

**Minutes of the Meeting
of the
Oakland University Board of Trustees
June 8, 1995**

Present: Chairman David T. Fischer; Trustees David J. Doyle, David Handleman, Ann V. Nicholson, Louis R. Ross, Rex E. Schlaybaugh, Jr., James A. Sharp, Jr., and Howard F. Sims (Trustee Ross arrived at the time noted in the minutes.)

Chairman David T. Fischer called the meeting to order at 3:12 p.m. in the Gold Rooms of the Oakland Center.

Consent Agenda

Interim President Gary D. Russi presented the following recommendations:

- a. Approval of the Minutes of the Meeting of April 6, 1995**
- b. Approval of the Minutes of the Meeting of May 22, 1995**
- c. Approval of the Minutes of the Closed Meeting of May 22, 1995**
- d. University Personnel Actions**

Miscellaneous Contract Employee

Miscellaneous Contract Employee eligible for renewal at the beginning of the fiscal year, July 1, 1995:

Kostrava, James	Director, Annual Giving Programs	Do Not Renew*
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Appointment to a Non-Academic Position at Salary Equivalent to Administrative-Professional Level 18 or Above

Aldrich, Susan, Assistant Vice President/Educational Facilities Planner, effective June 5, 1995

Ashby, Lisa Baylis, Executive Director, Meadow Brook Hall, effective July 17, 1995

*End of contract June 30, 1995

New Appointments

Christensen, Margaret H., Assistant Professor of Nursing, effective August 15, 1995

Estes, Todd A., Assistant Professor of History, effective August 15, 1995

Fliedner, Eugene B., Assistant Professor of Production and Operations Management, effective August 15, 1995

Marcoux, Beth C., Associate Professor of Physical Therapy, effective August 15, 1995

Emeriti Appointments

Goudsmit, Esther M., Professor Emerita of Biological Sciences, effective August 15, 1995

Henry, Egbert W., Professor Emeritus of Biological Sciences, effective August 15, 1995

Leaves with no Pay

Barnard, V. John, Professor of History, leave from January 3, 1996, through April 25, 1996 (with no pay)

Edgerton, Robert H., Professor of Engineering, leave from August 15, 1995, through August 14, 1997 (with no pay)

Ketchum, Paul A., Professor of Biological Sciences, leave from August 15, 1995, through August 14, 1996 (with no pay)

Phased Retirements

Brill, Max, Associate Professor of Psychology, effective August 15, 1995

Burdick, Harvey, Professor of Psychology, effective January 1, 1996 (Professor Burdick will be on a 50% schedule for the three year period) [Supersedes previous Board action of April 6, 1995, which placed Mr. Burdick on phased retirement effective August 15, 1995]

Resignations

Eckart, Joyce A., Associate Professor of Education and Chairperson, Department of Curriculum, Instruction and Leadership, effective June 30, 1995

Thomas, Susan L., Assistant Professor of Political Science, effective August 14, 1995

Retirements

Chakrapani, Bhargavan, Research Assistant, Eye Research Institute, effective June 30, 1995

Henry, Egbert W., Professor of Biological Sciences, effective August 14, 1995

Twyman, Margaret R., Managing Director, Meadow Brook Hall, effective June 30, 1995

Zepelin, Harold, Professor of Psychology, effective December 31, 1995

e. Adoption of Academic Calendar for 1997-98

f. Recommendation for Approval of Degree Candidates List dated April 26, 1995

g. Recommendation to Accept Gifts and Grants to Oakland University and the Oakland University Foundation for the Periods of January 1 through January 31, 1995, February 1 through February 28, 1995, and March 1 through March 31, 1995

h. Amendment to Affirmative Action Policy for the Affirmative Action Plan Status Report

Mr. Edward S. Perez, Acting Director of Equal Opportunity, submitted the following resolution for Board approval:

WHEREAS, the reporting months of February and August for the Affirmative Action Plan Status Report do not allow the opportunity to collect sufficient faculty and staff hiring data for the report; and

WHEREAS, the information is more appropriately available during the fall semester after hiring decisions have been made for the academic year; now, therefore, be it

RESOLVED, that the Board of Trustees approve an amendment to the Affirmative Action Policy authorizing the Director of Equal Opportunity to present an annual Affirmative Action Plan Status Report to the Board of Trustees during the Oakland University fall semester.

i. Deferred Compensation Agreement

Mr. Paul E. Bissonnette, Vice President for Finance and Administration, submitted the following resolution for Board approval:

WHEREAS, the Board of Trustees in 1984 approved a resolution announcing its intention to establish a deferred compensation agreement for then-President Dr. Joseph E. Champagne; and

WHEREAS, the university purchased an annuity and life insurance policy (the "Policy") to provide for the Board's intention; and

WHEREAS, the Board of Trustees admits no obligation concerning its 1984 action, but believes that it would be in the best interest of the university to resolve this matter under the following conditions; now, therefore, be it

RESOLVED, that the Interim President and the Vice President for Finance and Administration are authorized (1) to enter into an agreement with Dr. Champagne under which the university would assign its interest in the Policy to Dr. Champagne and Dr. Champagne would release the university for any and all claims relating to this matter, and (2) to transfer the university's ownership interest in the Policy to Dr. Champagne.

j. Meadow Brook Subdivision Guarantee

Trustee James A. Sharp, Jr., seconded by Trustee David J. Doyle, moved approval of the consent agenda. The motion was unanimously carried.

Interim President's Report

- ▶ Interim President Gary D. Russi welcomed Ms. Margo S. Kendzier and Mr. Garrick B. Landsberg, as the two Student Liaisons to the Board of Trustees. He noted that Ms. Kendzier is a senior majoring in Elementary Education, and Mr. Landsberg is a senior majoring in Systems and Electrical Engineering. Both students have demonstrated a sincere commitment to student activities and are recognized by their peers for excellence in serving on behalf of the student body.
- ▶ Interim President Russi also welcomed Ms. Rochelle Black as the new Director of Governmental Relations. Ms. Black comes to the university from the Michigan Department of Public Health, where she served as Director of Marketing and Communications since 1992. Prior to that time she worked closely with the Governor and the Governor's staff and has extensive experience in Lansing.
- ▶ Interim President Russi announced the creation of the Ward V. Barnes Memorial Endowment Fund by Dr. Carl F. Barnes, Jr., Professor of Art History and Archaeology, and his wife Anna, in memory of Dr. Barnes' brother. The \$250,000 fund will provide discretionary grants to qualified Oakland University art history students. Interim President Russi expressed gratitude to Dr. and Mrs. Barnes for this generous contribution.

- ▶ Interim President Russi announced Ms. Amy Ann Rickstad as the winner of the university's 1995 Matilda R. Wilson Award, Mr. James Edward Haviland as the winner of the 1995 Alfred G. Wilson Award, and Ms. CaTina Monique Mitchell as the winner of the 1995 Human Relations Award. He recommended the following resolutions to the Board for approval:

A Resolution of Commendation to Amy Ann Rickstad

WHEREAS, Ms. Amy Rickstad graduated from Kimball High School in Royal Oak, Michigan and entered Oakland University in the Fall of 1991; and

WHEREAS, Ms. Rickstad demonstrated academic excellence by maintaining a 3.61 grade point average while completing her degree in English and Communication Arts; and

WHEREAS, Ms. Rickstad has demonstrated leadership capabilities and commitment to the university through her participation in student government where she served one year as president and one year as vice president. Ms. Rickstad was the driving force behind the proposal to have a student presence on the Oakland University Board of Trustees and saw the process through to fruition. Ms. Rickstad also served the university through her work as an Orientation Group Leader and later as the Orientation Administrative Assistant, in both positions serving as a role model for incoming students and their parents. Her achievements are recognized by her membership in the Golden Key National Honor Society and by her receiving the Distinguished Student Leader Award; and

WHEREAS, Ms. Rickstad has been selected as the 1995 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. Amy Ann Rickstad for her commitment to campus life at Oakland University; and, be it further

RESOLVED, that the Board of Trustees commends Ms. Amy Ann Rickstad for the quality of her leadership and scholarship.

Trustee Sharp, seconded by Trustee Ann V. Nicholson, moved approval of the recommendation. The motion was unanimously carried.

A Resolution of Commendation to Mr. James Edward Haviland

WHEREAS, Mr. James Haviland graduated from Clarkston High School in Clarkston, Michigan and entered Oakland University as a freshman in the Fall of 1991; and

WHEREAS, Mr. Haviland has demonstrated academic excellence by maintaining a grade point average of 3.70 while majoring in biology; and

WHEREAS, Mr. Haviland has demonstrated superior leadership capabilities and commitment to the university through a variety of campus functions, including four years of participation as a member of the Men's Cross Country Team, and one year as team captain. Mr. Haviland served one year as the president of the West Vandenberg Hall Council and as a representative to the Residence Halls Council. Mr. Haviland is an inducted member of the Residence Halls Honorary, a recognition given to only one percent of the residence halls population annually. Mr. Haviland has assisted fellow students by serving as a tutor in the Academic Skills Center and has worked as a laboratory assistant and as a volunteer in the Oakland University Eye Research Institute; and

WHEREAS, Mr. Haviland has been selected as the 1995 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 social concern through involvement in the Oakland University community; now, therefore, be it

RESOLVED, that the Board of Trustees expresses its appreciation to Mr. James Edward Haviland for his commitment to campus life at Oakland University; and, be it further

RESOLVED, that the Board of Trustees commends Mr. James Edward Haviland for the quality of his leadership and scholarship.

Trustee Sharp, seconded by Trustee Doyle, moved approval of the recommendation. The motion was unanimously carried.

A Resolution of Commendation to Ms. CaTina Monique Mitchell

WHEREAS, Ms. CaTina Mitchell entered Oakland University as a freshman in the Fall of 1990 from Martin Luther King High School, Detroit, Michigan; and

WHEREAS, Ms. Mitchell distinguished herself as a scholar and a leader committed to increasing unity and understanding between diverse groups of faculty, students and staff; and

WHEREAS, Ms. Mitchell has demonstrated leadership capabilities and commitment to the university by her participation in various university functions, including the engineering student organizations and through her work as a tutor in the Academic Skills Center. As a leader, Ms. Mitchell successfully worked to help people of different races and backgrounds to develop an understanding and appreciation for the way in which we are all interdependent. As a senior assistant in the Alliance for Minority Participation program and as a peer study leader in the Academic Services area, Ms. Mitchell has mentored, counseled and worked to keep many students involved in the university leading to their academic success.

WHEREAS, Ms. Mitchell has been selected as the 1995 recipient of the Human Relations Award given annually to a graduating senior who has made an outstanding contribution to intergroup understanding and conflict resolution in the Oakland University community; now, therefore, be it

RESOLVED, that the Board of Trustees expresses its appreciation to Ms. CaTina Monique Mitchell for her commitment to campus life at Oakland University; and, be it further

RESOLVED, that the Board of Trustees commends Ms. CaTina Monique Mitchell for the quality of her leadership.

Trustee Sharp, seconded by Trustee Doyle, moved approval of the recommendation. The motion was unanimously carried.

Interim President Russi completed his report with the following information:

- ▶ The Oakland-Macomb Educational Network, a computing network initiative, was created this year with Oakland serving as the network hub linking the university, two intermediate school districts, two community college systems, and forty-nine public school systems in the two counties. The start-up funding for the project is from a \$3 million grant to Southeast Michigan from the Public Service Commission, of which \$900,000 is delegated as the Oakland-Macomb share. When completed, the network will have the potential of linking 175,000 students in the two counties.
- ▶ The Matthew Lowry Early Childhood Center of Oakland University has achieved accreditation by the National Academy of Early Childhood Programs. Dr. Russi called upon Dr. Mary L. Otto, Acting Dean for the School of Education and Human Services

(SEHS), to discuss outreach programs of SEHS. Dr. Otto first recognized the faculty and the Executive Committee of the school for their outreach effort to bring educational programs into the community. She specifically mentioned outreach programs of the five SEHS departments to include: (1) Counseling Department -- a master's degree in Counseling and five specialization programs for post master's graduate credit hours in Mental Health Counseling, Substance Abuse Counseling, Marriage and Family Counseling, Child and Adolescent Counseling, or Career Counseling, offered at the Macomb University Center, (2) Department of Human Resource Development -- a baccalaureate in Training and Development and Human Services offered at Macomb University Center, (3) Department of Human Development and Child Studies -- an Early Childhood master's degree offered in Flint, (4) Reading and Language Arts Department -- a Master's of Arts in Teaching, Reading, and Language Arts offered at the Macomb University Center, and (5) Department of Curriculum, Instruction, and Leadership -- a preservice teacher preparation program in Elementary Education and Certification offered at the Macomb University Center.

- ▶ Ms. Nancy A. Schmitz, Assistant Dean of Students, was recognized as the May Employee of the Month.
- ▶ As a result of a \$2.3 million dollar award by the Matilda R. Wilson Fund, the entrance drive, front courtyard and service courtyard at Meadow Brook Hall will be completely refurbished, enhancing the entire entrance of the Hall.

Bond Financing for Student Recreation and Athletic Facility

Presenting the history of this matter, Mr. Bissonnette stated that on December 2, 1993, the Board of Trustees authorized the administration to develop and issue a Request for Qualifications to solicit proposals from firms to underwrite the issuance of bonds and also to retain bond counsel for the proposed student recreation and athletic facility. On October 6, 1994, the Board authorized the administration to seek architectural services for the design of the facility along with the initiation of the process for the issuance of tax exempt bonds to finance the construction of the facility. The administration returned to the Board later for approval of the underwriter, Lehman Brothers. Mr. Bissonnette stated that the administration is today requesting Board authorization for the issuance of bonds to finance a recreation and athletic facility. He noted that the following people comprised the team who worked diligently with him in developing the bond proposal: the project underwriter, Mr. John Augustine, Senior Vice President of Lehman Brothers; the underwriter's counsel, Mr. Jerry Rupley, of Miller, Canfield, Paddock and Stone; the university's bond counsel, Mr. David Baker Lewis and Ms. Susan Hoffman, of Lewis, White & Clay; Ms. Ji Bak, of Lehman Brothers; Mr. Ray T. Harris, Associate Vice President for Finance and Administration; and Ms. Susan Gerrits, General Counsel and Secretary to the Board of Trustees.

Mr. Bissonnette presented two items to the Board titled Pledge of Funds Ordinance and Authorization to Issue and Deliver Bonds to Finance Recreation and Athletic Facility.

Pledge of Funds Ordinance

Mr. Bissonnette noted that the Pledge of Funds Ordinance pledges the general revenues of the institution, excluding student activity fees, escrows, gifts, grants, donations, pledges, and state appropriations. He stated that it is the common method for state supported institutions to construct their bond financing. Mr. Bissonnette briefly discussed the advantages of a general revenue bond, noting that it provides a stronger pledge of security, higher credit rating, higher sellability, lower insurance costs, flexibility, fewer covenances, and no requirement to finance a debt service revenue fund .

Mr. Bissonnette submitted the following resolution for Board approval:

RESOLVED, that the Board of Trustees adopt the following ordinance:

In connection with the issuance of bonds, notes or other obligations (collectively, "bonds") authorized under Article VIII, Section 6 and Article IX, Section 13, and such other applicable provisions of the Michigan Constitution of 1963, as amended, and Act 35, Public Acts of Michigan, 1970, as amended, a resolution of the Board of Trustees authorizing bonds or a trust indenture or other instrument entered into by the Board of Trustees with respect to bonds which is authorized by resolution of the Board of Trustees, may contain a pledge of all or part of the following: fees, deposits, charges, receipts and income from all or any part of the students of Oakland University, whether activity fees, tuition, instructional fees, tuition surcharges, general fees, health fees or other special purpose fees; all gross income, revenues, and receipts from the ownership, operation and control of the Board of Trustees' housing, dining and auxiliary facilities; all unrestricted receipts from departmental or educational activities; all grants, gifts, donations and pledges and receipts therefrom, unrestricted recoveries of indirect costs, and unrestricted investment income, or such other source(s) of revenue which the Board of Trustees shall describe by amendment to this ordinance; but excluding all of the following: (a) student activity fees approved by student referendum and not reported in Oakland University's current funds; (b) any deposits required by law or contract to be held in escrow; (c) any gifts, grants, donations or pledges and receipts therefrom, restricted as to use in a manner inconsistent with the payment of debt service on such bonds or bonds issued on a parity therewith; and (d) appropriations to Oakland University from the State of Michigan Legislature.

Such a pledge shall be subject to agreements with holders of Oakland University bonds as may then exist. A pledge made by the Board of Trustees of Oakland University is valid and binding from the time the pledge is made. The money or property so pledged and thereafter received by the Board of Trustees of Oakland University is immediately subject to the lien of the pledge without a physical delivery or further act. The lien of such a pledge is valid and binding as against parties having claims of any kind in tort, contract or otherwise against the Board of Trustees of Oakland University and is valid and binding as against the transfer of the money or property so pledged, irrespective of whether the parties have notice. Neither the resolution, the trust agreement, or any other instrument by which a pledge is created need be recorded in order for the lien of the pledge to be effective hereunder.

This ordinance shall be in furtherance of the plenary powers of the Board of Trustees of Oakland University granted under the Michigan Constitution of 1963, as amended, and shall not be deemed to limit or constrain such powers in any way.

Request for Authorization to Issue and Deliver Bonds to Finance Recreation and Athletic Facility

Mr. Bissonnette highlighted the following special bond issues: (1) It is a General Revenue bond. (2) It is a 30 year fixed rate for \$37 million with maturity ending May 15, 2026. (3) It has an option of a three-year fixed to floating rate exchange agreement, with a 10 percent cap, to take advantage of fixed and variable rates and save approximately \$1.1 to \$1.6 million. (4) It is an insured AAA rated bond, with an underlying rating of A. (5) The prepricing is set for June 13, with the selling date being June 14, 1995. (6) There will also be an investment contract with a competitive bid if it is within the interest of the university. Otherwise, the university will invest with NBD, the university's current short and intermediate fund manager. Mr. Bissonnette added that Comerica was the successful low bidder as trustee for the fund.

Mr. Bissonnette submitted the following resolution for Board approval:

WHEREAS, the Board of Trustees of Oakland University (the "Board") is a constitutional body corporate established pursuant to Article VIII, Section 6 of the Michigan Constitution of 1963, as amended (the "Constitution"), with general supervision of Oakland University (the "University") and the control and direction of all expenditures from the University's funds; and

WHEREAS, the Board proposes to undertake the construction of a new Student Recreation and Fitness Center and renovation and expansion of the existing Lepley Sports Center (together, the "Project"); and

WHEREAS, the Constitution as well as Section 6 of Act 35, Public Acts of Michigan, 1970, as amended ("Act 35"), authorizes the Board to issue bonds for the purpose of the Project, payable from the sources therein provided; and

WHEREAS, in the exercise of its constitutional duties, and in order to prudently control and direct expenditures from the University's funds, the Board determines it is necessary and desirable to authorize the issuance and delivery of the Board's General Revenue Bonds, Series 1995 (the "Bonds"), pursuant to its constitutional and statutory authority in order to provide funds which, together with other available funds, will be used to pay the costs of the Project, to fund capitalized interest, and to pay costs related to the issuance of the Bonds; and

WHEREAS, a trust indenture (the "Trust Indenture") should be entered into by and between the Board and trustee (the "Trustee"), to be designated by an Authorized Officer (as hereinafter defined), pursuant to which the Bonds will be issued and secured; and

WHEREAS, pursuant to the competitive proposal process authorized by the Board, Lehman Brothers and Prudential Securities Incorporated (collectively, the "Underwriters") have been engaged to undertake preliminary market analysis and to present to an Authorized Officer (as hereinafter defined) a bond purchase agreement (the "Bond Purchase Agreement") setting for the terms and conditions upon which the Underwriters will agree to purchase the Bonds and the interest rates thereof and the purchase price therefor; and

WHEREAS, insuring the timely payment of principal and interest on the Bonds through a municipal bond insurance policy may be advantageous financially to the University; and

WHEREAS, entering into an interest rate exchange agreement with a financially sound counterparty additionally may be advantageous financially to the University; and

WHEREAS, entering into an investment agreement for the proceeds of the Bonds until needed for the Project may be advantageous financially to the University; and

WHEREAS, in order to be able to market the Bonds at the most opportune time, it is necessary for the Board to authorize the President or the Interim President of the University and the Treasurer to the Board (each, an "Authorized Officer"), or either of them, to designate the Trustee, to negotiate, execute and deliver on behalf of the Board the Trust Indenture, to establish the specific terms of the Bonds within the parameters herein contained, to negotiate a Bond Purchase Agreement and to accept the offer of the Underwriters to purchase the Bonds, and to obtain a policy of bond insurance for the Bonds, and to enter into an investment agreement for proceeds of the Bonds until needed for the Project and an interest rate swap agreement for some or all of the Bonds if deemed necessary and desirable by an Authorized Officer, all within the limitations set forth herein; and

WHEREAS, the financing of the Project will serve proper and appropriate public purposes; and

WHEREAS, the Board has full power under its constitutional authority and supervision of the University and control and direction of expenditures from the University funds, as well as under Act 35, to acquire and construct the Project, and to pay all or part of the cost of the acquisition, construction and installation of the Project by issuance of the Bonds, and to pledge General Revenues (as defined in the Trust Indenture) for payment of the Bonds;

NOW, THEREFORE, BE IT

RESOLVED, that the Board hereby authorizes the issuance, execution and delivery of the Bonds of the Board in one or more series to be designated GENERAL REVENUE BONDS, SERIES 1995 with appropriate additional series designations, if any, in the aggregate original principal amount to be established by an Authorized Officer, but not to exceed the aggregate original principal amount of \$37,000,000, to be dated as of the date established by an Authorized Officer, for the purpose of providing funds which will be used to pay part or all of the cost of the Project, to fund capitalized interest, if appropriate, in an amount and for the period determined by an Authorized Officer, and to pay costs incidental to the issuance of the Bonds, including bond insurance premiums and swap provider fees if determined to be appropriate by an Authorized Officer; and, now, be it further

RESOLVED, that the Bonds shall be issued within the following parameters and have the following terms:

- (a) The Bonds shall be serial Bonds or term Bonds subject to mandatory redemption requirements, or both, as shall be established by an Authorized Officer, but the first maturity shall be not earlier than May 15, 1996 and the last maturity shall be no later than May 15, 2026;
- (b) The Bonds may bear interest at stated rates for the respective maturities thereof as shall be established by an Authorized Officer, but the highest rate interest for any maturity shall not exceed 7.25% per annum, and the Bonds may be issued in whole or in part as capital appreciation bonds, which for their term or any part thereof bear no interest but appreciate in principal amount over time at a compounded rate (not in excess of 7.50% per annum) to be determined by an Authorized Officer;
- (c) The bonds may be subject to redemption or payment prior to maturity at the times and prices and in the manner as shall be established by an Authorized Officer, provided that no redemption premium shall be in excess of 102% of the par amount of the Bonds;
- (d) The maximum principal and interest requirements on the Bonds in any fiscal year of the University shall not exceed \$3,120,000;
- (e) Interest on the Bonds shall be payable each May 15 and November 15 commencing November 15, 1995, or at such other times as shall be specified by an Authorized Officer;
- (f) The Bonds shall be issued in fully registered form in such denominations, shall be payable as to principal and interest in the manner, shall be subject to transfer and exchange, and shall be executed and authenticated, all as shall be provided in the Trust Indenture; and
- (g) The Bonds shall be sold to the Underwriters pursuant to the Bond Purchase Agreement for a price to be established by an Authorized Officer (but the Underwriter's discount shall not exceed .491% of the principal amount thereof plus reasonable out of pocket expenses of the Underwriters, and original issue discount shall not exceed 2% of the principal amount thereof) plus accrued interest, if any, from the dated date of the Bonds to the date of delivery thereof; and, now, be it further

RESOLVED, that the faith and credit of the University shall not be pledged in any way to payment of principal or interest on the Bonds; and, now, be it further

RESOLVED, that the Bonds shall be limited and not general obligations of the Board payable from and secured by a lien on the General Revenues (as shall be defined in the Trust Indenture to include generally student tuition and other fees, housing and auxiliary revenues, unrestricted gifts and grants, unrestricted investment income and other miscellaneous revenues, subject to certain reductions, limitations and exceptions) and funds from time to time on deposit in certain funds created pursuant to the Trust Indenture; and, now, be it further

RESOLVED, that except as provided in the Trust Indenture, no recourse shall be had for the payment of the principal amount of or interest or premium on the Bonds or any claim based thereof against the State of Michigan, the Board or any officer or agent thereof, as individuals, either directly or indirectly, nor shall the Bonds and interest with respect thereto become a lien on or be secured by any property, real, personal or mixed of the State of Michigan or the Board, other than the General Revenues and the moneys from time to time on deposit in certain funds established by the Trust Indenture; and, now be it further

RESOLVED, that the right is reserved to issue additional bonds, notes or other obligations payable from and secured on a parity basis with the Bonds from the General Revenues, upon compliance with the terms and conditions as shall be set forth in the Trust Indenture; and, now be it further

RESOLVED, that an Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, and as its corporate act and deed, to select the Trustee, and to negotiate, execute and deliver the Trust Indenture in substantially the form presented to the Board, with such changes as an Authorized Officer may approve upon recommendation of University counsel (which approval shall be conclusively evidenced by the execution of the Trust Indenture), all within the limitations set forth herein; and, now, be it further

RESOLVED, that an Authorized Officer is hereby authorized in the name and on behalf of the Board, and as its corporate act and deed, to select a bond insurer, and to obtain a policy of municipal bond insurance for the Bonds if it is deemed financially advantageous by an Authorized Officer and to enter into any agreements on behalf of the Board necessary in relation thereto; and, now, be it further

RESOLVED, that an Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, and as its corporate act and deed, to enter into an investment agreement with respect to the Project Fund created under the Trust Indenture as authorized in the Trust Indenture, if deemed financially advantageous by an Authorized Officer; and, now, be it further

RESOLVED, that an Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, and as its corporate act and deed, to enter into an interest rate swap agreement (the "Swap Agreement") in substantially the form presented to the Board, with such changes as an Authorized Officer may approve upon recommendation of University counsel (which approval shall be conclusively evidenced by the execution of the Swap Agreement), payable from General Revenues of the University (as defined in the Trust Indenture) on a parity with or subordinate to the Bonds, if deemed financially advantageous by an Authorized Officer, with such swap provider as an Authorized Officer shall select, subject to the following qualifications:

- (a) The term of Swap Agreement shall be coterminous with the period of capitalized interest on the Bonds, and in any event shall not be greater than 3.3 years, commencing with the date of delivery of the Bonds;
- (b) The maximum interest rate payable to the provider of the Swap Agreement thereunder shall not exceed 10% per annum; and
- (c) The provider of the Swap Agreement shall be an entity rated at the time of the execution of the agreement either not less than "A" by Standard & Poor's Ratings Group or not less than "A" by Moody's Investors Service, Inc. and such entity shall collateralize its obligations under the agreement with United States Treasury securities at a level equal to 102% of the market value of the transaction executed thereunder; and, now, be it further

RESOLVED, that an Authorized Officer is hereby authorized and directed, in the name and on behalf of the Board, and as its corporate act and deed, to negotiate, execute and deliver the Bond Purchase Agreement with the Underwriters, in substantially the form presented to the Board, with such changes as an Authorized Officer may approve upon recommendation of University counsel (which approval shall be conclusively evidenced by the execution of the Bond Purchase Agreement), setting forth the terms of the Bonds and the conditions pertaining to sale thereof, all within the limitations set forth herein; and, now, be it further

RESOLVED, that an Authorized Officer is hereby authorized, empowered and directed, in the name and on behalf of the Board, and as its corporate act and deed, to execute the Bonds by placing his or her manual or facsimile signature or signature thereon, and, after authentication by the Trustee as provided in the Trust Indenture, to deliver the Bonds to the Underwriters in exchange for the purchase price thereof, as provided in the Bond Purchase Agreement; and, now, be it further

RESOLVED, that an Authorized Officer is hereby authorized to cause the preparation of a Preliminary Official Statement and an Official Statement with respect to the Bonds, and to execute and deliver the Official Statement. The Underwriters are authorized to circulate and use, in accordance with applicable law, the Preliminary Official Statement and Official Statement in connection with the offering, marketing and sale of the Bonds; and, now, be it further

RESOLVED, that the Authorized Officers or either of them and any other appropriate officer of the Board or the University are hereby authorized to perform, execute and/or deliver all instruments and documents for and on behalf of the University required by this resolution, the Trust Indenture, or the Bond Purchase Agreement, or necessary, expedient and proper in connection with the issuance, sale and delivery, and ongoing administration of the Bonds or the Trust Indenture and to take any and all actions related thereto, as contemplated hereby; and, now, be it further

RESOLVED, that prior to the execution by any Authorized Officer or other officer of the Board or the University of instruments and documents authorized to be executed hereunder, University counsel shall have reviewed and approved any and all such instruments and documents; and, now be it further

RESOLVED, that all resolutions or parts of resolutions or other proceedings of the Board in conflict herewith are hereby repealed insofar as such conflict exists.

Trustee David Handleman, seconded by Trustee Schlaybaugh, moved approval of the Pledge of Funds Ordinance and the Request for Authorization to Issue and Deliver Bonds to Finance Recreation and Athletic Facility. The motion was unanimously carried.

Affirmative Action Status Report

Mr. Edward S. Perez, Acting Director, Office of Equal Opportunity, reported on the status of women and minority staff employed in major job groups over a period of 13 years. He reported progress in meeting the goals of the university's Affirmative Action Plan reflected in non-faculty hires for the past year. There were 31 hires in the executive and administrative non-faculty groups of which 21 were women, 10 were African American, and 3 were other minority groups. For paraprofessionals and non-professionals, 28 people were hired of whom 19 were women and

7 were African Americans. Mr. Perez stated that seven affirmative action goals were met for women, African Americans, and other minority groups. He noted that the university was not successful in meeting affirmative action goals where hiring opportunities existed in five job groups. A review of the aggregate data made available in the supplemental Trend Analysis report reveals that since 1991 executive and administrative encumbancy for African Americans has flat-lined, remaining at 10 percent out of the total number of employees. For skilled craft and service maintenance employees the total number of African Americans has decreased since 1981. However, the data also reflects a continued success of women in executive and administrative positions since 1981, and an increase in the hiring of African Americans and Hispanic staff in the clerical and technical positions since 1981.

Mr. Perez noted his support of the amendment to the Affirmative Action Policy for the Affirmative Action Plan Status Report, which was approved under the consent agenda. He stated that it will enable the Office of Equal Opportunity to present an annual trend analysis which will better reflect hiring progress over time. The fall semester is recommended as the reporting period because hiring decisions are made for the academic year by that time, and the data is appropriately available for analysis at that time.

Chairman Fischer thanked Mr. Perez for the report, and stated that the Board will look forward to the trend analysis in the future.

Agreement to Provide Legal Representation

Ms. Gerrits stated that Trustee Schlaybaugh has been named, in his capacity as Chair of the Presidential Search Advisory Committee (PSAC), along with the Oakland University Board of Trustees and the PSAC, as a defendant in a lawsuit filed by Great Lakes Media, Inc., doing business as The Oakland Press. Pursuant to the Board policy on defense and indemnification of officers, trustees, and employees, the university is requesting authority to retain counsel to represent Trustee Schlaybaugh. It is the opinion of the university's General Counsel as well as retained counsel that there is no conflict of interest between Trustee Schlaybaugh and the university with respect to defense of this lawsuit. Ms. Gerrits requested that Trustee Schlaybaugh abstain from the vote on the action. She submitted the following resolution for Board approval:

RESOLVED, that the university's General Counsel is authorized to retain outside counsel to represent Trustee Rex E. Schlaybaugh, Jr. in the lawsuit captioned Great Lakes Media, Inc. v Board of Trustees of Oakland University, Presidential Search Advisory Committee, and Rex Schlaybaugh. Oakland County Circuit Court, Civil Case No. 95-495537-AZ, subject to a reservation of rights should a conflict of interest develop at some time subsequent to this date. This recommendation is in accordance with the Board policy governing defense and indemnification of trustees, officers and employees, approved August 14, 1986.

Trustee Sims, seconded by Trustee Doyle, moved approval of the recommendation. The motion was carried by a vote of 7-0, with Trustee Schlaybaugh abstaining.

Revision of Defense and Indemnification Policy

Ms. Gerrits stated that the university is currently operating under a Board policy passed in 1986, as a temporary measure, when the institution was faced with the loss of its directors and officers insurance altogether. Since that time, Oakland has joined with other Michigan universities to create the Michigan Universities Self-Insurance Corporation, which provides an array of insurance coverage for the institution in its activities and for its trustees, officers, employees, and volunteers. The university administration is now recommending a revised policy for several reasons. First, the revised policy provides clear standards for the provision of defense and indemnification of trustees, officers, employees, and volunteers who are named as parties in lawsuits arising out of their service to the university. Second, the policy provides a clearly defined administrative procedure for the investigation and processing of claims where individuals are named in actions arising out of their service to the university. Third, the revised policy provides for a bifurcated decision making process with the administration making decisions on defense in order to meet legally imposed filing deadlines, but with the Board of Trustees reserving unto itself all decisions on indemnification. The proposed policy is consistent with the Michigan Non-Profit Corporation Act and the Michigan statute providing for the defense and indemnification of officers and employees of governmental agencies, and it has been extensively reviewed by the Finance and Personnel Advisory Committee.

Ms. Gerrits submitted the following resolution for Board approval:

It is recommended that the Board of Trustees approve the following indemnification policy, providing for the defense and indemnification of trustees, officers, employees, and volunteers. The policy is consistent with state law, which provides that a governmental agency shall have the authority to defend and indemnify its officers and employees who are subject to claims arising out of their employment and while acting within the scope of their authority. MCLA §691.1408.

RESOLVED, that the Board of Trustees adopts the following policy:

Oakland University shall, to the fullest extent permitted by law, indemnify any trustee, officer, employee or authorized volunteer (each referred to as "individual"), who was or is a party to or is threatened to be made a party to any pending or threatened action, suit, proceeding or investigation, whether civil, criminal, investigative or administrative (other than an action by or in the right of the university), by reason of the fact that the individual was or is a trustee, officer, employee or authorized volunteer of the university. The university shall indemnify

an individual against all expenses (including attorney fees for counsel retained by the university), judgments, fines and amounts paid in settlement, actually and reasonably incurred (i) related to or arising out of conduct of the individual within his/her scope of employment authority, or authority as a trustee or volunteer and (ii) undertaken in good faith by the individual.

With respect to any criminal action, the university shall indemnify a trustee, officer employee or authorized volunteer if: (i) that individual was acting within the scope of his or her employment authority, or authority as a trustee or an authorized volunteer, (ii) all related actions or conduct by the individual were undertaken in good faith, and (iii) the individual had no reasonable cause to believe that his or her conduct was unlawful.

Indemnification shall be made only to the extent that the individual is not made whole for his or her losses or expenses from all other sources, including insurance. In no case will indemnification, when considered with all other sources, exceed the actual amount of expenses incurred by the individual. An individual seeking indemnification has an affirmative duty to advise the university in writing of any source of indemnification, insurance or other payment that may be applied toward the losses or expenses for which the individual seeks indemnification.

To be eligible for indemnification, an individual must promptly and in writing notify the General Counsel of the claim or action for which indemnification will be sought. If the General Counsel seeks indemnification, he or she must promptly and in writing notify the President of the claim or action for which indemnification will be sought. An individual seeking indemnification is required at all times to cooperate fully with the General Counsel and/or counsel retained by the university, and the Office of Risk Management and Contracting.

Upon receipt of notification of a claim or action for which indemnification may be sought, the university may advance expenses or otherwise provide for a defense in any specific case upon a determination that: (i) the individual in question has satisfied the applicable standards of conduct set forth above; and (ii) the individual has agreed, in writing, to repay the advanced expenses if it is later determined that the individual is not entitled to be indemnified by the university. The university may advance expenses or otherwise provide for a defense upon such terms or conditions as the administering officer deems reasonable or appropriate. Any decision on the part of the university to advance expenses or otherwise provide for a defense shall be subject to a reservation of rights should a determination be made that the conduct of an individual does not meet the conditions of the policy.

In the case of actions concerning employees and volunteers, the General Counsel shall conduct a preliminary investigation of the facts and circumstances, and make a recommendation as to a proposed course of action to the President of the university, who shall then determine whether expenses or a defense shall be advanced. Following resolution of the claim or action, or at such other time as the Board of Trustees may deem appropriate, the Board of Trustees shall make the final determination as to whether the employee or volunteer is entitled to indemnification pursuant to the terms set forth in this policy.

In the case of actions concerning the President, General Counsel, or members of the Board of Trustees, the university shall advance expenses or otherwise provide for a defense provided that the individual in question: (i) submits a written representation that he/she believes he/she has satisfied all of the policy requirements for indemnification; and (ii) agrees in writing to repay the advanced expenses if it is later determined that the individual is not entitled to be indemnified by the university. Following resolution of the claim or action, or at such other time as the disinterested members of the Board of Trustees constituting a quorum of the Board may deem appropriate, the disinterested members of the Board of Trustees constituting a quorum of the Board shall make the final determination as to whether the President, General Counsel, or individual member of the Board of Trustees is entitled to indemnification pursuant to the terms set forth in this policy. If a disinterested quorum of the Board is not obtainable, then the recommendation of duly appointed independent and outside counsel shall constitute the determination of the Board.

The indemnification and advancement of expenses provided for herein continues as to an individual who ceases to be a trustee, officer, employee, or volunteer and shall inure to the benefit of the heirs and personal representatives of such individual.

This policy shall not be interpreted to limit the power of the university to elect to indemnify and hold harmless any agent or other person in any particular circumstance.

The General Counsel shall keep the Board of Trustees informed as to the status of all lawsuits in which the university or an individual is named as a party, including any decision to provide defense and/or advance expenses for an individual.

Trustee Schlaybaugh, seconded by Trustee Nicholson, moved approval of the recommendation. The motion was unanimously carried.

Strategic Plan 1995-2005

Interim President Russi presented the Oakland University Strategic Plan 1995-2005, noting that the recommendation emanates from the efforts of approximately 170 people working in task forces over a two-year period. He stated that the strategic framework will guide the direction of the university for the next ten years. Interim President Russi submitted the following resolution for Board approval:

RESOLVED, that the Oakland University Board of Trustees endorse the
Oakland University - The Future, Strategic Plan 1995-2005.

OAKLAND UNIVERSITY - THE FUTURE
Strategic Plan 1995-2005

Oakland University Vision:

In the coming decade Oakland University will further its commitment to its constituencies through excellence in teaching, learning, research, and service; it will create a climate which encourages and supports human diversity and development; and it will work to achieve and be recognized for national eminence in selected endeavors.

In selecting this vision Oakland University reaffirms its commitment to achieving three key objectives:

To meet the needs of its constituencies.

To further its recognition and reputation as an institution of excellence.

To achieve national eminence in distinct areas of teaching, learning, research and service.

Needs of Constituencies

To meet the need of its primary constituents, its undergraduate students, Oakland University must maintain and strengthen the educational programs that have been a source of pride and recognition. However, it is a basic assumption of this plan that institutions of higher education soon will be judged not only upon the quality of the instruction provided in their classrooms and the richness of the variety of the programs they offer, but also upon the student learning that takes place in those classrooms, especially at the undergraduate level. Consequently, three out of the nine strategies (Strategies 1, 2 and 3) emphasize the crucial area of student learning. Student learning is the foundation for many of Oakland University's claims to institutional excellence.

Recognition and Reputation as Institution of Excellence

To further its institutional reputation, both within Michigan and nationally, Oakland University will need to maintain the strength of its faculty, an historic and distinctive asset. It will need to maintain a careful focus in its graduate programs and also to increase their size and support. A similar focus in the university's research and outreach activities will provide for effective competition and a comparative advantage over other, perhaps larger, educational institutions in the state. Oakland University can construct a solid, coordinated institutional response to the many challenges that exist for external support and recognition by implementing Strategies 2, 4 and 5.

National Eminence in Teaching, Learning, Research and Service

Strategy 6 addresses the third objective, the achievement of national eminence in distinct areas of teaching, learning, research and service. It recommends areas that appear to have the greatest potential for achieving this goal in the near future with the current limited funding base. It is recognized that there are other current activities at Oakland University which have similar aspirations. Consequently, Strategy 6 also recommends the development of processes to review the progress of the designated areas and to provide for the identification of other areas under appropriate circumstances.

Community, Planning, Assessment and Resource Allocation

Finally, no modern organization can expect to advance in a period of tight budgets without an effective sense of community, common purpose, and mutual respect among the people who ultimately are that organization. Physical and financial assets must also be managed in a manner that supports and produces continuous improvement. Strategies 7, 8 and 9 provide recommendations for ways through which Oakland University will transform itself into an effective and efficient institution.

Strategic Guidelines

- 1) Oakland University regards students as its first priority placing emphasis on student success and diversity as vital educational issues;
- 2) Oakland University should increase its enrollments with funding and resources to ensure that the quality of the academic programs is maintained;
- 3) Oakland University should increase, somewhat, its emphasis on graduate education without compromising undergraduate program;
- 4) Oakland University should experiment with alternative modes of delivering courses while keeping to the fundamental principle of instructional excellence;

- 5) Oakland University should become more selective in where it chooses to concentrate its efforts;
- 6) Oakland University should be more aggressively responsive to the external needs of the community, while remaining true to its internal principles;
- 7) Oakland University should utilize new approaches to increase its recognition as a high quality university.

In all of these endeavors, the values of excellence, collaboration and diversity will serve as standards for the university.

Strategies

Strategy 1: Oakland University views undergraduate education as central to its mission and will ensure an environment of learning excellence in order to educate a diverse body of students to be productive, contributing members of society.

Comment: From its beginnings, Oakland University's instructional programs have been grounded in a strong undergraduate liberal arts curriculum. Since the early eighties, its professional programs have included a solid general education program common to all undergraduates. The quality of the education that results has been documented by the numbers of undergraduates who go on to pursue graduate degrees and by those who score highly on professional examinations. It is important not only to build upon these historic strengths but also to respond effectively to new challenges.

Strategy 2: To sustain Oakland University's reputation of overall excellence in selected areas of Graduate and Professional Education, resources will be focused on creating and strengthening areas of graduate study in a manner that is responsive to regional and national needs.

Comment: Since the initiation of its first doctoral program, Oakland University's graduate programs have been selectively developed. They have been characterized by an attention to meeting developing needs of society, especially at the master's level, and to innovative, non-duplicative programs at the doctoral level.

Strategy 3: To promote the recruitment, retention and success of its students, Oakland University will provide an environment rich in human diversity, with dedicated support services, extensive non-class-room activities, and outstanding instructional, residential, and recreational/sport facilities.

Comment: A greater focus on student learning and development at Oakland University will require that greater attention is paid to the setting in which that learning and development occur. The quality of that environment will depend primarily upon the classroom instruction that is provided. However, students will also benefit from having their education conducted in a community that is representative of the world in which they live. It is important that Oakland University clearly articulate and act upon its strong belief that diversity is more than an equity issue. Diversity is a vital issue of quality education for all students. In addition, educational quality will be further affected by the support for learning that is available outside of the classroom and by the physical facilities in which the university's activities take place.

Strategy 4: Research, Scholarship, and Creative Activities are among Oakland University's greatest strengths and will be aggressively encouraged and supported.

Comment: Throughout its history, the scholarly productivity of Oakland University's faculty and students has distinguished it from other institutions of similar size and type. It is a particular source of pride that this quality has not been localized within a few units, but has clearly extended across the institution as evidenced by studies conducted as part of accreditation reviews. This institutional asset must be maintained and strengthened in a manner that enhances faculty's professional development and, consequently, their teaching effectiveness.

Strategy 5: Oakland University views community outreach as an integral component of its activities, and will expand its efforts to serve the community consistent with the university's mission and vision.

Comment: From the earliest efforts, the university has enhanced its academic programs through an active involvement with its neighbors in southeast Michigan. Increased institutional investments over the last decade have prepared Oakland University well to respond to the new outreach opportunities in the automotive manufacturing and technology areas that are represented by the development of the Oakland Technology Park. The college and schools will be expected to make important contributions to community outreach to assume the leadership roles in collaboration.

Strategy 6: Oakland University will develop and support areas of institutional excellence and distinction that contribute to local, regional and national eminence.

Comment: A principal component of Oakland University's vision for the next decade is to achieve local, regional and national eminence in distinct areas of teaching, learning, research and service. The implementation plan will identify an initial set of programs to develop as designated areas of excellence and distinction. Additional tactics will be recommended for the creation of a system for the subsequent review of such designated areas, as well as the creation of a process for the identification of new areas.

Strategy 7: Oakland University will create an empowered community of diverse, unified, committed and motivated employees who focus their collective skills, talents, and knowledge toward realization of the university's mission and vision.

Comment: An important test of how highly Oakland University values collaboration is the manner in which people from different units of the institution work together to further common objectives. No organization can meet the challenges of the next decade without the development of a cadre of committed employees. In order to achieve the vision of Oakland University, faculty and staff must work together to solve problems and serve the needs of our constituents. Strategy 7 speaks to Oakland University's investment in its employees as partners through training, team-building, and rewards.

Strategy 8: Oakland University believes that continuous planning and evaluation are needed to effectively chart the future of the university, and therefore Oakland University will increase its self-assessment activity.

Comment: Beyond the formal academic assessment procedures that are now being required by various national accreditation bodies, delivering a quality education with limited resources will require greater attention to the details of how the institution's major activities are being conducted. Oakland University must have accurate information about the progress and success of its efforts to achieve its mission and strategic plans. This information must be accessible to those who work with students, such as faculty, advisors, and/ other academic support staff; to administrators who manage its resources, and to Board of Trustee members and others who determine its policies. Assessment procedures need to be connected to the major components of a continuing planning process.

Strategy 9: Oakland University will secure, allocate or redirect human, physical and financial resources in a manner that enhances the university's mission and vision.

Comment: Oakland University must respond proactively and aggressively to secure resources in light of the relative diminishing of state support for its activities. Allocation of resources will continue to be an issue for planning and forethought. All members of the university community should give priority to the goals and strategies of this plan in the use of their time and resources. In order to achieve its mission and vision, Oakland University must effectively develop, monitor, and use all of its resource capabilities.

Trustee Louis R. Ross arrived at the meeting at 3:42 p.m.

Trustee Sharp, seconded by Trustee Handleman, moved approval of the recommendation. The motion was unanimously carried.

Chairman Fischer recognized the tremendous effort involved in producing the plan. He especially commended Dr. Suzanne Frankie, Dean of the University Library, for chairing the Strategic Plan Steering Committee with the task of preparing the vision statement and charge to each committee, coordinating the strategic planning process, and molding the reports of seven task forces into a single document. Chairman Fischer thanked the following chairs of each task force: Lizabeth Barclay, James Clatworthy, Ronald Tracy, George Gamboa, Jennifer Gilroy, Ray Harris, Katie Kazarian, David Lau, and Gary Russi, and commended the other members of the Steering Committee and task forces for their devotion to the project.

Trustee Sharp suggested that the plan be given a name other than the Strategic Plan and recommended consideration of naming the plan after Dr. Frankie, due to her exemplary dedication to the project. Chairman Fischer responded that the Board will look forward to discussing the possibility.

Oakland University Trustee Academic Success Fund

Interim President Russi stated that the Oakland University Trustee Success Fund provides an opportunity to utilize the proceeds from the sale of land to the City of Auburn Hills to create a fund for the development of student diversity on the campus. He noted that the fund has been available for three years and that it would yield \$177,000 per year for use on a 5 percent allocation of the total assets of \$3,540,549. Interim President Russi stated that approval of the resolution will help the university diversify and improve multicultural sensitivity at Oakland University.

Interim President Russi submitted the following resolution for Board approval:

WHEREAS, the quality of higher education is promoted by a diverse student body; and

WHEREAS, Oakland University is committed to the attainment of racial, geographic and gender diversity with respect to its student body; and

WHEREAS, the cost of university attendance is expected to continue to increase; and

WHEREAS, the goal of diversity will be enhanced by augmenting the resources available to support an able and diverse student population in the pursuit of their undergraduate studies; now, therefore be it

RESOLVED, that the President be authorized to establish an Oakland University Trustee Academic Success Fund utilizing the proceeds from the sale of land to the City of Auburn Hills not already dedicated for Auburn Hills scholarships; and, be it further

RESOLVED, that, consistent with federal Department of Education Guidelines, the Trustee Academic Success Fund shall be narrowly tailored to achieve the goal of recruitment and retention of a diverse student body; and, be it further

RESOLVED, that the funds shall be used in a manner consistent with established applicable Board of Trustees policies; and, be it further

RESOLVED, that annual reports be made by the President to the Board of Trustees University Affairs Advisory Committee and the Board of Trustees on the expenditures made by, and the status of, the Trustee Academic Success Fund.

Trustee Ross stated that it should be noted that this item was reviewed by the University Affairs Advisory Committee and approved for submittal to the Board.

Trustees Sims and Sharp proposed several amendments to the recommendation to reflect that the fund will offer an annual award based upon proposals to the University Affairs Advisory Committee and the Board of Trustees of creative ideas from the faculty, administration, and the university community in achieving the goal of enhancing diversity. Trustee Sims noted that the fund is not just for scholarships, but that it is also intended to enhance the retention of a diverse student body.

Chairman Fischer directed Ms. Gerrits to incorporate the revisions into the recommendation. After considerable discussion, the matter was deferred for Board discussion at the end of the meeting.

Master of Science in Physical Therapy

Interim President Russi stated that School of Health Sciences faculty, staff, and students have been working to develop a Master of Science Degree in Physical Therapy. He called on Dr. Ronald E. Olson, Dean of the School of Health Sciences, who provided a brief history of the program. Dr. Olson stated that since 1988, the university has had a coterie of students who are practicing physical therapists with a desire to learn specific clinical skills in orthopedic manual physical therapy. The university has hired instructors from as far away as Norway, Sweden, Germany, Australia, and Canada to deliver this program in the university's continuing education division. Dr. Olson stated that the courses are at the graduate level, and now have evolved into a Master of Science Degree in Physical Therapy. There are a large number of students interested in the program. He noted that the program has been developed so that there are no permanent employment commitments during the first four years, allowing the university time to insure that the program will be financially viable.

Interim President Russi submitted the following resolution for Board approval:

RESOLVED, that the Master of Science in Physical Therapy be approved;
and, be it further

RESOLVED, that special fees be charged to students in this program for
enrollment in select specialization tracks involving the teaching of clinical skills.

Trustee Ross, seconded by Trustee Nicholson, moved approval of the recommendation.

Trustee Schlaybaugh inquired how new programs such as this one are tested against the Strategic Plan objectives. He stressed the importance of testing all new programs against the Plan as well. Interim President Russi agreed with the need to test every new program decision against the Plan. He stated that in this case, a task force on excellence and distinction cited the Physical Therapy Program as one of those areas of excellence that the university should develop further.

The motion was unanimously carried.

Request for Authorization to Retain an Architect to Design the Recreation and Athletic Facility

Mr. Bissonnette stated that last October the Board authorized the administration to proceed with the selection of an architect to design the recreation and athletic facility. Additionally, the Board assigned Trustee Sims to be a representative on the selection committee. The committee also consisted of Mr. Bissonnette and the following people: Dr. Mary Beth Snyder, Dr. David Herman, Assistant Vice President for Student Affairs/Dean of Students, Ms. Ann Toole, Facilities Consultant, and Dr. Russi. Mr. Bissonnette stated that an RFP was developed and widely circulated with 13 firms responding. The selection committee narrowed the firms down to three who made presentations to the University Affairs Advisory Committee. Mr. Bissonnette stated that TMP/Cannon-Parkin Associates was designated by the committee as their first choice to design the project. He added that Mr. John Castellana, Vice President of TMP, is present to answer questions and that the administration is extremely pleased with the team that TMP/Cannon-Parkin has assembled for this project. Mr. Bissonnette noted the supplemental information supplied to the trustees on the contract negotiations and the information from TMP, as requested by Trustee Ross, on dealing with the "green university" concept and what it will take for a successful project.

Mr. Bissonnette submitted the following resolution for Board approval:

WHEREAS, in order to begin design services for the Recreation and Athletic facility at the appropriate time, it is necessary for the Board to authorize the Vice President for Finance and Administration to engage an architect for the facility; now, therefore, be it

RESOLVED, that the Vice President for Finance and Administration is authorized to negotiate and execute a services contract with TMP Associates, Inc. to be Project architect, subject to the review of the Office of General Counsel, for a lump sum fee of \$1,677,500, plus expenses and consulting services, with RECTECH not to exceed \$27,000.

Trustee Doyle, seconded by Trustee Nicholson, moved approval of the recommendation. The motion was unanimously carried.

1995-96 Ancillary Activities Budget for the Department of Athletics

Mr. Bissonnette stated that this item was reserved for Board approval at this time to allow an opportunity for the completion of a consultant's review and to appoint a new Athletic Director. He noted that the consultant's review has been completed, and the administration is waiting to meet with the consultant and receive the final report. Mr. Bissonnette stated that Trustee Schlaybaugh, as Chairman of the Finance and Personnel Advisory Committee, was supplied a copy of the draft report. He also reported that a list of the finalists for the Athletic Director position will be provided to him shortly.

Mr. Bissonnette reported that the athletic program had some salary savings in the general fund due to a salary savings from the vacant position of Athletic Director. He also noted that the sport of women's volleyball was initiated this past year and is reflected in the budget. In addition, the athletic program is performing well, is fiscally sound, and in compliance with Title IX.

Mr. Bissonnette submitted the following resolution for Board approval:

RESOLVED, that the Board of Trustees accepts the Department of Athletics Budget for the year ending June 30, 1996, with a budgeted net income of \$6,444 and an expenditure level not to exceed \$2,304,306; and, be it further

RESOLVED, that any expenditure level in excess of the approved amount that is not funded by a direct revenue increase must have the prior approval of the President or his designee and these amounts shall be reported on a periodic basis to the Board of Trustees.

Trustee Doyle, seconded by Trustee Schlaybaugh, moved approval of the recommendation. The motion was unanimously carried.

General Fund Budget and Tuition and Fees Rate Increase for Fiscal Years 1995-96 and 1996-97

Mr. Bissonnette stated that the administration is proposing a two-year budget package for the Board's approval. He highlighted the more important aspects of the item: First, the departments,

schools, and colleges were asked to prepare a two-year budget program consistent with the Strategic Plan to allow a more cohesive and continuous application of the university's resources over a two-year period. Second, the tuition is proposed at 5.9 percent for each of the two years based on the assumption that the state will not provide Oakland with more than a 3 percent appropriation increase for each of the two years. If the state does allocate more to Oakland, then those savings will be shared with the students in the 1996-97 budget. The increase represents a cost of approximately \$156 per year to the average student carrying 12 units. Approval of the tuition increase places Oakland in the middle of the 15 Michigan institutions in terms of tuition rates. Third, the budget proposal begins to address the challenge of moving the institution ahead.

It provides funding for instructional classrooms, equipment, additional university scholarships, technology improvements, the implementation of the Strategic Plan, deferred maintenance, and the establishment of the Governmental Affairs Office. The budget also recognizes the positive impact of enrollment growth with the inclusion of 180 new FYES for 1995-96 and 1996-97.

Mr. Bissonnette stated that the university will continue to provide cost effective, high quality education. However, the state must recognize that unequal funding of institutions disadvantage the institution and the students, and if Oakland is to position its students for the future, it must present the quality of its educational programming. He stated that these budget and tuition issues have been reviewed with the student leadership at a cabinet meeting and presented in detail to both Board committees for information and referral to the full Board.

Mr. Bissonnette submitted the following resolution for Board approval:

RESOLVED, that the Board of Trustees approve the 1995-96 General Fund Budget at an expenditure level of \$77,625,896, plus approved encumbrances and carry forwards from the June 30, 1995, fund balance. See Exhibit I for detail.

RESOLVED, that the Board of Trustees approve the attached schedule, Exhibit II, of proposed Student Tuition and Fee Rates for 1995-96.

RESOLVED, that the Board of Trustees approve the 1996-97 General Fund Budget at an expenditure level of \$80,858,459, plus approved encumbrances and carry forwards from the June 30, 1996, fund balance. See Exhibit III for detail.

RESOLVED, that the Board of Trustees approve the attached schedule, Exhibit IV, of proposed Student Tuition and Fee Rates for 1996-97. These rates are subject to an adjustment to the proposed tuition and fees, based upon a more favorable state appropriation and no other significantly different financial conditions than are currently predicted.

(Exhibits I through IV are included with this set of minutes.)

Trustee Sharp, seconded by Trustee Schlaybaugh, moved approval of the recommendation.

Mr. Landsberg, Student Liaison, stated that he understands the need for the tuition increase, but supported continued efforts for more state funding so that the university can provide a cost effective high quality education as Vice President Bissonnette mentioned.

Trustee Sharp asked for clarification of how the administration would address the commitment to share additional state funds to reduce tuition if the 3 percent appropriation is exceeded in 1996. He questioned whether it would be a "one for one" decrease. Mr. Bissonnette responded that he does not know how to address that issue right now, but that he would have to assess the best approach. He noted that currently the budget coming out of the Senate has a one-time appropriation increase of about \$900,000. Mr. Bissonnette stated that if Oakland does receive these funds, the university will want to review what it does to its one-time cost commitments, since they make up a large portion of the costs that the university is trying to budget for. He noted that the administration would be committed to decreasing tuition in every way possible, whether it is a one for one reduction or a shared relationship.

Trustee Sims noted that a 1 percent tuition hike does not equate to 1 percent in state funding. Mr. Bissonnette responded that a 1 percent tuition generates about \$330,000, while a 1 percent state appropriation increase generates slightly under \$400,000. Mr. Harris added that tuition and fees make up about 48 percent of the budget and that state appropriations make up about 49 percent of the budget.

Trustee Doyle stated that if the legislature were to pass the one-time legislation, the maximum amount of lapse funds that Oakland University could receive would be approximately \$900,000. Mr. Bissonnette concurred, stating that it is based on a mix of 12 institutions. However, the House is trying to add the three institutions who had received special appropriations and were taken out of the mix. If they succeed, then the \$900,000 would be reduced by the inclusion of the three institutions.

The motion was unanimously carried.

Approval of 1995-96 Salary Adjustments for Non-Represented Employees

Mr. Bissonnette stated that the university is requesting a fiscal year 1995-96 salary adjustment of 3 percent for non-represented employees. The adjustment is consistent with salary increases being offered at other Michigan institutions and with Oakland's faculty collective bargaining unit. The non-represented group includes vice presidents, deans, academic administrators, administrative-professionals, contract employees, excluded clerical-technical employees, and miscellaneous employees.

Trustee Sims left the room at this time.

Mr. Bissonnette submitted the following resolution for Board approval:

RESOLVED, that the Board of Trustees approves a 1995-96 salary adjustment for non-represented employees, effective July 1, 1995, of a 3.0% pool increase for each employee subgroup, as follows: Group I, Executives and Deans; Group II, Academic Administrators, Administrative-Professionals, and Contract Employees; and Group III, Excluded Clerical-Technicals and Miscellaneous Employees. The distribution for individual employees within subgroups will be based on an assessment of performance or merit.

Trustee Sharp, seconded by Trustee Doyle, moved approval of the recommendation. The motion was unanimously carried.

Proposal to Approve a Residence Halls Down Payment Fee and Contract Release Procedure

Dr. Mary Beth Snyder, Vice President for Student Affairs, stated that this proposal is to adopt a revised Board policy governing the release of students from their residence hall contracts. Currently the residence hall contract allows the university to release students at any time for extenuating circumstances. If the student's request for a release is granted, the student is assessed a \$45 administrative fee and a per diem charge for days spent in residence. Dr. Snyder stated that Board policy approved in 1986 allows students to be released from a residence hall contract without showing cause, with a payment of 25 percent of the remaining residence hall contract charges. The proposed policy change will: (1) authorize that a down payment be assessed with the contract and that the down payment be applied against room and board costs, (2) establish a flat contract cancellation fee either before or during the contract period, (3) assist the university in planning residence hall capacity more effectively by obtaining firmer commitments from students, and eliminating the confusing appeal process, and (5) bring the university in line with other state institutions.

Dr. Snyder submitted the following resolution for Board approval:

WHEREAS, the Board Policy on Release from Residence Halls Contract does not authorize a down payment with a signed contract, thus giving students the option of holding room space without a firm commitment; and

WHEREAS, the existing policy gives the administration board authority to release individuals from their contracts without cause resulting in numerous appeal hearings each year; and

WHEREAS, the current policy does not authorize contract release penalties for cancellation prior to the onset of the contract period; now, therefore be it

RESOLVED, that the Department of Residence Halls be authorized to adopt a non-refundable down payment upon submission of a residence hall contract to be applied to room and board charges; and, be it further

RESOLVED, that the current Board Policy allow for a cancellation charge when a contract is withdrawn either prior to, or during, the effective contract period; and, be it further

RESOLVED that the current March 12, 1986, Board Policy be revised to read:

Students may reserve space in a residence hall by submitting a signed contract with a non-refundable down payment fee, as determined by the university, to be applied against room and board charges.

Students who wish to be released from their contract prior to the effective date of the contract period will be subject to a cancellation charge, as determined by the university. After the start of the term, contract withdrawal will result in a cancellation charge, plus per diem charges for days spent in residence. In addition, all other conditions, such as damage payments and the return of keys, shall also be applied.

Trustee Sims returned to the meeting at this time.

Trustee Ross, seconded by Trustee Handleman, moved approval of the recommendation. The motion was unanimously carried.

Recommendation to Amend the University's Equal Opportunity Policy

Dr. Snyder stated that at the last meeting of the Board when a proposed revision to the University's Equal Opportunity Policy failed to pass, the Board Chairman asked her to return to the Board with a report on the concerns of gay and lesbian individuals at the university. She noted that the study indicates that there have been a number of incidents of bias-related behavior or acts on campus involving vandalism, graffiti, telephone harassment, or other forms of harassment. Two incidents were documented that were classified as physical threats directed at individuals. Dr. Snyder stated that the Board is being asked to approve a proposed change to the Equal Opportunity Policy slightly different from the version voted on at the April 6, 1995, Board meeting. The proposed policy includes an introduction that was missing on the last submittal, and it includes the phrases "sexual orientation," "height," "weight," and "familial status."

Dr. Snyder submitted the following resolution for Board approval:

WHEREAS, faculty and student governance bodies have approved a revision to the university's Equal Opportunity Policy prohibiting discrimination on the basis of sexual orientation; and

WHEREAS, the Michigan Elliott-Larsen Civil Rights Act has been amended to include a prohibition regarding discrimination on the basis of height, weight, and family status; and

WHEREAS, Oakland University has an unwavering commitment to equality of opportunity for the purpose of enabling all members of the community to attain their full potential; now, therefore, be it

RESOLVED, that Oakland University's Equal Opportunity Policy shall read as follows:

Introduction

Oakland University reaffirms its unwavering commitment to equality of opportunity for all persons. In a society that relies on an informed, educated citizenry, no one should be denied the opportunity to attain his or her fullest potential. The university shall strive to build a community that welcomes and honors all persons and that provides equal opportunity in education and employment.

Policy

It is the policy of Oakland University that there shall be no unlawful discrimination against any person on the basis of race, sex, sexual orientation, age, height, weight, handicap, color, religion, creed, national origin or ancestry, marital status, familial status, or veteran status. The university shall affirmatively follow the provisions of applicable State and Federal anti-discrimination legislation in all of its activities in this area and so reaffirms its policy at this time.

Conflict With Laws

To the extent that this policy conflicts with first amendment or other legal rights of members of the university community, the relevant legal provision shall control. Furthermore, this policy shall not be interpreted to modify eligibility criteria for student and employment benefits or modify the legal definition of the terms "spouse" or "dependent."

Trustee Nicholson, seconded by Trustee Ross, moved approval of the recommendation.

Trustee Schlaybaugh asked Ms. Gerrits to clarify the provisions of the conflict of law section in the recommendation. Ms. Gerrits stated that there have been challenges to such amended policies throughout the country and courts have held that, for example, in the case of first amendment rights of religious student organizations whose religious tenants prohibit homosexual activity, that a university cannot require such religious student organizations to submit to a policy that prohibits discrimination on the basis of sexual orientation. She further explained that those religious student organizations would not have to permit individuals who espoused gay and homosexual activity to be members of the organization because such a requirement would violate their religious views and the first amendment would control over the policy in such a case.

Trustee Schlaybaugh moved an amendment to the policy in the second line of "Conflicts" replacing the word "the" with "such other" so that the sentence reads: "To the extent that this policy conflicts with first amendment or other legal rights of members of the university community, such other relevant legal provision shall control." Trustee Sharp seconded the amended motion.

Ms. Kendzier, Student Liaison, stated that the strong university support for the proposed recommendation cannot be ignored. She added that this action would not be construed as a value judgment by the Board, but simply acknowledgement by Oakland University that such discriminatory actions will not be condoned.

Mr. Landsberg added that by Board approval of this amendment, Oakland University will finally recognize discrimination based on sexual orientation as a real problem both in society and on campus. He stated that it is his opinion that eventually such protection will be universally endorsed by university governing bodies.

The amendment to the motion was unanimously carried.

Ms. Gerrits conducted a roll-call vote on the motion, which passed with 5 affirmative votes. Trustees Fischer, Handleman, Nicholson, Ross, and Sims voted in favor of the recommendation, Trustees Doyle and Schlaybaugh voted against the recommendation, and Trustee Sharp abstained from the vote.

Proposal to Modify the Policy for Recognition of Donors

Mr. David S. Disend, Vice President for University Relations, stated that with the passing of time and the university's increased vigor in gift getting, it became necessary to review the university practice of naming facilities and endowments after donors. The recommended policy makes two changes from the existing policy: (1) it recognizes the current Board practice of having the University Affairs Advisory Committee serve in a truly advisory role, and (2) it raises the minimum gift necessary to create an endowed fund. Mr. Disend stated that instead of going

through the process of revising the university thresholds periodically with the Board, the policy indexes the minimum amount necessary to create an endowment to tuition costs, eliminating the need to return to the Board. He noted that Oakland's naming practices are similar to other Michigan universities.

Mr. Disend submitted the following resolution for Board approval:

WHEREAS, inflation has eroded the value of a dollar and board practice has changed since 1987, when the board last focused on this matter; now, therefore, be it

RESOLVED, that the "Policy for Recognition of Donors" dated June 8, 1995, and enclosed with the agenda item be adopted with immediate effect by the Board of Trustees.

OAKLAND UNIVERSITY POLICY FOR RECOGNITION OF DONORS

Facilities

1. The naming of a building or a substantial portion, such as a wing or floor, in recognition of a donor, or of persons or organizations the donor wishes to honor, shall be reviewed with the appropriate committee of the Board of Trustees prior to any firm commitment. The final approval of the name of a building or substantial portion thereof, and acceptance of any such gift, shall be subject to the ratification of the Board of Trustees.

2. A lesser portion of a building, such as a laboratory, classroom, or office, may be named for a donor when the gift is in reasonable proportion to other gifts sought or given for such projects. The President shall consult with the appropriate Board committee prior to a final commitment with the donor. The committee may wish to delegate to the President the authority to name certain smaller areas, such as library study carrels, for fixed gift amounts, according to guidelines acknowledged by the committee. The donor will be advised that final approval of the acceptance of a gift under this provision is subject to ratification by the Board of Trustees.

Endowments

The President, or a specified designee, unless advised to the contrary, may make a commitment for an endowment based on these criteria:

1. The naming of an endowment may be in recognition of donors, or of persons or organizations the donor wishes to honor.

2. The minimum amount required to establish an endowment other than a scholarship shall be equal to the minimum amount required to establish an endowed scholarship.

3. The minimum amount required to endow a scholarship shall be the amount necessary under the prevailing endowment payout policy, to produce one half the amount of a full school year's tuition cost. For ease of discussion with endowment donors, the endowment amount shall be rounded up to the nearest \$5,000 threshold.

Trustee Nicholson, seconded by Trustee Sharp, moved approval of the recommendation. The motion was unanimously carried.

Interim President's Report on Organizational Design

Interim President Russi stated that at the last Board of Trustees meeting Chairman Fischer requested that he review the organizational design of Oakland University, given the prolongation of his Interim Presidency status. Dr. Russi stated that he has had the opportunity to consult with the cabinet, deans, and Senate Steering Committee on the issue and has determined that in order to permit the Interim President to focus on presidential duties, an Acting Vice President for Academic Administration should be appointed to assume a number of duties normally handled by the Vice President for Academic Affairs.

Interim President Russi submitted the following resolution for Board approval:

WHEREAS, Dr. Gary Russi was appointed Interim President on January 10, 1995, and will continue in that role for an indefinite period; and

WHEREAS, Dr. Russi wishes to appoint an Acting Vice President for Academic Administration; now, therefore, be it

RESOLVED, that the Board of Trustees approves the appointment of Dr. William Connellan as Acting Vice President for Academic Administration, effective immediately; and, be it further

RESOLVED, that Dr. Connellan shall serve in this role at the pleasure of the President and the Board of Trustees.

Trustee Ross, seconded by Trustee Schlaybaugh, moved approval of the recommendation. The motion was unanimously carried.

Interim President Russi stated that in the next few days he will meet with Dr. Connellan and develop a proposed organizational design to carry out the duties of the Vice President for Academic Administration and the Interim Presidency. In addition, they plan to bring into the vice president's office additional Oakland faculty and staff to assist with the duties discharged to them.

Oakland University Trustee Academic Success Fund

Chairman Fischer stated that the Board members have now been supplied with a revised resolution on the Oakland University Trustee Academic Success Fund. He noted that the trustees are now being presented with a completely revised resolution.

Ms. Gerrits submitted the following revised resolution for Board approval:

WHEREAS, the quality of higher education is promoted by a diverse student body; and

WHEREAS, Oakland University is committed to the attainment of racial, geographic and gender diversity with respect to its student body; and

WHEREAS, the cost of university attendance is expected to continue to increase; and

WHEREAS, the goal of diversity will be enhanced by augmenting the resources available to support an able and diverse student population in the pursuit of their undergraduate studies; now, therefore, be it

RESOLVED, that the President be authorized to establish an Oakland University Trustee Academic Success Fund utilizing the proceeds from the sale of land to the City of Auburn Hills; and, be it further

RESOLVED, that the Oakland University Trustee Academic Success Fund will be administered by the President of Oakland University in cooperation with the Office of Equity and the Board of Trustees. The Board of Trustees University Affairs Advisory Committee will accept for review and recommend to the Board proposed expenditures of the fund annually. The university shall report annually to the Board of Trustees the status of all programs and other initiatives approved by the Board and on expenditures from the fund; and, be it further

RESOLVED, that consistent with federal Department of Education Guidelines, the Trustee Academic Success Fund shall be narrowly tailored to achieve the goal of recruitment and retention of a diverse student body; and, be it further

RESOLVED, that the funds shall be awarded on an annual basis by the Board of Trustees and shall be used in a manner consistent with established applicable Board of Trustees policies.

There was considerable discussion as to the effect of the revised resolution, as the effect would be that because the full Board of Trustees would retain authority to make decisions on the disbursement of the Trustee Academic Success Fund. In the resolution originally proposed by Dr. Russi, the Board would delegate authority to the administration to administer the fund. Trustee Sims stressed the need to allow the full Board to see what kind of creativity can result from this challenge to the institution to achieve more significant results than in the past. Trustee Sharp stated that the fund puts every individual on campus on an equal footing as it relates to proposals for improvements in the campus climate and multicultural diversity, instead of delegating it to one particular department.

Trustee Sims, seconded by Trustee Sharp, moved approval of the revised recommendation.

There was a discussion on whether the recommendation as stated would require that each disbursement of funds for a particular project would require Board approval.

Interim President Russi stated that it would be helpful if the Board would consider authorizing the expenditure of funds for the 1995-96 academic year. He called on Mr. Glenn McIntosh, Director, Office of Equity, to speak to the manner in which the administration proposes to use the funds to reach the goals outlined in the resolution. Mr. McIntosh recommended using the fund partially for scholarships for students of color. He referred to the diversity programming fund to support Oakland's diversity initiative allotting funds to faculty, staff, and students for the development of training workshops and programs to increase awareness levels and stimulate creativity. Mr. McIntosh also described the strategies that would be used not only to recruit but also to enhance the diversity of the student population at Oakland and to retain minority students.

Trustee Sims again stressed the need for creative proposals to utilize the fund in the enhancement of cultural diversity. He noted that the problem has not been in the programming and presentation of initiatives, but in a lack of results. Mr. Sims stated that the process will challenge the university through the president to advance the best ideas and present them to the Board. He noted that he would like to see bold initiatives taken by the institution that are not just for minority students.

Trustee Sharp concurred with Trustee Sims' view that the fund is not just for minorities. He stated that the real issue is in how the experiences that "all" of the students have on campus relate to cultural diversity. He stressed the importance of strong campus cultural experiences to prepare students for varied national and international careers.

Trustee Schlaybaugh supported Trustees Sims' and Sharp's approach of challenging and encouraging the university community to propose unique and exciting ways to accomplish the objectives of the fund. He stated that he believes once the Trustee Academic Success Fund is approved and in place, however, it should be administered by the administration.

Mr. McIntosh informed the Board of the proposal for \$56,000 of the fund to be utilized in renewing scholarships for 27 African American and Hispanic students, and \$85,000 of the fund to be offered for 20 to 30 additional scholarships for students this year. Interim President Russi stated that if the Board does not approved utilization of the funds as proposed by Mr. McIntosh, then there would be a delay in the student support for the 1995-96 academic year.

Trustee Schlaybaugh suggested amending the motion to reflect that the funding will be authorized for the 1995-96 academic year. Trustee Sharp requested that the administration report on the Trustee Academic Success Fund to the University Affairs Advisory Committee and the full Board, on or before the December, 1995 Board of Trustees meeting.

Chairman Fischer moved that the revised recommendation be amended as follows::

RESOLVED, that the Board delegate authority to the administration to administer funds for the 1995-96 academic year consistent with this resolution.

RESOLVED, that the university administration report on the Trustee Academic Success Fund to the University Affairs Advisory Committee and to the full Board of Trustees on or before the December, 1995 meeting.

Trustee Doyle seconded the amendment. The motion to amend was unanimously carried.

The revised and amended resolution was then presented for Board approval:

WHEREAS, the quality of higher education is promoted by a diverse student body; and

WHEREAS, Oakland University is committed to the attainment of racial, geographic and gender diversity with respect to its student body; and

WHEREAS, the cost of university attendance is expected to continue to increase; and

WHEREAS, the goal of diversity will be enhanced by augmenting the resources available to support an able and diverse student population in the pursuit of their undergraduate studies; now, therefore, be it

RESOLVED, that the President be authorized to establish an Oakland University Trustee Academic Success Fund utilizing the proceeds from the sale of land to the City of Auburn Hills; and, be it further

RESOLVED, that the Oakland University Trustee Academic Success Fund will be administered by the President of Oakland University in cooperation with the Office of Equity and the Board of Trustees. The Board of Trustees University Affairs Advisory Committee will accept for review and recommend to the Board proposed expenditures of the fund annually. The university shall report annually to the Board of Trustees the status of all programs and other initiatives approved by the Board and on expenditures from the fund; and, be it further

RESOLVED, that consistent with federal Department of Education Guidelines, the Trustee Academic Success Fund shall be narrowly tailored to achieve the goal of recruitment and retention of a diverse student body; and, be it further

RESOLVED, that the funds shall be awarded on an annual basis by the Board of Trustees and shall be used in a manner consistent with established applicable Board of Trustees policies; and, be it further

RESOLVED, that the Board delegates authority to the administration to administer funds for the 1995-96 academic year, consistent with this resolution; and, be it further

RESOLVED, that the university administration report on the Trustee Academic Success Fund to the University Affairs Advisory Committee and to the full Board of Trustees on or before the December, 1995 meeting.

Trustee Schlaybaugh, seconded by Trustee Ross, moved approval of the revised and amended resolution.

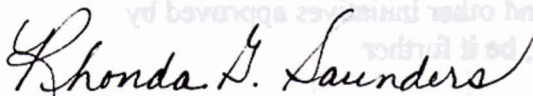
The motion was unanimously carried.

Other Items that May Come Before the Board

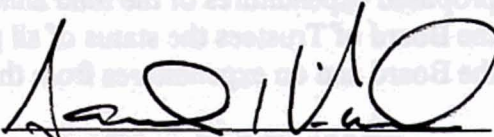
Trustee Schlaybaugh stated that in reviewing the minutes of the University Affairs Advisory Committee of May 26, 1995, he noted that Chairman Ross requested input from the Finance and Personnel Advisory Committee on the Charter Schools issue. Trustee Schlaybaugh expressed concern with comments made on the "Position Paper on Charter Schools," the preliminary report presented to the committee. Trustee Schlaybaugh indicated that in light of the Strategic Plan challenge for new and unique ideas and concepts, he would like to see the university move forward on the Charter Schools issue. He encouraged the Board Chairman and the President to look at opportunities to bring the Charter Schools issue to the Board for a full discussion.

Trustee Sharp, seconded by Trustee Nicholson, moved adjournment of the meeting. The motion was unanimously carried. The meeting adjourned at 5:15 p.m.

Submitted, Approved,



Rhonda G. Saunders
Administrative Assistant
Board of Trustees



David T. Fischer
Chairman
Board of Trustees

EXHIBIT I

OAKLAND UNIVERSITY Proposed 1995-96 General Fund Expenditures

1. 1994-95 General Fund Budget \$74,914,823

Note: \$73,366,279 approved by the Board on August 4, 1994 plus \$1,548,544 of encumbrances and carryforwards from 1993-94 fund balance.

2. Budget Transfers and Renewals Having no Effect on the Total Budget Base

A. Interdivision Transfers:

From Fringe Benefits to Academic Affairs:
VERO Holdback for Retired Faculty (\$16,267)

B. Renewals and Adjustments:

None

3. Reductions to the 1994-95 Budget Base

A. Expiring Temporary Allocations:

Encumbrances & Carryfwd	\$ (1,548,544)	
Elim Funds Community		
Counseling Prgm.	<u>(15,000)</u>	<u>\$ (1,563,544)</u>

B. Other Reductions:

None

Total Reductions to the 1994-95 Budget Base (1,563,544)

4. Additions to the 1994-95 Budget Base

A. Scheduled Additions:

None

B. Supplemental 1994-95 Provisions Continuing into 1995-96 (annualized):

Spring/Summer Revenue Sharing	\$ 100,000	
Mgr. Auxiliary Services	22,793	
Annualize Nursing Dean	38,017	
Industrial Hygienist	49,880	
Part-time Faculty	<u>100,000</u>	\$ 310,690

C. Increased Allotments Required to Maintain 1994-95 Program Levels:

Personnel Costs	\$2,091,898	
Non-Personnel Costs:		
General Operations	273,963	
Financial Aid	146,131	
Utilities	<u>48,035</u>	2,560,027

D. State Line Items:

There are no increases in state line items.

E. New or Renewable One-time Allocations:

There are no new or renewable one-time allocations.

F. New Continuing Commitments:

Prov Gov't Affairs Off	\$ 150,000	
Deferred Maintenance	100,000	
Budget Increase	460,000	
Allow for Technology Improve	500,000	
Instructional & Classroom Equip	50,000	
Increase in Univ Scholarships	30,000	
Additional Faculty SEHS	<u>113,900</u>	<u>1,403,900</u>

Total Additions to 1994-95 Budget **4,274,617**

Total Estimated Expenditures 1995-96 **\$77,625,896**

EXHIBIT II
OAKLAND UNIVERSITY
Proposed 1995-96 Tuition and Fee Schedule
Effective Fall Semester 1995

	<u>Current 1994-95 Rate</u>	<u>1995-96 Rate</u>
1. <u>Tuition per semester credit hour: (a)</u>		
a. Michigan residents:		
Undergraduate: Lower	\$96.00	\$101.75
Undergraduate: Upper	105.50	111.75
Graduate	178.50	189.00
b. Non-residents:		
Undergraduate: Lower	283.00	299.75
Undergraduate: Upper	305.00	323.00
Graduate	395.00	418.50
c. Competency credit exam fee:		
Undergraduate: Lower	50.00	53.00
Undergraduate: Upper	50.00	53.00
Graduate	50.00	53.00
All Non-residents	50.00	53.00
2. <u>Required fees per semester:</u>		
a. Undergraduates:		
General Service Fee	\$100.00	\$106.00
Student Activities	15.00	15.00
Total	<u>\$115.00</u>	<u>\$121.00</u>
b. Graduates:		
General Service Fee	\$100.00	\$106.00
Student Activities	15.00	15.00
Total	<u>\$115.00</u>	<u>\$121.00</u>
3. <u>Special course fees per course:</u>		
ED 455	\$35.00	\$35.00
ED 597	50.00	50.00
Applied Music:		
Individual Instruction		
1 Credit	85.00	85.00
2 Credits	170.00	170.00
Group Instruction	25.00	25.00
Course Fee (b)	36.00	38.00

**EXHIBIT II
OAKLAND UNIVERSITY**

**Proposed 1995-96 Tuition and Fee Schedule
Effective Fall Semester 1995**

	Current 1994-95 Rate	1995-96 Rate
4. Other Fees:		
Application Fee: Undergraduate	25.00	25.00
Application Fee: Graduate	30.00	30.00
Readmission Fee: Undergraduate	25.00	25.00
Readmission Fee: Graduate	30.00	30.00
Graduation Service Fee	30.00	30.00
Late Registration (c)	35.00	35.00
Late Addition-of-Course (per course added)	10.00	10.00
Orientation Fees:		
Freshmen	65.00	65.00
Transfer Students	40.00	40.00
Reissue of Diploma	30.00	30.00
Unofficial Transcript Fee	3.00	3.00
Transcript Fee	5.00	5.00
Same Day Transcript Fee	10.00	10.00
Deferred Payment Plan	30.00	30.00
5. Special Program Fees:		
Reading Recovery Program: (d)		
10 credit Teacher Training Program	\$7,500.00	\$7,500.00
20 credit Teacher Training Program	10,000.00	10,000.00
6. Summary comparison of tuition and required fees cost (exclusive of special course fees):		
a. Undergraduate Michigan resident student taking a typical 12 credit hour load over two semesters (24 total credit hours):		
1) Lower Division:		
Tuition	\$2,304.00	\$2,442.00
Required Fees	230.00	242.00
Total	<u>\$2,534.00</u>	<u>\$2,684.00</u>
2) Upper Division:		
Tuition	\$2,532.00	\$2,682.00
Required Fees	230.00	242.00
Total	<u>\$2,762.00</u>	<u>\$2,924.00</u>
Residential Undergraduate Average @ 24 Credit Hours	<u>\$2,648.00</u>	<u>\$2,804.00</u>
b. Graduate Michigan resident student taking a typical 4 credit hour load over two semesters (8 total credit hours):		
Tuition	\$1,428.00	\$1,512.00
Required Fees	230.00	242.00
Total	<u>\$1,658.00</u>	<u>\$1,754.00</u>

NOTES:

- (a) Tuition rates are per credit hour and do not vary between fall and winter semesters and spring and summer sessions.
- (b) Course fees are assessed for all courses in business, engineering, computer science, mathematics, chemistry, physics, biology, nursing, and health sciences. In addition, several individual courses in Education and the College of Arts and Sciences are subject to the course fee. The course fee is for a standard 4 credit hour course. Courses greater than or less than 4 hours will be assessed proportionately.
- (c) \$100 if the late registration occurs after the official count date for the term.
- (d) Changes are comparable to rates at other Reading Recovery sites. As national rates increase, Oakland will adjust its rates accordingly.

RTH:vl

OAKLAND UNIVERSITY
1996-97 General Fund Budget

	<u>Budget 1996-97</u>	<u>Budget 1995-96</u>	Change: 1996-97 Budget from 1995-96 Budget	
			<u>Amount</u>	<u>Percent</u>
1. Legislative Appropriation	\$39,415,445	\$38,267,422	\$1,148,023	3.00%
2. Tuition	35,767,051	33,671,425	2,095,626	6.22% (1)
3. Student Fees	3,776,327	3,550,698	225,629	6.35% (1)
4. Indirect Cost Recovery	1,080,000	1,050,000	30,000	2.86%
5. Miscellaneous Revenue	<u>955,000</u>	<u>955,000</u>	<u>0</u>	0.00%
6. Total Revenues	\$80,993,823	\$77,494,545	\$3,499,278	4.52%
7. Less Total Expenditures (1996-97 Summary on Following Page)	<u>\$80,858,459</u> (2)	<u>77,625,896</u>	<u>\$3,754,907</u>	4.84%
8. Revenues Over (Under) Expenditures	<u>\$135,364</u>	<u>(\$131,351)</u>	<u>\$266,715</u>	
YES Enrollment	9,360	9,320	40	0.43%
Per FYES Comparisons:				
Appropriation	\$4,211	\$4,106	\$105	2.56%
Tuition and Fees	\$4,225	\$3,994	\$231	5.78%
Total Expenditures	\$8,639	\$8,329	\$310	3.72%

Notes:

- Besides the recommended increase for tuition and student fees, the 6.22% increase in tuition revenue and 6.35% increase in student fees revenue reflects changes in enrollment mix and adjustments to reflect estimated changes in budgeted FYES enrollment from 9,320 for 1995-96 to 9,360 for 1996-97.
- This amount does not include any encumbrances and carryforwards as of June 30, 1996. Any such amount will be added to the expenditure base as a one-time allocation.

Oakland University
Proposed General Fund Expenditures
Year Ending June 30, 1997
Expenditure Summary

1995-96 General Fund Operating Budget	\$77,625,896
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**Budget Transfers and Renewals Having
No Effect on the Budget Base:**

A.	Interdivision Transfers	-0-
B.	Renewals and Adjustments	-0-

Reductions to the 1995-96 Budget Base:

A.	Expiring Temporary Allocations	\$(200,000)	
B.	Other Reductions	<u>-0-</u>	(200,000)

Additions to the 1994-95 Budget Base:

A.	Scheduled Additions	\$ -0-	
B.	Supplemental 1995-96 Provisions Continuing into 1996-97 (annualized)	-0-	
C.	Increased Allotments Required to Maintain 1995-96 Program Levels	2,772,563	
D.	State Line Items	-0-	
E.	New or Renewable One-time Allocations	-0-	
F.	New Continuing Commitments	<u>660,000</u>	<u>3,432,563</u>

Total Budgeted Expenditures 1996-97	<u><u>\$80,858,459</u></u>
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OAKLAND UNIVERSITY
1996-97 General Fund Budget
Summary of Supporting Information and Schedules

The following points explain the major assumptions contained in the proposed budget:

1. An increase of 3.0% is projected for the 1995-96 state appropriation. This will result in additional income of \$1,148,023 and bring the total state appropriation to \$39,415,445.
2. Tuition revenues are based on a tuition increase averaging 5.9% for fiscal year 1996-97. This is based on an assumed state appropriation increase for 1996-97 of 3%. If the state increases the 1995-96 appropriation by an amount greater than 3%, the tuition and fees increase for 1996-97 will be adjusted to reflect the improved budget climate afforded by the increase over the assumed 3%.
3. Most student fees will remain the same as 1996-97 except for the general service fee and the course fee which will increase from \$106 to \$112 and from \$38 to \$40, respectively.
4. Indirect cost recovery is budgeted at an increase of \$30,000 as a result of expected inflation in grant activity. This increase will bring the new total to \$1,080,000.
5. Miscellaneous income will be comparable to the 1995-96 budgeted amount of \$955,000.
6. The budget includes modest compensation increases for faculty and staff, provisions for benefit increases for both faculty and staff, and provision for faculty promotions.
7. Non compensation increases include inflationary increases for operating expenditures which include purchased utilities and a provision for student financial aid comparable to the tuition and fees increase. By providing an increase in financial aid comparable to the tuition and fees increase, student financial aid packages will keep pace with the increased rates.
8. New Continuing Commitments include funding for initial costs of the Science and Technology Building and funding for high priority needs that will be identified during the next series of budget hearings. The priority items scheduled for funding will assist each division to continue initiating the Strategic Plan.

EXHIBIT III

OAKLAND UNIVERSITY Proposed 1996-97 General Fund Expenditures

1. 1995-96 General Fund Budget \$77,625,896

2. Budget Transfers and Renewals Having
no Effect on the Total Budget Base

None

3. Reductions to the 1995-96 Budget Base

A. Expiring Temporary Allocations:

Savings from GENIX Contract \$ (200,000)

B. Other Reductions:

None

Total Reductions to the 1995-96 Budget Base (200,000)

4. Additions to the 1995-96 Budget Base

A. Scheduled Additions:

None

B. Supplemental 1995-96 Provisions Continuing
into 1996-97 (annualized):

None

C. Increased Allotments Required to Maintain
1995-96 Program Levels:

Personnel Costs	\$2,249,179	
Non-Personnel Costs:		
General Operations	304,592	
Financial Aid	169,316	
Utilities	<u>49,476</u>	\$2,772,563

D. State Line Items:

None

E. New or Renewable One-time
Allocations:

None

F. New Continuing Commitments:

Science Bldg. Operations	\$ 175,000	
Budget Increase	<u>485,000</u>	<u>660,000</u>

Total Additions to 1995-96 Budget **3,432,563**

Total Estimated Expenditures 1996-97 **\$80,858,459**

EXHIBIT IV
OAKLAND UNIVERSITY
Proposed 1996-97 Tuition and Fee Schedule
Effective Fall Semester 1996

	<u>Proposed 1995-96 Rate</u>	<u>1996-97 Rate</u>
1. <u>Tuition per semester credit hour: (a)</u>		
a. Michigan residents:		
Undergraduate: Lower	\$101.75	\$107.75
Undergraduate: Upper	111.75	118.50
Graduate	189.00	200.25
b. Non-residents:		
Undergraduate: Lower	299.75	317.50
Undergraduate: Upper	323.00	342.00
Graduate	418.50	443.50
c. Competency credit exam fee:		
Undergraduate: Lower	53.00	57.00
Undergraduate: Upper	53.00	57.00
Graduate	53.00	57.00
All Non-residents	53.00	57.00
2. <u>Required fees per semester:</u>		
a. Undergraduates:		
General Service Fee	\$106.00	\$112.00
Student Activities	15.00	15.00
Total	<u>\$121.00</u>	<u>\$127.00</u>
b. Graduates:		
General Service Fee	\$106.00	\$112.00
Student Activities	15.00	15.00
Total	<u>\$121.00</u>	<u>\$127.00</u>
3. <u>Special course fees per course:</u>		
ED 455	\$35.00	\$35.00
ED 597	50.00	50.00
Applied Music:		
Individual Instruction		
1 Credit	85.00	85.00
2 Credits	170.00	170.00
Group Instruction	25.00	25.00
Course Fee (b)	38.00	40.00

C. Increased Allotments Required to Maintain
1995-96 Program Levels:

Personnel Costs	\$2,249,179	
Non-Personnel Costs:		
General Operations	304,592	
Financial Aid	169,316	
Utilities	<u>49,476</u>	\$2,772,563

D. State Line Items:

None

E. New or Renewable One-time
Allocations:

None

F. New Continuing Commitments:

Science Bldg. Operations	\$ 175,000	
Budget Increase	<u>485,000</u>	<u>660,000</u>

Total Additions to 1995-96 Budget 3,432,563

Total Estimated Expenditures 1996-97 \$80,858,459

EXHIBIT IV
OAKLAND UNIVERSITY
Proposed 1996-97 Tuition and Fee Schedule
Effective Fall Semester 1996

	<u>Proposed 1995-96 Rate</u>	<u>1996-97 Rate</u>
1. <u>Tuition per semester credit hour: (a)</u>		
a. Michigan residents:		
Undergraduate: Lower	\$101.75	\$107.75
Undergraduate: Upper	111.75	118.50
Graduate	189.00	200.25
b. Non-residents:		
Undergraduate: Lower	299.75	317.50
Undergraduate: Upper	323.00	342.00
Graduate	418.50	443.50
c. Competency credit exam fee:		
Undergraduate: Lower	53.00	57.00
Undergraduate: Upper	53.00	57.00
Graduate	53.00	57.00
All Non-residents	53.00	57.00
2. <u>Required fees per semester:</u>		
a. Undergraduates:		
General Service Fee	\$106.00	\$112.00
Student Activities	15.00	15.00
Total	<u>\$121.00</u>	<u>\$127.00</u>
b. Graduates:		
General Service Fee	\$106.00	\$112.00
Student Activities	15.00	15.00
Total	<u>\$121.00</u>	<u>\$127.00</u>
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**EXHIBIT IV
OAKLAND UNIVERSITY**

**Proposed 1996-97 Tuition and Fee Schedule
Effective Fall Semester 1996**

	Proposed 1995-96 Rate	1996-97 Rate
4. Other Fees:		
Application Fee: Undergraduate	25.00	25.00
Application Fee: Graduate	30.00	30.00
Readmission Fee: Undergraduate	25.00	25.00
Readmission Fee: Graduate	30.00	30.00
Graduation Service Fee	30.00	30.00
Late Registration (c)	35.00	35.00
Late Addition-of-Course (per course added)	10.00	10.00
Orientation Fees:		
Freshmen	65.00	65.00
Transfer Students	40.00	40.00
Reissue of Diploma	30.00	30.00
Unofficial Transcript Fee	3.00	3.00
Transcript Fee	5.00	5.00
Same Day Transcript Fee	10.00	10.00
Deferred Payment Plan	30.00	30.00
5. Special Program Fees:		
Reading Recovery Program: (d)		
10 credit Teacher Training Program	\$7,500.00	\$7,500.00
20 credit Teacher Training Program	10,000.00	10,000.00
6. Summary comparison of tuition and required fees cost (exclusive of special course fees):		
a. Undergraduate Michigan resident student taking a typical 12 credit hour load over two semesters (24 total credit hours):		
1) Lower Division:		
Tuition	\$2,442.00	\$2,586.00
Required Fees	242.00	254.00
Total	<u>\$2,684.00</u>	<u>\$2,840.00</u>
2) Upper Division:		
Tuition	\$2,682.00	\$2,844.00
Required Fees	242.00	254.00
Total	<u>\$2,924.00</u>	<u>\$3,098.00</u>
Residential Undergraduate Average @ 24 Credit Hours	<u>\$2,804.00</u>	<u>\$2,969.00</u>
b. Graduate Michigan resident student taking a typical 4 credit hour load over two semesters (8 total credit hours):		
Tuition	\$1,512.00	\$1,602.00
Required Fees	242.00	254.00
Total	<u>\$1,754.00</u>	<u>\$1,856.00</u>

NOTES:

- (a) Tuition rates are per credit hour and do not vary between fall and winter semesters and spring and summer sessions.
- (b) Course fees are assessed for all courses in business, engineering, computer science, mathematics, chemistry, physics, biology, nursing, and health sciences. In addition, several individual courses in Education and the College of Arts and Sciences are subject to the course fee. The course fee is for a standard 4 credit hour course. Courses greater than or less than 4 hours will be assessed proportionately.
- (c) \$100 if the late registration occurs after the official count date for the term.
- (d) Changes are comparable to rates at other Reading Recovery sites. As national rates increase, Oakland will adjust its rates accordingly.

RTH:vi