Minutes of the Meeting
of the
Oakland University
Board of Trustees
February 15, 1984

The meeting was called to order at 7:30 p.m. by Chairman Ken Morris in the Multi-Purpose Room of Vandenberg Hall.

Present: Chairman Ken Morris, Trustees David Handleman, Patricia B. Hartmann, Richard H. Headlee, Alex C. Mair, Arthur W. Saltzman, and Howard F. Sims

Absent: Trustee Wallace D. Riley

Approval of Minutes of December 7, 1983

Mr. Mair moved approval of the minutes of the Board meeting of December 7, 1983 as distributed. Mrs. Hartmann seconded the motion which was voted on and approved by all of the Trustees present.

Acceptance of Gifts and Grants

Chairman Morris requested the Board's acceptance of the gifts and grants totaling $714,562.35. (Copies of the complete lists of gifts and grants dated January 18, 1984 and February 15, 1984 are on file in the Office of the Secretary to the Board of Trustees and the Office of the Vice President for Developmental Affairs.) Chairman Morris asked Mr. Robert W. Swanson, Vice President for Developmental Affairs, to comment on the gifts and grants.

Mr. Swanson invited the Board's attention to Mrs. Florine Trumbull's gift to the Kresge Library of a beautiful rare book which was printed in the sixteenth century. The book has a fore-edge painting, and is valued at $4,500. Gifts to the OU Fund Drive by faculty and staff amounted to $11,808.24 and contributions totaling $186,867.80 were received from the President's Club members. (There are now 618 members.) Mr. Swanson also noted a $10,000 gift from Parke-Davis Company in support of the Department of Athletics; gifts from Lew Ayres totaling $2,500; and the generous gift of $15,455.31 from former Trustee and Mrs. Marvin Katke. Mr. Swanson stated that the $530.89 gift of Ms. Rosalie K. Butzel should be shown as a contribution to the OU Foundation and not as a member of the President's Club.

President Champagne called the Board's attention to the gift from Gordon Sparks, the Representative to the Michigan

Legislature from this district. The gift represented a portion of the legislative pay increase he had received and which he was donating to various charitable causes. President Champagne expressed appreciation that Oakland University was one of the charities selected by Representative Sparks.

Mr. Keith R. Kleckner, Senior Vice President for University Affairs and Provost, commented on the diversity of grants received by faculty which included gifts of $128,232 from the U. S. Army Tank - Automotive Command to the School of Engineering and Computer Science; $40,000 for Industrial Health and Safety from the Michigan Department of Labor; and $74,276 from Fisher Body, Division of General Motors Corporation, for "Reemployment Career Planning for Displaced Workers Leading to Job/Education/Training Selection".

Mrs. Hartmann moved that the gifts and grants be accepted with gratitude and appreciation. Mr. Handleman seconded the motion which was voted on and approved by all of the Trustees present.

## Approval of Faculty Personnel Actions

Mr. Kleckner requested approval of the following faculty personnel actions:

### Appointments

Kazmierski, John F., Clinical Instructor in Exercise Science, effective January 1, 1984, through December 31, 1985

Sangeorzan, Brian P., Assistant Professor of Engineering, effective December 15, 1983

### Changes of Status

Howell, Sharon L., from Instructor in Communications to Assistant Professor of Communications, effective February 1, 1984

### Leaves of Absence

Altan, Osman D., Assistant Professor of Engineering, leave effective January 3, 1984, through December 15, 1984 (with no pay)

Barnfather, Janet S., Assistant Professor of Nursing, leave effective August 15, 1984, through August 14, 1985 (with no pay)

Bryant, William C., Associate Professor of Spanish, leave effective January 3, 1984, through December 15, 1984 (with no pay)

Doherty, Paul M., Associate Professor of Physics, leave effective January 3, 1984, through April 21, 1984 (with no pay)

Graber, Sidney W., Professor of Education, sabbatical leave from August 28, 1984, through December 15, 1984 (with full pay)

Mikaila, Ramune V., Special Instructor in Nursing, sick leave effective November 2, 1983, through December 14, 1983 (with full pay)

Mr. Headlee moved that the faculty personnel actions be approved. Mr. Handleman seconded the motion which was voted on and approved by all of the Trustees present.

Mr. Kleckner then stated that the Faculty Agreement requires reviews for possible reemployment of non-tenured faculty members with three or more years of teaching experience prior to initial employment by Oakland University be conducted during the fall semester and the early part of the winter semester. As a result of these reviews, Mr. Kleckner requested the Board's approval of the following recommendation:

RESOLVED, That the Board of Trustees approve the following personnel actions which have been formulated by the Provost with the advice of the Deans and faculty colleague review bodies in accordance with the specified tenure review process:

Assistant professors eligible for reemployment to final two-year probationary terms as assistant professors, effective August 15, 1984:

<u>Arts and Sciences</u>

| | | |
|---|---|---|
| Alice S. Horning | Rhetoric | Reemploy |

<u>Economics and Management</u>

| | | |
|---|---|---|
| Ronald L. Tracy | Economics | Reemploy |

Mr. Handleman moved that the faculty personnel actions be approved. Mr. Mair seconded the motion which was voted on and approved by all of the Trustees present.

Mr. Kleckner stated that it is required by the Faculty Agreement that reviews for possible promotion of tenured faculty members be conducted during the fall term and early part of the winter term. He then presented the following recommendation for the Board's approval:

RESOLVED, That the Board of Trustees approve the following personnel actions which have been formulated by the Provost with the advice of the Deans and faculty colleague review bodies in accordance with the specified tenure review process.

1. Special instructor with job security considered for promotion to the rank of associate professor with tenure, effective August 15, 1984:

Arts and Sciences

| | | |
|---|---|---|
| Carol D. Halsted | Dance | Promote |

2. Assistant professor with tenure considered for promotion to the rank of associate professor, effective August 15, 1984:

Library

| | | |
|---|---|---|
| Mildred Merz | | Promote |

3. Associate professors with tenure considered for promotion to the rank of professor, effective August 15, 1984:

Arts and Sciences

| | | |
|---|---|---|
| John L. Beardman | Art & Art History | Promote |
| Peter J. Bertocci | Anthropology | Promote |
| Jane D. Eberwein | English | Promote |
| Robert T. Eberwein | English | Promote |
| Louis J. Nachman | Mathematical Sciences | Retain in Rank |
| James R. Ozinga | Political Science | Promote |

Library

| | | |
|---|---|---|
| Eileen Hitchingham | | Promote |

Mr. Headlee moved that the faculty personnel actions be approved. Mrs. Hartmann seconded the motion which was voted on and approved by all of the Trustees present.

President Champagne added that all of the foregoing actions had been reviewed and approved by the Board's Personnel Policy Committee.

Approval of Reappointment of Dean Ronald M. Horwitz

Mr. Kleckner stated that it has been Oakland's practice to appoint academic deans for terms of five years. Consistent with this practice, the constitutions of the organized faculties specify that there shall be a review of each deanship at least once every five years. Ronald M. Horwitz was appointed Dean of the School of Economics and Management commencing in September 1979, and during the past fall semester a thorough review of Dean Horwitz was conducted. Mr. Kleckner said that there was enthusiastic and unanimous support for the reappointment of Dean Horwitz to a second five-year term, and that Dean Horwitz has done a superb job. The expanded enrollments at both the baccalaureate and MBA levels and the establishment of an outstanding Board of Visitors were notable accomplishments. Mr. Kleckner then presented the following recommendation for the Board's approval:

> It is recommended that the Board of Trustees appoint Ronald M. Horwitz to a second five-year term, commencing September 1, 1984, as Dean of the School of Economics and Management.

Mr. Headlee moved that the recommendation be approved. Mr. Handleman seconded the motion which was voted on and approved by all of the Trustees present.

Mr. Headlee stated that Dean Horwitz had done a "good job and his accomplishments were known in the tri-county area."

Approval of Candidates for Bachelor's, Master's, Education Specialist's and Doctor's Degrees as of December 17, 1983

Mr. Kleckner stated that the Trustees had been furnished with a list of students who had completed the requirements at the end of the fall semester for bachelor's, master's, education specialist's, and doctor's degrees. He requested the Board's approval of the candidates who had completed the degree requirements as of December 17, 1983. (The lists of candidates are on file in the Office of the Secretary to the Board of Trustees.) He commented that Oakland University has granted two doctoral degrees in reading and education, and about thirteen doctoral degrees in engineering.

Mr. Sims moved that the recommended candidates be approved with congratulations. Mrs. Hartmann seconded the motion which was voted on and approved by all of the Trustees present.

Approval of Amendment to the Constitution of the University Senate Regarding Article VI and the Graduate Council

Mr. Kleckner stated that the amendment to the Constitution of the University Senate was partly a "housekeeping" item and partly to clarify the role of the Graduate Council with respect to the University Senate and various standing committees of the Senate. He stated that Mr. George Feeman, Vice Provost and Dean of the Graduate School, was present to answer any questions in connection with the proposed amendment.

There were no questions. Mr. Kleckner then presented the following recommendation for approval:

> It is recommended that the Board of Trustees approve the following revised version of Article VI of the Constitution of the Oakland University Senate and thereby amend that document accordingly.

Graduate Council

i. A Graduate Council shall be established as a permanent standing committee of the University Senate. It shall make recommendations to the Senate regarding graduate study, as provided in this Article of the Constitution. The Senate shall review the recommendations of the Council and submit its recommendations to the Provost and the President. The Graduate Council shall be chaired by the Vice Provost and Dean of Graduate Study, with its membership otherwise consisting of one representative from each organized faculty currently sponsoring a graduate degree program, plus three other representatives to be appointed by the Vice Provost and Dean of Graduate Study.

ii. The representative from each organized faculty shall:

1. be a full-time, non-visiting faculty member of any rank;

2. be selected by the organized faculty to be represented according to procedures established by the organized faculty;

3. serve terms determined by the units represented.

iii. Representatives appointed by the Vice Provost and Dean of Graduate Study shall:

1. be full-time, non-visiting faculty members of any rank;

2. serve terms determined by the Vice Provost and Dean of Graduate Study.

iv. The Graduate Council shall be responsible for:

1. making recommendations to the University Senate regarding proposed and existing graduate programs, including recommendations for program suspension or discontinuance. The Graduate Council shall seek, when necessary, the advice of other apropriate University bodies concerning the impact of new programs or changes in existing programs.

2. rendering advice to the Vice Provost and Dean of Graduate Study on all matters concerning graduate program administration and support and ongoing graduate study activities as the Vice Provost and Dean of Graduate Study may request.

3. conducting periodic reviews of graduate programs with reports of findings submitted to the University Senate and other appropriate bodies.

4. appointing subcommittees as necessary to assist the Graduate Council in its recommendations. The subcommittees shall report their recommendations to the Graduate Council. The Graduate Council may make specific delegations of authority to the subcommittees to assist the Graduate Council in carrying out its responsibilities.

5. recommending to the President all candidates for graduate degrees.

v. The Graduate Council shall meet as often as the Vice Provost and Dean of Graduate Study deem it necessary in order to fulfill its responsibilities, but it must meet at least once each academic semester.

Mr. Saltzman moved that the recommended amendment be approved. Mrs. Hartmann seconded the motion which was voted on and approved by all of the Trustees present.

Approval of Reappointment of CPA Audit Firm

Mr. Robert J. McGarry, Vice President for Finance and Administration and Treasurer to the Board of Trustees, stated that Board policy requires that the University's financial statements be examined each year by an independent public accounting firm. Each year an audit firm is appointed by the Board whose policy provides that a firm will not be retained for more than seven years. Mr. McGarry recommended the reappointment of Ernst and Whinney for the year ending June 30, 1984. Mr. McGarry added that the cost of the audit would be $39,500 and that this would be the seventh year that Ernst & Whinney has conducted such an audit.

Mrs. Hartmann inquired if this would be the last year that the Ernst & Whinney firm could perform the annual audit because of Board policy. Mr. McGarry replied that this was correct.

Mr. McGarry then presented the following recommendation for the Board's approval:

> We recommend that Ernst & Whinney be appointed by the Board of Trustees to conduct the audit of the University's financial statements for the year ending June 30, 1984.

Mr. Sims moved that the recommendation be approved. Mr. Saltzman seconded the motion which was voted on and approved by all of the Trustees present.

Report on Security Transactions

Mr. McGarry stated that the Oakland University Foundation realized $24,428.86 from the sale of gifts of securities. (Details concerning the sales are on file in the Office of the Board of Trustees and the Office of the Vice President for Finance and Administration.)

Mr. Saltzman moved to accept the report. Mr. Mair seconded the motion which was voted on and approved by all of the Trustees present.

Approval of Michigan Bell Telephone Easement

Mr. McGarry stated that Michigan Bell Telephone Company requested that a permanent easement be granted on University land so that the company could provide additional telephone service to the Comerica development south of the campus. The easement would be on the east side of Squirrel Road and commence 1,500 feet south of Walton Boulevard and run for approximately 3,300 feet. Mr. McGarry said he saw no problem with granting this easement and read the following recommendation for the Board's approval:

> BE IT RESOLVED, That the Board delegate to the President or to the Treasurer to the Board of Trustees the authority to execute an easement, subject to the review of the General Counsel, in favor of Michigan Bell Telephone Company on University property immediately to the east of Squirrel Road commencing at a point 1,500 feet south of Walton Boulevard and extending to the south approximately 3,300 feet as generally described in the easement document submitted to the Board for the construction and maintenance of an underground telephone cable.

Mr. Headlee moved that the recommendation granting the easement to Michigan Bell Telephone be approved. Mr. Mair seconded the motion.

Mr. Sims asked the width of the proposed easement.

Mr. Robert Bunger, Assistant General Counsel, replied that the easement was four feet in width.

The motion was voted on and approved by all of the Trustees present.

Report on Residence Halls - Student Life

Mrs. Wilma Ray-Bledsoe, Vice President for Student Affairs, expressed her pleasure in having the Board meeting at Vandenberg Hall in order that the Trustees might view first-hand one of the University's Residence Halls. Mrs. Ray-Bledsoe introduced Ms. Eleanor Lewellen, Director of Residence Halls, and Ms. Cameron Brunet-Koch, Assistant Director of Residence Halls.

Ms. Brunet-Koch stated that some of the Residence Halls' students had prepared a special informational program for the Trustees. She introduced Ms. Pam Connon, President of the Area Hall Council, who explained the structure, functions and purpose of Area Hall (the Council is the student government of Residence Hall); Ms. Jean Ann Miller, Program Coordinator for Residence Halls, who described the goals and purposes of the educational and social programming of the Residence Halls; Mr. Lonnel Coates, President of the Association of Black Students; Ms. Cheryl Pettway, a senior, and Mr. Michael Connell, a freshman, who described their perceptions of dorm life.

Chairman Morris complimented everyone for their interesting presentations and stated that the Board was pleased to hold its meeting at Vandenberg Hall.

Report on the Activities and Accomplishments of the 1983 University Congress

Mrs. Ray-Bledsoe noted that the University Congress serves as the voice of the student body at Oakland University. She stated that Mr. Frederick Zorn was the outgoing Congress President, and that Mr. Robert McClory was the 1984 Congress President. She then introduced Mr. Zorn.

Mr. Zorn summarized the accomplishments of his administration which included the elimination of an $18,235 accumulated deficit. He stated that Mr.Frank Polasek, the University's Manager, Internal Audit, provided great assistance in this matter, and Mr. Zorn believed the control mechanisms were now in place so that there would be no future deficits. Another goal of Mr. Zorn's was to keep the student body informed on the activities of the University Congress. Mr. Zorn noted that there had been a very positive relationship with the administration and he expressed his appreciation to his staff and the Oakland University administrators for an effective and enjoyable year. He expressed the hope that tuition and dormitory rates would be "affordable" to students given the current budget constraints at Oakland. He then introduced Mr. Robert McClory, the incoming Congress President.

Mr. McClory thanked the Board for the opportunity of appearing before them and pledged an ongoing year of accomplishments and student involvement. He encouraged student participation in the student governance structure. He thanked Mr. Zorn for his efforts on behalf of the students.

Chairman Morris thanked Messrs. Zorn and McClory for their reports, and said he would look forward to Mr. McClory's report next year.

Report on the Satisfactory Academic Progress Policy for Purposes of Receiving Financial Aid

Mrs. Ray-Bledsoe stated that the purpose for submitting the report on the Satisfactory Academic Progress Policy for Purposes of Receiving Financial Aid was to alert the Board to a future need to adopt revised financial aid policies. (Copies of the report are on file in the Office of the Board of Trustees and the Student Affairs Office.) Recent changes in the U. S. Department of Education regulations for Title IV financial aid have required that institutions monitor satisfactory academic progress at least once annually. In addition, new Department of Education regulations require students to meet stricter standards of academic progress in order to qualify for Federal financial aid. Mrs. Ray-Bledsoe stated that a committee composed of faculty, staff and students are revising Oakland's policy on financial aid in accordance with the new rules, and an analysis of the potential impact of these changes on financial aid recipients is in progress. She said that a recommendation would be brought to the Board for action. The report this month was simply to alert the Board to the concern among students of a possible loss or reduction in aid.

Mrs. Hartmann inquired if there would be student involvement in the review process.

Mrs. Ray-Bledsoe said there had been student representation and where possible there would be student participation. However, where Federal regulations were concerned, there was no opportunity for debate on the rules; it was necessary to comply in order to receive aid.

Report on Personnel Actions by Employee Relations Department

In response to Chairman Morris' request for the report on personnel actions by the Employee Relations Department, Mr. Willard C. Kendall, Jr., Director, stated that the "Contracting and Employment Appointment Authority" which the Board adopted requires that the Board be notified when the establishment of positions has resulted in a net increase in the total number of full-time positions at the University. Mr. Kendall noted that in accordance with this stipulation he was informing the Trustees that the establishment of a Clerk I position in the Voucher Audit Department had created a "net increase". He added that no action was required since this was just a report.

Mr. Headlee moved that the report be accepted. Mrs. Hartmann seconded the motion which was voted on and approved by all of the Trustees present.

Mrs. Hartmann noted that it was her understanding that there was no increase in total budget allocations by this action, and this understanding was confirmed by Mr. Kendall.

President's Report

President Joseph E. Champagne thanked Mr. Frederick Zorn, the outgoing President of the University Congress, for working so effectively with the administration. President Champagne noted that he has met with Mr. Robert McClory, the present University Congress President, and looked forward to working with him on student matters.

President Champagne then introduced to the Trustees two new staff members, Mr. David Rodwell who has been appointed Director of Development, and Mr. Bret J. Moeller, Research and Information Specialist in the Office of the President. President Champagne expressed his pleasure in having Messrs. Rodwell and Moeller at the University.

President Champagne then requested that Mr. Kleckner make a public statement regarding the Elizabeth Pinkstaff matter which had received considerable attention in the press.

Mr. Kleckner read the following statement into the record:

"Recently several newspapers have carried accounts of the University's decision not to renew the contract of one of its faculty members in the School of Nursing, Elizabeth Pinkstaff. These accounts are based upon information provided primarily by Ms. Pinkstaff or persons supporting her interest. Because these accounts are neither complete nor accurate portrayals of all the events surrounding Ms. Pinkstaff's current employment status at Oakland University, I believe it important for members of the Board of Trustees to be more fully advised about this matter.

"Ms. Pinkstaff is currently serving as an assistant professor under a probationary employment contract which expires on August 14, 1984. In accordance with provisions of the Faculty Agreement with the American Association of University Professors, she was reviewed last year for another probationary employment contract. The scope of the review included the three standard areas of faculty performance -- teaching, research or scholarship, and service. She was informed she would be reviewed in these areas in her initial offer of employment by the University. The review process stipulates that a faculty Committee on Appointments and Promotions for the School of Nursing evaluate the credentials and performance of Ms. Pinkstaff and advise Oakland as to whether it believes she should be reemployed. In the present instance, that recommendation was to reemploy. Oakland may also seek the opinion of a second faculty group, the Faculty Reemployment and Promotion Committee. Oakland elected to do so, and the recommendation again was to reemploy. It is important here to emphasize that these two recommendations are advisory to Oakland and that these advisory steps do not constitute the entire review process.

"The Dean of the School of Nursing also reviewed Ms. Pinkstaff's capabilities and accomplishments as a member of the nursing faculty. The Dean's assessment was based upon her direct knowledge of the candidate's performance as a faculty member, upon materials presented by the candidate and upon evaluation by individuals inside and outside the University who are knowledgeable of the candidate's accomplishments as a faculty member. The Dean's recommendation to me was that Ms. Pinkstaff not be reemployed because she had not met the standards of proficiency and accomplishment in teaching and in scholarship that Oakland University expects of nursing faculty members at Ms. Pinkstaff's level.

"As this institution's chief academic officer, it is my responsibility not only to uphold Oakland University's deserved reputation for academic quality but also to enhance that quality whenever and wherever possible. After a full study of all of the evidence before me, I determined that Professor Pinkstaff's teaching and scholarly performance were not sufficient to warrant reemployment and that the academic quality of the nursing program would be furthered by employing an individual with a stronger academic record and more promising potential. Professor Pinkstaff's performance as a nursing faculty member is not without some merit. Indeed, some of her accomplishments are praiseworthy and have been noted as such by those who have reviewed her work. After careful consideration of all the facts, however, I recommended to President Joseph E. Champagne and the Board of Trustees that Professor Pinkstaff not be offered another employment contract upon expiration of her current one. The President concurred in my recommendation and the Board approved this recommendation on July 20, 1983.

"Last fall, upon request of Professor Pinkstaff, the American Association of University Professors (AAUP) filed a contract grievance alleging that Oakland based its decision not upon the candidate's performance in teaching and scholarship but rather upon extraneous issues related to her political views or to her criticisms of past University administrative actions. I state categorically to you, as we have stated categorically to the AAUP, that Oakland's assessments were based solely upon the candidate's qualifications to profess the discipline of nursing as evidenced by her performance in the classroom and in the professional community of nursing educators. The AAUP provided no evidence in support of its contentions, and Oakland believes that the AAUP grievance is without merit. Under the terms of the Faculty Agreement, the AAUP may request that unresolved grievances be submitted to arbitration, and it has done so in this instance.

"In advance of the arbitration proceeding, Professor Pinkstaff has elected to carry her allegations to the public press. Contrarily, Oakland believes that the interests of all parties are better served by observing the processes established under the Faculty Agreement to resolve differences of opinion."

President Champagne requested that Mr. John De Carlo, Secretary to the Board of Trustees, Vice President for Governmental Affairs and General Counsel, present another non-reemployment personnel report.

Mr. De Carlo stated that the administration was currently conducting discussions to resolve all of the issues relating to the non-reemployment of Mr. Randal L. Frederick. He requested approval of the following resolution to assist in concluding this matter:

BE IT RESOLVED, That the Board of Trustees authorizes the Vice President for Governmental Affairs and General Counsel to resolve the issues relating to the non-reemployment of Randal L. Frederick based upon existing wage scales and employee benefits and within existing budgetary limitations; and be it further

RESOLVED, That the General Counsel, after consultation with the Board Personnel Policy Committee, shall have the authority to authorize a final agreement in the interest of the University and that the Vice President for Finance and Administration shall have the authority to sign any agreement approved by the General Counsel.

Mr. Headlee moved that the recommendation be approved. Mrs. Hartmann seconded the motion.

President Champagne stated that the foregoing matter had been reviewed with the Personnel Policy Committee which concurred with the resolution.

The motion was voted on and approved by all of the Trustees present.

Chairman Morris said he wished to inquire about Mr. Kleckner's report regarding Ms. Pinkstaff's grievance. He inquired if the matter was going to arbitration and if the University would be bound by the arbitrator's decision.

Mr. Kleckner replied that this issue was not clear.

Mr. Morris said he felt it very important that it be established whether or not the University would be bound by the arbitrator's decision.

President Champagne said that at this level of arbitration, he did not think the University was bound by the decision of the arbitrator.

Mr. Robert Bunger, Assistant General Counsel, stated that under the Faculty Agreement there are a series of probationary appointment periods for faculty. In each of the subsequent probationary periods there are different sets of rights accorded to faculty. Under the particular review that Ms. Pinkstaff underwent during the past year, she alleges that she has a right to binding arbitration on a decision of appointment. The University does not believe that that is a contract right accorded to her. However, since it is an issue under the contract as to whether or not that right has been accorded to her, the issue has been submitted to arbitration for an interpretation of the contract.

Mr. Morris said that Mr. Bunger's comments clarified the matter.

President Champagne stated that for some time there had been debated the question of whether or not to raze the old Dodge Farmhouse which is located near the golf course on the East Campus. This matter had been discussed with the Trustees, and with members of the community some time ago. He stated that he now felt that the Dodge Farmhouse should be razed since there appeared to be no useful purpose that could be served by its preservation and the cost of remodeling and maintenance would be approximately $500,000, which was prohibitive. He wished to alert the Board and the public that he would make a specific recommendation on this issue at a future Board meeting.

Mrs. Hartmann asked about the proposed restaurant that had been suggested at one time.

President Champagne replied that an investigation of that proposition showed it would not be feasible because of costs, traffic problems and the prohibition against liquor licenses on State property. Since there had been discussion about the Dodge Farmhouse in the past, he wished to serve notice about the administration's intentions.

Mrs. Hartmann asked if any member of the Dodge family had been notified in case they wished to move the farmhouse.

President Champagne said that he would have no objection to having the building moved. President Champagne, however, thought that by the April Board meeting he would be ready to make a recommendation on the disposition of the building.

Mr. Sims said that before taking any specific action that he felt some "ground rules" should be established. He stated that there were two significant considerations which should be studied: (1) whether or not there was any reasonable and productive use for the facility; and (2) whether the building had any significant historic value to the community and/or the University. He added that if the answer was positive on either of the two points, then a third consideration of cost should be explored. He said that if the answer to those two points was negative, then he felt it would be proper to proceed as suggested by the President.

Mr. Headlee stated that he believed the President had already examined those aspects, and was now alerting the public to the possibility of eliminating the building from the campus. If the public or community were aware of something the administration was not, interested parties should come forward.

Mr. Sims noted many such old structures have been put to productive use.

President Champagne suggested that the administration will prepare a report on this matter for the University and Development Committee. The committee will then review the report and bring a recommendation to the Board, perhaps in April.

Mr. Sims said he was not sure the April timetable was providing sufficient time to make such a decision. He did feel it was wise to inform the entire community of the possible razing of the structure.

Mrs. Hartmann stated that perhaps the local historical society or the Kresge Foundation may have some interest in the building. President Champagne agreed and indicated that this undoubtedly would be covered in his report.

President Champagne reported on the Governor's 1984-85 budget proposal for higher education which includes a 10 percent increase in appropriations for Michigan's colleges and universities. President Champagne stated that while this appears impressive, the increase is tied to the concept of a tuition freeze to qualify for the full appropriation. All of the college presidents agreed that a tuition freeze is necessary in the State of Michigan. However, if tuition is to be frozen, then there has to be additional adequate support in order for the universities to be able to operate at an appropriate level. He noted that 57 percent of the current fiscal year's revenue base came from State appropriations, approximately 40 percent came from tuition and fees, and 3 percent from all other sources, such as, investment income and gifts. Therefore, if there is a 10 percent increase in State appropriations, without the flexibility of increasing other sources of revenue through tuition and fees, the State increase translates down into a 5.7 percent increase in total revenues. In addition, the State's fiscal year and the University's fiscal year are not the same. The University operates on a fiscal year from July 1 through June 30 and the State on a fiscal year from October 1 through September 30. Therefore, one-fourth of the institution's fiscal year is not the same as the State's fiscal year, and the increase would start (October 1, 1984) after 25 percent of the University's fiscal year had passed (July 1, 1984 to September 30, 1984). In addition, it appears that only 6 percent of the 10 percent increase will be paid during the first nine months of the State's fiscal year with the remaining 4 percent being paid after July 1, 1985.

President Champagne said that 4 percent increase held in Lansing results in investment income on these funds going to the State rather than to the universities. The net result of these actions would be that the University will realize an increase of approximately 4.2 or 4.3 percent on total revenue, and not a 10 percent increase on the institution's total revenue account.

Based upon the current $37,900,000 operating budget plus current compensation increases, plus modest inflation increases of 3 to 4 percent, and no increase of utility costs, the University will have a shortfall of approximately $2,500,000 to $3,000,000. The Governor's recommendation would provide about $1,600,000. Since there is no allowance for raising tuition, the University at this time is projecting a deficit of approximately $1,000,000.

President Champagne stressed that these were preliminary figures, but he did wish to alert the Board to this potential problem. He noted that part of the problem is that over the last several years tuition has grown to be a significant portion of the budget and when that factor is frozen, it presents a very serious problem. President Champagne stressed that he was not implying that the institution was contemplating a tuition increase. He added that the administration was looking for alternative means of achieving the reduction of the potential $1,000,000 deficit. He said the University was working with the Legislature and with the Office of Management and Budget to attempt to resolve this problem. He said, however, that it was very important that this problem is understood. While there may be a substantial appropriations increase, the total revenue increase to the University is small. The President urged the Trustees to use whatever influence they could in finding alternative sources of revenue so that the institution could achieve a balanced budget next year.

Mr. Headlee inquired about the amount of investment funds lost if the University did not receive the full 10 percent "up front".

President Champagne said that the State transfers funds monthly, but if the University were able to receive 1/12th each month of the full 10 percent, there would be an additional $28,000 realized.

Mr. Headlee asked if the State held back 4 percent, was there any danger that the 4 percent could be lost through Executive Order cuts.

President Champagne replied that this could happen if there was a downturn in State revenue. He said, however, that the Governor had pledged there would be no budget cuts, and since he kept his pledge last year, President Champagne felt very confident the funds would be paid.

Mr. Headlee inquired as to the "attitude" in Lansing about the $1,100,000 that is "owed to Oakland University as result of previous budget cuts."

President Champagne responded that before the start of the last fiscal year a budget cut of approximately $1,100,000 was made by the State to balance its fiscal 1983 books. The Governor and the Legislature expressed the intention in the budget bill to restore these funds. The process of funding this amount in the institution's June payment, which is the end of its fiscal year and deducting the same amount in July, giving the money back to the State to balance its budget, was adopted. The University's accountants advise the administration that the institution cannot "book" or spend these funds. President Champagne said that if the funds were restored, the University's problem would be under control. It should be noted that the Legislature is not bound to restore the funds.

Mr. Headlee suggested that if there is a surplus at the State level, now might be a good time to ask the Legislature to make good on this restoration.

Mr. De Carlo stated that this subject has been raised in Lansing; however, the "carry forward" problem for all State agencies and governmental units is over $100,000,000. Mr. De Carlo stated that the magnitude of the problem is substantial because it is coupled with the lack of certainty on State revenues due to the movement to reduce taxes.

Mrs. Hartmann noted that universities with a large graduate population were able to raise their tuition since the tuition freeze only applied to the undergraduate tuition.

Mr. De Carlo added that it also does not apply to out-of-state students.

Mr. Headlee reiterated that if the State's intentions are sincere in repaying the carry forward funds, then the possibility of including the $1,100.000 as a "receivable asset" in establishing the budget should be considered rather than placing a hardship on students or reducing the quality of programs.

Mr. De Carlo stated that the problem is that it is the State's intention to "roll or carry forward" this amount again this year. He added that act is not a binding obligation on any successive Legislature. Consequently, while it would be possible to do what Mr. Headlee suggests, there is no guarantee that any future Legislature would appropriate what he calls a "receivable asset".

Mr. Headlee noted that it was a "Catch 22" situation since if the funds are not available, tuition will have to be raised to maintain programs. Students are under the impression that there will be no tuition increase. Using the $1,100,000 as an "asset", the budget could be balanced as the Governor wishes with no tuition increase.

Chairman Morris said that since he had been serving on the Board he remembers the past and the number of times when money was allocated to this University, as well as to other universities, and because of insufficient State revenue, cuts were made "siphoning off" University funds. Chairman Morris noted that this is the first time for some years that a Governor of the State of Michigan has made substantial funds available. He did not know how much money would ultimately be available and how the matter would be resolved. Fortunately, however, there is some money to be talked about. If the Governor had not taken certain actions, the University administration would not be discussing an increase in appropriations.

Chairman Morris stated that rising tuition costs concerned him greatly. He believes rising tuition deprives thousands of young people in this community and State of the opportunity of a college education. High cost was a very real problem for many young people and their families. Chairman Morris noted that everyone recognizes that it takes money to provide adequate educational opportunities at all levels. If the people of the State of Michigan are to retrogress by not putting money into schools, then that is a decision the citizens will have to make. He has reluctantly gone along with tuition increases in the past because of the drop in State revenue. He is concerned, however, that many young people are being deprived of the opportunity of a college education. He believes that education ought to be available for everyone.

Chairman Morris said that he recognized the financial problems and the need of the universities to go to the State for tax funds. He said not enough was being done in this State to obtain funds for education. He said if there was any value in education in terms of the future of this nation, it was necessary to take steps collectively as Michigan citizens to rectify the situation and raise funds.

Chairman Morris pledged his support to help in any way he could in meeting the financial needs of this University, to meet any crisis, and to advance any kind of argument related to this University. However, he stressed that he was opposed to continuously raising tuition, and stated that better ways of financing the institution were needed.

The discussion was concluded and Chairman Morris adjourned the meeting at 9:30 p.m.

Approved,

John De Carlo, Secretary
Board of Trustees

Ken Morris, Chairman
Board of Trustees

Date ____________________