

Minutes of the Meeting
of the
Oakland University Board of Trustees
November 8, 1989

Present: Chairperson Patricia Hartmann, and Trustees Larry Chunovich, Phyllis Law Googasian, David Handleman, Howard F. Sims, and James A. Sharp, Jr.

Absent: Trustees Ken Morris and Stephan Sharf

Chairman Hartmann called the meeting to order at 4:11 p.m. in the Gold Rooms of the Oakland Center.

Approval of the Minutes of the Meeting of October 11, 1989

Trustee Sims, seconded by Trustee Sharp, moved approval of the proposed minutes. The motion was voted on and unanimously carried.

Approval of the Minutes of the Closed Meeting of October 11, 1989

Trustee Sharp, seconded by Trustee Sims, moved approval of the proposed minutes for the closed meeting of October 11, 1989. The motion was voted on and unanimously carried.

Audited Financial Statements for the Fiscal Year Ended June 20, 1989, presented by Mr. Mark Mehall of Arthur Andersen & Company

Mr. Robert McGarry, Vice President for Finance and Administration and Treasurer to the Board of Trustees, introduced Mr. Mark Mehall, Advisory Audit Partner of Arthur Andersen & Company. Mr. McGarry stated that the financial statements had been thoroughly reviewed by the Finance and Personnel Committee at its meeting earlier in November.

Mr. Mehall apologized that Mr. Jeff Bergeron, the supervising partner for Oakland's audit, was unable to be present. Mr. Mehall stated that as advisory partner, he had been kept fully apprised of the status of the audit and that there were no substantive issues or changes in the financial statements. He added that the use of a consolidated statement places Oakland on the leading edge of most colleges and universities in terms of financial reporting methods.

Mr. McGarry made the following recommendation:

RESOLVED, that the Board of Trustees accepts the following financial statements which were audited by the public accounting firm of Arthur Andersen & Company:

1. Oakland University Consolidated Financial Statements and Supplementary Information as of June 30, 1989 and 1988 together with Auditors' Report.
2. Oakland University Financial Statement and Supplementary Information as of June 30, 1989 and 1988 together with Auditors' Report.
3. Oakland University Residences and Other Facilities with Pledged Income Financial Statement and Supplementary Information as of June 30, 1989 together with Auditors' Report. (Prepared at request of trust agent for residence halls debt issues.)

Trustee Handleman, seconded by Trustee Chunovich, moved acceptance of the audited financial statements. Trustee Chunovich also stated that Oakland's use of a consolidated statement should be credited to Chairperson Hartmann who had made the recommendation a few years ago. The motion was voted on and unanimously carried.

Chairperson Hartmann thanked Mr. Mehall for his report.

Annual Report on M.U.S.I.C., presented by Mr. Donald Holmes of Johnson and Higgins of Michigan, Inc.

Mr. McGarry introduced Mr. Donald Holmes of Johnson and Higgins of Michigan, Inc. Johnson and Higgins is the manager of M.U.S.I.C., the insurance facility Oakland joined in 1987. Mr. McGarry stated that Oakland's affiliation with M.U.S.I.C. has been very positive and financially beneficial.

Mr. Holmes stated that a considerable amount of time and effort was involved in the implementation of the M.U.S.I.C. program, a "full-fledged, independent corporation," which deals with all facets of risk management. M.U.S.I.C. has allowed the member State universities to save substantial costs over the individual commercially underwritten insurance programs they had in the past. Mr. Holmes stated that for the two full policy years that

M.U.S.I.C. has been in existence, there has only been a little over \$100,000 of reserves for claims against the M.U.S.I.C. facility on paid in premiums of several million dollars. Underwriting profit is approximately \$700,000. He stated that it is extraordinary that the facility could achieve such profitability in such a short time. He added that the universities' risk managers are doing a great job in coordinating their efforts. Mr. Holmes reminded the Board that the primary reason the facility was undertaken was to provide each institution with stability. He added that this objective has been achieved and that coverage and cost stability have been primary focuses of the facility. The insurance market is now changing and as it changes the benefit of the facility will become more evident.

Mr. Holmes stated that the insurance marketplace is recognizing M.U.S.I.C. as an entity and that Johnson and Higgins has been approached by a myriad of insurance providers interested in becoming affiliated with the program. As a result of the interest and "market leverage" that this program creates, the universities will be able to "exploit" the benefit of the facility to achieve the original objective of price and coverage stability for insurance coverage.

Trustee Handleman, seconded by Trustee Sims, moved acceptance of the report. The motion was voted on and unanimously carried.

Chairman Hartmann asked if any other universities were considering entering M.U.S.I.C. Mr. Holmes stated that Lake Superior State University has asked to be included and Saginaw Valley State University is presently considering its involvement. The University of Michigan has indicated that it would rather function independently.

Chairman Hartmann thanked Mr. Holmes for his presentation.

Recommendation to accept Gifts and Grants to Oakland University for the period of August 1, 1989, through August 31, 1989, and Information Report on Gifts and Grants to the Oakland University Foundation for the period of August 1, 1989, through August 31, 1989

Mr. David Rodwell, Vice President for Development and Alumni Affairs, stated that the gifts and grants to Oakland University for the period of August 1, 1989, through August 31, 1989, totaled \$658,018.02.

Trustee Sims, seconded by Trustee Chunovich, moved acceptance of the gifts and grants. The motion was voted on and unanimously carried.

Mr. Rodwell then stated that the gifts and grants to the Oakland University Foundation for the month of August totaled \$47,350.16.

Trustee Handleman, seconded by Trustee Sims, moved acceptance of the report. The motion was voted on and unanimously carried.

Mr. Rodwell stated that he had received two contribution checks from alumni who were "inspired" by Chairman Hartmann's words seeking support for books at the Kresge Library dedication earlier in the day. Chairman Hartmann stated that she had also received a check which she forwarded to Alumni Association President Greg Demanski. She added that she was pleased with the response.

Faculty Personnel Actions

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

Appointment

Bazaz, Mohammad S., Assistant Professor of Accounting, effective August 15, 1989 (formerly a visitor, not a new position)

Chaudhry, G. Rasul, Associate Professor of Biological Sciences, effective August 15, 1989 (replacing a permanent faculty member)

Cobb, Faye M., Clinical Instructor in Physical Therapy, effective January 1, 1989, through August 14, 1992 (new appointment to an honorary position)

Larson, Cathy A., Clinical Instructor in Physical Therapy, effective August 15, 1989, through August 14, 1992 (renewal)

Leave of Absence

Beardman, John L., Professor of Art and Art History, sabbatical leave from January 3, 1990, through April 26, 1990 (with full pay)

McKinley, John M., Professor of Physics, sabbatical leave from January 3, 1990, through April 26, 1990 (with full pay)

Resignation

Calcaterra, Joseph A., Clinical Assistant Professor of Industrial Health and Safety, effective June 16, 1989

Reischl, Uwe, Associate Professor of Health Sciences, effective August 14, 1989

Trustee Handleman, seconded by Trustee Chunovich, moved approval of the recommendation. The motion was voted on and unanimously carried.

Adoption of Academic Calendars

Dr. Kleckner stated that traditionally, academic calendars are brought to the Trustees covering several years for publication in student catalogs and to schedule registration and University events. The calendars presented are similar in every fashion to the ones approved in the past, and they are compatible with the provisions of the Faculty Agreement and with existing approved university holidays. In addition to the adoption of the academic calendars, another item regarding the 1989-90 calendar must be reviewed. When the calendar was approved several years ago, it went unnoticed that January 1, 1990, will fall on a Monday and that Oakland's collective bargaining agreements require that Tuesday, January 2, 1990, must be observed as a paid holiday. In order to correct the calendar, Dr. Kleckner proposed to delay the first day of registration, the beginning day of classes and the last day of classes by one day.

Dr. Kleckner then made the following recommendation:

RESOLVED, that the Board of Trustees approves academic calendars for 1990-91, 1991-92, and 1992-93 as presented in this agenda; and, be it further

RESOLVED, that the Board of Trustees approves modification of the 1989-90 academic calendar so as to:

- a. Conduct winter registration on January 3, 1990, one day later than originally scheduled, and
- b. Begin classes on January 4, 1990, also one day later than originally scheduled, and
- c. End classes on April 8, 1990, one day later than originally scheduled.

(The calendars are on file in the Office of the Board of Trustees and the Office of the Provost.)

Trustee Sims, seconded by Trustee Googasian, moved approval of the recommendation. The motion was voted on and unanimously carried.

Establishment of a New Degree Program leading to the Bachelor of Science in Applied Statistics

Dr. Kleckner stated that the Department of Mathematical Sciences would like to accommodate student interest in statistics by offering a separate undergraduate major and degree in applied statistics. The establishment of this degree program is termed a "spinoff" by the legislative fiscal agencies of the State of Michigan. A spinoff program does not require State review because it is a variation of an existing degree program which utilizes existing courses and faculty toward a new degree. Dr. Kleckner stated that at this time a number of students pursue a major in mathematics with an emphasis in statistics which requires additional work beyond the typical four-year period in order to complete the necessary degree requirements and to take all of the courses offered in statistics. The new program would allow for a degree in Applied Statistics which could be completed in four years.

Dr. Kleckner then made the following recommendation:

RESOLVED, that the Board of Trustees authorizes the establishment of an undergraduate major in Applied Statistics, leading to the degree Bachelor of Science.

Trustee Sims, seconded by Trustee Googasian, moved approval of the recommendation. The motion was voted on and unanimously carried.

Modification of Phased Retirement Program for Faculty

Dr. Kleckner stated that the Faculty Agreement contains a provision that permits faculty members to phase into retirement over a three-year period. Under such a program, a faculty member could typically teach on a half-time basis, with a proportionate reduction in salary. Both TIAA-CREF and Fidelity, the primary carriers for the base pension programs at Oakland, now permit individuals to begin collecting retirement benefits prior to full retirement as part of a phased retirement program. Dr. Kleckner stated that the University's internal regulations do not permit an individual to begin collecting pension benefits until full separation from the University. He recommended that adjusting the internal regulations to fit the options now available from the retirement companies would enable several senior Oakland faculty members to take advantage of the phased retirement program.

Dr. Kleckner made the following recommendation:

RESOLVED, that the University basic retirement policy is amended to permit regular faculty members access to retirement annuity benefits at the time at which such faculty members enter into a phased retirement program under the provisions of the Faculty Agreement.

Trustee Chunovich, seconded by Trustee Sharp, moved approval of the recommendation. The motion was voted on and unanimously carried.

Status of the Affirmative Action Plan

President Joseph E. Champagne stated that when the Affirmative Action Plan was adopted in the Spring of 1989, the recommendation included a provision that a semi-annual report regarding Oakland's progress toward specified affirmative action goals should be presented to the Board. He announced that Ms. Catherine J. Rush has agreed to return to the University as Assistant to the President and Director of the Office of Equal Opportunity, effective Monday, November 13, 1989. He then introduced Ms. Rush to present the semi-annual Affirmative Action report.

Ms. Rush stated that she returned to the University on a part-time basis in September, and she prepared the Affirmative Action report submitted to the Board. Ms. Rush noted that the University has made some progress in developing and refining hiring policies and procedures, and modest progress has been achieved toward the goals of hiring women in faculty and administrative positions. She observed that three black women faculty members had recently been hired, however, there is no question that more significant progress can be made by the University. Ms. Rush stated that she hopes the next semi-annual report will confirm more significant progress toward minority hiring.

Trustee Sims asked which academic units did not meet their Affirmative Action goals. Ms. Rush stated that there were potential hiring opportunities in a number of areas as follows: Biological Sciences and the Eye Research Institute, one opportunity, no goals met; Department of English, one opportunity, no goals met; Department of History, one opportunity, no goals met; Department of Physics, two opportunities, no goals identified; School of Human and Educational Services, four opportunities, two women hired; School of Business Administration, six opportunities, no goals identified; Department of Nursing, three opportunities, no goals met; School of Health Sciences, one opportunity, no goals met. She added that it is important to note, however, at the time the University had adopted the Affirmative Action Plan, these searches were well in progress and some may even have been completed.

Trustee Sharp asked about the reporting process for hiring departments that do not have established goals. Ms. Rush stated that if a department does not have a goal, that does not prevent it from having a responsibility for equal opportunity employment action.

In addition, the University's Affirmative Action Plan and the identification of goals is a university-wide commitment. Hiring supervisors must be encouraged to review the University's hiring needs even if a department goal has not been identified.

Chairman Hartmann thanked Ms. Rush for her report and welcomed her back to the University as Director of the Office of Equal Opportunity.

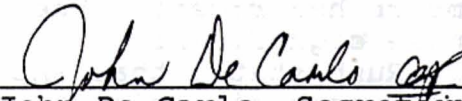
Other Items

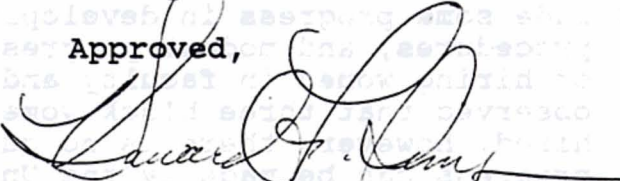
President Champagne thanked Chairman Hartmann for being the master of ceremonies at the Kresge Library dedication earlier in the day. Chairman Hartmann stated that she was pleased to be involved in such a positive activity on campus.

Trustee Handleman, seconded by Trustee Googasian, moved adjournment of the meeting. The motion was voted on and unanimously carried. The meeting was adjourned at 4:45 p.m.

Submitted,

Approved,


John De Carlo, Secretary
Board of Trustees


Howard Sims, Vice Chairman
Board of Trustees