC is such a small company.

Trustee Sharf asked why EESC was placed on the bid list. President Champagne stated that the recommendations were good. EESC has done satisfactory work for both the States of Michigan and Minnesota and met University specifications. He added that there was a real concern in the Committee because of the size of EESC.

Trustee Sharf stated that most companies at one time are small.

Mr. Gniewek stated that EESC's references had been checked; they include work for Stroh Brewery, Honeywell Corporation, and the State of Minnesota. He added that the new transformers provided would be the same as those used by Westinghouse and General Electric. The company has undertaken contracts that are considerably larger than Oakland's.

Trustee Bemis questioned when EESC would receive certification for carcass incineration. Mr. McGarry stated that they would receive certification in July or August. Mr. McGarry stated that carcass incineration eliminates the concern of possible carcass landfill liability in the future.

Trustee Chunovich asked if the bid should be accepted if it is contingent on EESC receiving incineration certification. Mr. McGarry stated that the alternative is to go with landfill disposal. This would be the case with Westinghouse or General Electric as well.

Mr. Gniewik stated that all of the companies are bidding the same land disposal site and incineration process. It is the University's choice between landfill or incineration. By choosing the option of incineration the University's liability will end after the incineration process. The problem is that all of the incinerator operators are under EPA development grants. No one has been permanently licensed at this time.

Mr. McGarry repeated that the EPA facility certification is expected in July or August. Mr. Gniewek stated that all of the bidders would use the same incineration contractors and they could all arrange for the carcasses to be incinerated.

Trustee Sims stated that there is a responsive bid from a qualified bidder whose references have been checked, and there is a responsibility to make that award.

Trustee Sims moved the recommendation with an addition to read as follows:

RESOLVED, That the Vice President for Finance and Administration is authorized to enter into a fixed price contract with Electric Equipment Service Corporation for a campus-wide replacement of fourteen PCB transformers, as well as the removal/disposal of five other PCB transformers, as identified in the university's PCB Plan, at a cost of \$321,197, plus \$48,089 for transformer carcass incineration pending EPA approval and certification, and be it further

RESOLVED, That in the event that such approval is not received that each transformer carcass be incinerated through other sources, and be it further

RESOLVED, That the total project cost shall not exceed \$400,000, of which \$180,000 is to be provided from funds provided by the State of Michigan and \$220,000 from university sources, and be it further

RESOLVED, That PCB disposal be fully in accordance with EPA regulations.

Trustee Sharf seconded the motion. The motion was unanimously carried.

Games of Chance Policy

Mr. De Carlo stated that bingo, millionaire parties, charity games, and raffles are used as methods of fund raising; however, they are forms of gambling. He noted that gambling is an illegal activity for all organizations and individuals except as authorized by law. He added that State law does provide that certain organizations, including colleges and universities, may conduct games of chance under specific conditions. This proposed policy provides that games of chance may be authorized only if they are conducted in the best interest of the University and when net proceeds are for direct institutional benefit. This policy is in compliance with the law and sets forth procedures so that organizations may request authorization for certain games of chance.

Mr. De Carlo made the following recommendation:

RESOLVED, That the Board of Trustees adopt the following policy:

GAMES OF CHANCE POLICY

Games of chance are prohibited on campus unless they are conducted in accordance with the law and under the conditions of this policy and its implementing procedures. Games of chance which are not on behalf of the University may not be conducted on University property. Individuals or organizations not associated with the University may not lease or in any other way utilize University property to conduct any game of chance which is not on behalf of the University.

Bingo, millionaire parties, charity games, or raffles (hereafter, "games of chance") on Oakland University property, or at any location on behalf of any University program or activity, may be conducted by the University and its employees, agents or students only in accordance with this policy and State law and subject to the following conditions:

1. The game of chance shall be for the sole benefit of the University. Net proceeds must be used for direct institutional benefit.

2. The game of chance must be approved by the University President or a designee prior to any action on behalf of the event. The gambling event shall not occur without specific written authorization.

3. Approval of a game of chance shall be granted only when such event is deemed to be in the best interest of the University.

4. The University administration shall, in accordance with the law, develop procedures to control the approval and conduct of games of chance, and all such events shall conform to those procedures.

5. As State law or procedures established by the Bureau of State Lottery change, the University administration shall modify its promulgated procedures, as necessary, to conform to those changes.

"Bingo" means that specific kind of game of chance commonly known as bingo in which prizes are awarded on the basis of designated numbers or symbols on a card conforming to numbers or symbols selected at random.

"Charity game" means the random resale of a series of charity game tickets by a qualified organization which has purchased the charity game tickets from the Bureau of State Lottery or a licensed supplier in conjunction with a licensed bingo game or a licensed millionaire party.

"Millionaire party" means an event at which wagers are placed upon games of chance customarily associated with a gambling casino through the use of imitation money which has a nominal value that is greater than the value of the currency for which it was exchanged or is exchangeable.

"Raffle" means the sale of raffle tickets and the event at which stubs or receipts to the raffle tickets sold are randomly selected from a pool consisting of all tickets sold for that event, and at which a pre-announced prize (or prizes) is (are) awarded to the ticket holder(s) whose ticket(s) is(are) selected.

Trustee Hartmann, seconded by Trustee Googasian, moved acceptance of the recommendation. The motion was unanimously carried.

Amendment to Classification of Students as "Out-of-State"
Residents

President Champagne stated that the University's current policy requires that a person be a resident of the State of Michigan for 12 months to qualify for in-state tuition rates. About half of the universities in the State have a 12-month residency requirement and the others have a six-month requirement. He stated that the issue "came to light" because of the large number of people who are moving to this area, some who have lived in this area in the past and were transferred out of and then back to Michigan. In light of this situation, the administration felt that these persons should qualify as in-state residents in a shorter period of time than 12 months. In addition, certain non-resident aliens may also qualify under the six-month residence provision.

President Champagne made the following recommendation:

RESOLVED, That the policy on classification of students as "out-of-state" residents, approved by the Board of Trustees on September 24, 1973, is hereby amended to read:

Students enrolling at Oakland University shall be classified as in-state or out-of-state students for purposes of assessing tuition charges. It is the student's responsibility to register each semester or session under the proper in-state or out-of-state classification. For the purpose of these regulations, an in-state student shall be defined as one of the following:

1. A person who has a lawful Michigan domicile and has lived in Michigan six (6) months immediately preceding his or her enrollment, where "enrollment" means the earlier of either the day fees are due and payable or the first class meeting; or
2. A person who was domiciled and resided in Michigan for a consecutive period of at least five years, who subsequently left the State for a period no longer than one year, and has returned and established a Michigan domicile and resides in the State.

A student who was originally classified as an out-of-state student may be reclassified as an in-state student only if he or she has been a bona fide domiciliary of Michigan for at least six (6) consecutive months. A student shall not be considered a bona fide domiciliary of Michigan unless he or she has continuous physical presence in Michigan and intends to make Michigan a permanent home, not only while in attendance as a student at the University, but indefinitely thereafter.

An alien who has been lawfully admitted for permanent residence in the United States shall be treated for classification purposes as if he or she were a citizen of the United States. An alien who is present in the United States on a student visa shall not be eligible for classification as an in-state student, regardless of length of stay in Michigan, except that this disqualification shall not be automatic in the case of a person on a lawful student visa whose parent(s) are simultaneously resident in the state on a visa other than a student visa. In this latter instance and in the case of an alien lawfully present in the United States on any other non-immigrant visa, the determination of classification shall be made on a case-by-case basis by the President or a designee after the six month durational requirement has been met, taking into consideration the appropriate enumerated factors in the following paragraph.

Any student who has acquired a bona fide domicile in Michigan subsequent to being classified as an out-of-state student may apply for reclassification to in-state status by obtaining an "application for reclassification" from the University Registrar, 101 O'Dowd Hall. The student shall complete the application and list in detail the reason(s) he or she is a bona fide domiciliary of Michigan, and attach documentary data in support thereof, and return the application to the University Registrar thirty days prior to the beginning of classes of the semester or session for which the reclassification shall be effective. The following facts and circumstances, although not necessarily conclusive, have probative value

in support of a claim for reclassification after the six month durational requirement has been met:

1. Continuous presence in Michigan when not enrolled as a student.
2. Reliance upon Michigan sources for financial support.
3. Domicile in Michigan of family, guardian, or other relatives or persons legally responsible for the student.
4. Maintenance of significant connections within Michigan while temporarily absent from the state and a continued intent to retain Michigan as a domicile.
5. Ownership of a home.
6. Long-term military commitments in Michigan.
7. Acceptance of offer of permanent employment in Michigan.
8. In the case of aliens on temporary non-student visas, length of stay in Michigan and sources of economic support.
9. Other factors indicating an intent to make Michigan the student's permanent domicile will be considered by the University in reclassifying a student.

The following circumstances, standing alone, shall not constitute sufficient evidence of domicile to effect reclassification of a student under these regulations:

1. Voting or registration for voting.
2. Employment in any position normally filled by a student.
3. The lease of living quarters.
4. A statement of intention to acquire a domicile in Michigan.

5. Domicile in Michigan of student's spouse.
6. Automobile registration.
7. Other public records such as birth and marriage records.

Any student desiring to challenge his or her classification under the foregoing regulations of the Board of Trustees shall have the right to appeal the determination. Petitions of Appeal and inquiries regarding these out-of-state tuition regulations should be addressed to: Chairman, Out-of-State Tuition Committee, 520 O'Dowd Hall, Oakland University, Rochester, Michigan, 48309-4401.

Trustee Chunovich, seconded by Trustee Morris, moved to accept the recommendation. The motion was unanimously carried.

Participation in Michigan Higher Education Risk Sharing Facility

Mr. McGarry stated that because of escalated insurance costs, lack of availability of insurance, and coverage exclusions, the State Council of College and University Presidents formed a task force to investigate remedies. The task force, which included risk managers, business officers, and legal officers, has recommended that a "risk sharing facility" be formed. This would be a non-profit corporation operated by the colleges and universities. The insurance and actuarial expertise was provided to the task force by Johnson and Higgins, and legal advice was provided by the law firm of Miller, Canfield, Paddock & Stone. Mr. McGarry added that the facility should provide improvement of coverage, stability of insurance costs, and eventual cost reductions.

Mr. McGarry stated that on the recommendation of the Board's Finance and Personnel Committee, the administration employed The Wyatt Company to review the proposal. The Wyatt Company endorsed the University's participation in the risk sharing facility.

Participation in the corporation would require a one time capital contribution of \$59,000. The premium costs are approximately the same as current private costs. The Finance and Personnel Committee and Wyatt agree that this is a very conservative approach, and the University's costs will most likely decrease.

Mr. McGarry made the following recommendation:

RESOLVED, That, contingent upon a determination by the University administration that entering into an agreement with the participating State of Michigan Colleges and Universities for the formation of the Michigan Higher Education Risk-Sharing Facility is in the University's best interests, after taking into consideration the cost and comprehensiveness of the insurance offered by the Facility in comparison to alternative sources, and the potential stability of coverage, and after determining that equivalent coverage is not available elsewhere for the same or lesser cost; the Vice President for Finance and Administration in consultation with the University's General Counsel is authorized to enter into an agreement with the participating State of Michigan Colleges and Universities, for the formation of the Michigan Higher Education Risk-Sharing Facility; and be it further

RESOLVED, That the University shall obtain secondary Directors and Officers insurance through the Facility effective July 1, 1987, or at such date as the Facility first offers such insurance; and be it further

RESOLVED, That upon the expiration of Oakland University's existing general liability policy on November 30, 1987, the University shall obtain replacement coverage through the Facility; and be it further

RESOLVED, That the President shall be authorized to appoint an institutional representative to the Board of the Facility; and be it further

RESOLVED, That periodic reports shall be made to the Oakland University Board of Trustees Finance and Personnel Committee during the period when costs and coverages are being established by the Facility; and be it further

RESOLVED, That an annual financial report of the Facility's activities shall be presented to the Board of Trustees.

Trustee Hartmann asked if this was a self-insurance policy similar to the School, College, and University Underwriters Limited arrangement. Mr. McGarry stated that was correct, but it would only involve the Michigan schools, and each school would have a representative on the Board. The facility would be managed by insurance consultants.

Chairman Handleman asked if there was the option of looking at the costs prior to Board acceptance. Mr. McGarry stated that the agreement to participate was required prior to July 1, 1987. He added that legal counsel must review the draft of the policy and the final draft of the participation agreement must be approved. The University will not proceed if excess coverage is not available.

Mr. McGarry stated that the facility will give the Trustees coverage that they do not have presently, and it will save the University money ultimately. He added that participation is a five-year commitment and should the University choose to remove itself from participation, it will lose its initial \$59,000 investment.

Trustee Morris, seconded by Trustee Hartmann, moved acceptance of the recommendation. The motion was unanimously carried.

Oakland University Board of Trustees Meeting Dates

Mr. De Carlo stated that the Michigan Open Meetings Act requires the publication of Board meeting dates for each fiscal year. These dates were presented to the Board at the May 18, 1987, meeting. The dates are as follows, with meetings to commence at 5:00 p.m. unless otherwise noted:

- Wednesday, July 8, 1987
- Wednesday, August 12, 1987
- Wednesday, September 9, 1987 (Note: 4:00 p.m.)
- Wednesday, October 14, 1987
- Wednesday, November 11, 1987
- Wednesday, December 9, 1987
- Wednesday, January 13, 1988
- Wednesday, February 10, 1988
- Wednesday, March 9, 1988
- Wednesday, April 13, 1988
- Wednesday, May 11, 1988
- Wednesday, June 8, 1988

Trustee Chunovich, seconded by Trustee Sims, moved to adopt the meeting date schedule. Trustees Bemis, Chunovich, Googasian, Handleman, Morris, Sharf, and Sims voted to adopt the schedule. Trustee Hartmann was opposed since she had existing conflicts for several of the dates.

Other Items That May Come Before the Board

Chairman Handleman called on Mr. Philip Singer, Professor of Health Behavioral Sciences and Anthropology, who had made a request to speak to the Board.

The following is a summary of Mr. Singer's comments in first person narrative for ease of reading.

I am here to alert the Board in their "watchdog" capacity, which I have been very much impressed with in terms of what the Finance and Personnel Committee has exhibited today regarding its great fiscal concerns for the University. I wish to speak about an issue to which I am simply alerting the Board. I am asking for nothing more than for what I have received on two occasions when I spoke to Chairman Handleman and he told me, "I hear you, Philip."

My concern has to do with the search for the Dean of Health Sciences. As a member of the Search Committee, my concern is that before the Finance and Personnel Committee should decide to select as dean a candidate they have not met, they invite this candidate to be interviewed either by the Board or by individual members of the Board, because this is a very "serious position," which the Board has noted in the past.

My concern, which I wish to put on record, is that of considering a candidate who was not recommended by the Search Committee. I am simply asking that you hear me and that you exhibit the same kind of concern for personnel that you have exhibited for finances. Thank you very much.

Chairman Handleman thanked Professor Singer and stated that the Board would give his statement all of the consideration that he requested.

Trustee Hartmann, seconded by Trustee Morris, moved to adjourn the meeting. The motion was unanimously carried.

The meeting was adjourned at 6:36 p.m.

Respectfully Submitted,

Approved,



John De Carlo, Secretary
Board of Trustees

David Handleman, Chairman
Board of Trustees