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Minutes of the Meeting  
of the

Oakland University Board of Trustees  
November 14, 1990

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ROCHESTER, MICHIGAN

Present: Trustees Larry Chunovich, Patricia Hartmann,  
Phyllis Law Googasian, Ken Morris, Stephan Sharf,  
James A. Sharp, Jr., and Howard F. Sims

Absent: Trustee David Handleman

Chairman Sims called the meeting to order at 5:10 p.m. in the Gold Rooms of the Oakland Center.

Approval of the Minutes of the Meeting of October 10, 1990

Trustee Hartmann, seconded by Trustee Chunovich, moved approval of the proposed minutes of the meeting of October 10, 1990. The motion was voted on and unanimously carried.

Approval of the Minutes of the Closed Meeting of August 30, 1990

Trustee Hartmann, seconded by Trustee Chunovich, moved approval of the minutes of the closed meeting of August 30, 1990. The motion was voted on and unanimously carried.

Resolution Honoring Trustee Patricia Hartmann

Chairman Sims stated that Trustee Hartmann's term as Chairman of the Board of Trustees ended on October 10, 1990. He read the following resolution which has been submitted for Board approval.

WHEREAS, Trustee Patricia Hartmann's term as Chairman of the Oakland University Board of Trustees expired at the October 10, 1990, meeting of the Board; and

WHEREAS, Trustee Hartmann has served two terms as Chairman of the Board of Trustees from September 14, 1988, to October 10, 1990, and two terms as Vice Chairman of the Board of Trustees from November 12, 1986, to September 14, 1988; and

WHEREAS, Trustee Hartmann has also served as Chairman of the University Affairs Committee, as a member of the Finance and Personnel Committee and on several Ad Hoc committees and has contributed her knowledge and insight expending many hours on the responsibilities associated with all of these duties; now, therefore, be it

RESOLVED, that the Board of Trustees publicly expresses its deep appreciation and gratitude to Trustee Patricia Hartmann for the many hours of dedicated service she has rendered as the Chairman of the Board of Trustees guiding its meetings in an orderly and efficient manner; and, be it further

RESOLVED, that the Board of Trustees wishes at this time to recognize Trustee Hartmann's outstanding service as Chairman and as a Board member through the official adoption of this resolution; and, be it further

RESOLVED, that a copy of this resolution shall be provided to Trustee Hartmann to convey the esteem in which she is held by the Board of Trustees and the University community.

Trustee Morris, seconded by Trustee Googasian, moved approval of the recommendation. The motion was voted on and unanimously carried. There was a round of applause from the audience.

Recommendation to accept Gifts and Grants to Oakland University for the period of September 1, 1990, through September 30, 1990; and Information Report on Gifts and Grants to the Oakland University Foundation for the same period

Mr. David Rodwell, Vice President for Development and Alumni Affairs, stated that the gifts and grants to Oakland University for the period of September 1, 1990, through September 30, 1990, totaled \$895,181.41.

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

Mr. Rodwell reported that the gifts and grants to the Oakland University Foundation totaled \$22,088.34. This being a report, Board action was not required.

Faculty Personnel Actions

Mr. George Dahlgren, Vice Provost and Dean of Graduate Study, made the following recommendations:

Appointment

Abbasi, Ali A., Clinical Associate Professor of Health Sciences, effective August 15, 1990, through August 14, 1992 (renewal)

- Arcari, Frederico A., Consulting Professor of Health Sciences, effective August 15, 1990, through August 14, 1994 (renewal)
- Armin, Alireza, Clinical Associate Professor of Medical Laboratory Sciences, effective August 15, 1990, through August 14, 1994 (renewal)
- Babcock, Allen L., Clinical Assistant Professor of Physical Therapy, effective August 15, 1990, through August 14, 1992 (renewal)
- Back, William R., Clinical Associate Professor of Exercise Science, effective August 15, 1990, through August 14, 1994 (renewal)
- Baumann, Billy Ben, Clinical Associate Professor of Medical Laboratory Sciences, effective August 15, 1990, through August 14, 1994 (renewal)
- Beyler, Stan A., Adjunct Assistant Professor of Biological Sciences, effective August 15, 1990, through August 14, 1993 (new appointment to an honorary position)
- Blache, Klaus M., Adjunct Assistant Professor of Industrial Health and Safety, effective August 15, 1990, through August 14, 1992 (renewal)
- Boutros, Henry D., Clinical Instructor in Physical Therapy, effective August 15, 1990, through August 14, 1994 (renewal)
- Chapin, Ellen M., Clinical Instructor in Medical Laboratory Sciences, effective August 15, 1990, through August 14, 1994 (renewal)
- Cronin, Harriett L., Clinical Instructor in Medical Laboratory Sciences, effective August 15, 1990, through August 14, 1994 (renewal)
- Cullen, John P., Consulting Professor of Health Sciences, effective August 15, 1990, through August 14, 1994 (renewal)
- de Blumentritt, Reyna T., Clinical Instructor in Physical Therapy, effective August 15, 1990, through August 14, 1992 (new appointment to an honorary position)
- DeSole, Daniel E., Clinical Professor of Health Behavioral Sciences, effective August 15, 1990, through August 14, 1994 (renewal)
- Dorando, A. Charles, Clinical Professor of Physical Therapy, effective August 15, 1990, through August 14, 1994

Doshi, Nitin C., Clinical Assistant Professor of Health Sciences, effective August 15, 1990, through August 14, 1994 (renewal)

Ehrat, Karen, S., Adjunct Professor of Nursing, effective August 15, 1990, through August 14, 1993 (new appointment to an honorary position)

Geering, Kathy, Adjunct Instructor in Nursing, effective August 15, 1990, through August 14, 1993 (new appointment to an honorary position)

Glazier, Daniel P., Adjunct Instructor in Industrial Health and Safety, effective August 15, 1990, through August 14, 1994 (renewal)

Gordon, Seymour, Clinical Professor of Health Sciences, effective August 15, 1990, through August 14, 1994 (renewal)

Karcher, Raymond E., Clinical Associate Professor of Medical Laboratory Sciences, effective August 15, 1990, through August 14, 1992 (new appointment to an honorary position)

Kluka, Margaret M., Clinical Instructor in Medical Laboratory Sciences, effective August 15, 1990, through August 14, 1994 (renewal)

Kurnetz, Ruben S., Clinical Associate Professor of Health Sciences, effective August 15, 1990, through August 14, 1994 (renewal)

LaBan, Myron M., Clinical Professor of Health Sciences, effective August 15, 1990, through August 14, 1992 (renewal)

Lubetsky, Michael R., Clinical Assistant Professor of Physical Therapy, effective August 15, 1990, through August 14, 1992 (renewal)

Maibauer, Frederick P., Clinical Assistant Professor of Physical Therapy, effective August 15, 1990, through August 14, 1992 (renewal)

Meikle, Jane, Adjunct Instructor in Industrial Health and Safety, effective August 15, 1990, through August 14, 1992 (new appointment to an honorary position)

Olson, Ricky E., Clinical Assistant Professor of Physical Therapy, effective August 15, 1990, through August 14, 1992 (renewal)



Pak, Moon J., Clinical Professor of Health Sciences, effective August 14, 1990, through August 14, 1994 (renewal)

Pfeifer, John R., Clinical Professor of Health Sciences, effective August 15, 1990, through August 14, 1994 (renewal)

Pipp, James C., Clinical Instructor in Physical Therapy, effective August 15, 1990, through August 14, 1994 (renewal)

Raymond, Marilyn J., Clinical Instructor in Physical Therapy, effective August 15, 1990, through August 14, 1992 (new appointment to an honorary position)

Riddle, Jeanne M., Clinical Associate Professor of Health Sciences, effective August 15, 1990, through August 14, 1994 (renewal)

Rutzky, Julius, Consulting Professor of Biomedical Sciences, effective August 15, 1990, through August 14, 1993 (renewal)

Shalhoub, Carolyn A., Clinical Instructor in Medical Laboratory Sciences, effective August 15, 1990, through August 14, 1994 (renewal)

Tersigni, Anthony R., Clinical Assistant Professor of Health Behavioral Sciences, effective August 15, 1990, through August 14, 1994 (renewal)

Thue, Lasse Erik, Clinical Instructor in Physical Therapy, effective August 15, 1990, through August 14, 1992 (new appointment to an honorary position)

Thompson, Deborah D., Clinical Instructor in Medical Laboratory Sciences, effective August 15, 1990, through August 14, 1994 (renewal)

Ullmann, Alexander S., Clinical Associate Professor of Health Sciences, effective August 15, 1990, through August 14, 1994 (renewal)

Urwiller, Kenneth L., Consulting Professor of Health Sciences, effective August 15, 1990, through August 14, 1994 (renewal)

Ward, Lenora L., Adjunct Instructor in Nursing, effective August 15, 1990, through August 14, 1993 (new appointment to an honorary position)

Ylvisaker, John R., Clinical Professor of Health Sciences, effective August 15, 1990, through August 14, 1994 (renewal)

Zunker, Richard J., Consulting Professor of Health Sciences, effective August 15, 1990, through August 14, 1994 (renewal)

#### Emeritus Appointments

Heubel, Edward J., Professor Emeritus of Political Science, effective August 15, 1991

Marz, Roger H., Professor Emeritus of Political Science, effective August 15, 1991

#### Change of Status

Fosu, Augustin, K., from Associate Professor of Economics to Associate Professor of Economics and Acting Chair, Department of Economics, effective January 2, 1991, through April 25, 1991

#### Leaves of Absence

Tracy, Ronald L., Associate Professor of Economics, sabbatical leave from January 2, 1991, through April 25, 1991 (with full pay)

Willoughby, Floyd G., Associate Professor of Management, sabbatical leave from August 27, 1991, through December 18, 1991 (with full pay)

#### Resignation

Coffey, Mary P., Assistant Professor of Mathematical Sciences, effective December 31, 1990

#### Retirement

Beardslee, David B., Professor of Psychology and Director, Office of Institutional Research, effective August 1, 1990

Evans, David H., Professor of Engineering, effective August 15, 1991

Williamson, Robert M., Professor of Physics, effective August 14, 1991

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

Trustee Hartmann noted that the adjunct appointments add "prestige" to the University, since many of those who are

affiliated with the University are leaders in their respective fields.

Presentation of Audited Financial Statements for the Fiscal Year ended June 30, 1990

Mr. Robert McGarry, Vice President for Finance and Administration and Treasurer to the Board of Trustees, stated that the public accounting firm of Arthur Andersen & Company was engaged to perform the audit of the University's financial records for the fiscal year ended June 30, 1990. Mr. McGarry introduced Mr. Jeff Bergeron, Managing Partner of Arther Andersen & Company.

Mr. Bergeron reviewed the reports that were issued by Arthur Andersen. He noted that Arthur Andersen coordinated its efforts with the Oakland University Internal Audit department. He added that the Finance and Personnel Committee has reviewed the reports in detail. He concluded by stating that in general, the University follows very conservative accounting practices for the industry and "exercises appropriate prudent fiscal management."

Trustee Morris stated that the Finance and Personnel Committee has reviewed the financial statements and Mr. Bergeron delivers a very good report on the status of the University. Trustee Morris then moved approval of the following recommendation:

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

1. Oakland University Consolidated Financial Statements and Supplementary Information as of June 30, 1990
2. Oakland University Financial Statement and Supplementary Information as of June 30, 1990 and 1989 together with Auditors' Report.
3. Oakland University Residences and Other Facilities with Pledged Income Financial Statement and Supplementary Information as of June 30, 1990, together with Auditors' Report. (Prepared at request of trust agent for residence halls debt issues.)

Trustee Chunovich seconded Trustee Morris' motion for approval of the recommendation. The motion was voted on and unanimously carried.

Annual Financial Report on MUSIC, Risk Sharing Facility

Mr. McGarry stated that Oakland is presently in its fourth year of affiliation with MUSIC, a risk sharing facility that all of the Michigan public universities are members of except The University of Michigan. He noted that MUSIC is doing very well, and he introduced Ms. Catherine Lark, the University's Director of Risk Management and Contracting and the University's representative on MUSIC's board, to make a brief report on the program.

Ms. Lark reported that MUSIC's objectives are to provide comprehensive insurance coverage at stable, reasonable prices. She noted that MUSIC had casualty underwriting profits over the past two years of approximately \$1,770,000. Oakland's portion is approximately \$148,000. MUSIC also had property underwriting profits of \$1 million at the conclusion of the policy period, and Oakland's portion of these profits is approximately \$62,000. She added that casualty underwriting profits have been used to reduce MUSIC members' collateral, and property underwriting profits have been retained by MUSIC to offset future potential premium increases. Ms. Lark stated that MUSIC continues to enjoy good relationships with its excess carriers, and it has been a profitable investment for these carriers which places MUSIC in a strong position to negotiate excellent coverage at a competitive price.

Trustee Sharp asked what length of time the dividends would be retained in the program. Ms. Lark responded that the Strategic Planning Committee and the Finance Committee met recently to determine the action to take regarding the anticipated surplus. The recommendation was that the dividends should be retained for five years.

Trustee Sims thanked Ms. Lark for her report.

Change to Negotiated Agreement Between Oakland University and the UAW/CT Local 1925, July 1, 1990-June 30, 1993

Mr. McGarry stated that the negotiated agreement with the UAW provides for economic reopeners in the third year. When the terms of the contract were prepared, the section addressing the reopening of employee retirement benefits was inadvertently omitted. The paragraph should read as follows:

233. This Agreement shall remain in full force and effect retroactively to July 1, 1990, through June 30, 1993, a period of three years, and thereafter until terminated, except that paragraphs 118 Salaries, 119 Salary Increases, 119+1 Salary Progression, 196 MULTIPLE OPTION RETIREMENT PROGRAM, 218 Fund Amount (for Career

Development Fund), 231 and 232 (re: Work or Business Interruption), and 233 (re: Duration of Agreement), and the appendices setting forth Salary Rates and Salary Ranges will remain in full force and effect until June 30, 1992 and thereafter until terminated.

Mr. McGarry made the following recommendation:

RESOLVED, that the Board of Trustees approve substitute paragraph 233 as presented above in the 1990-93 Oakland University - UAW/CT Local 1925 Agreement.

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

#### Capital Outlay Budget Requests 1991-92

Mr. McGarry stated that the Capital Outlay Budget Requests indicate Oakland's capital funding needs from the State. He reviewed the lump sum allocations which are listed in a priority order based on health and safety factors. He noted that the first item is the Brightway Path Conversion which is an issue which has been raised by the students for several years. He noted that the capital outlay requests are sizable. He added that the State has been rather generous in providing special maintenance monies in the past. Unfortunately, the State 1990 allocation for maintenance and repairs was rescinded by the State for all universities in order to balance the State's budget. At this time, 75 percent of the 1990 allocation is expected to be returned to the University which is approximately \$466,000. Projects underway, based on last year's expected appropriation, total \$340,000 which leaves only \$126,000 to apply to the maintenance projects recommended in this report.

Trustee Sharp asked about the approval process for maintenance projects which would permit the State to withhold payment. Mr. John De Carlo, Vice President for Governmental Affairs, Secretary to the Board of Trustees and General Counsel, responded that the State's withdrawal of funds which have not been released to the University is based on the constitutional need to balance the State budget. He added that the practice in the past provides for funds to be appropriated and approved by the Legislature and the Governor, with the release of funds by the State Budget Director on completion of the project. Mr. De Carlo added that once a project has been approved by the State, a document indicating such approval is issued which allows the University to enter into a contract. The State, however, has the power to rescind its action. One could argue that there is a legal commitment, but this would suggest suing the State which is not practical in this instance.

Mr. McGarry noted that once the appropriated funds are available, the administration will proceed, as appropriate, with the Brightway Path as the first priority. President Champagne stated that the Brightway Path Conversion is very important for the campus. There is an extremely large night student population, and the concerns that the students have expressed on this issue are "serious and quite legitimate."

Mr. McGarry made the following recommendation:

RESOLVED, that the Board of Trustees approve the 1991-92 Capital Outlay Request, as presented with this recommendation, to the State of Michigan, Department of Management and Budget.

Trustee Chunovich, seconded by Trustee Googasian, moved approval of the recommendation. The motion was voted on and unanimously carried. (The Capital Outlay Budget Request 1991-92 is on file in the Office of the Board of Trustees and the Office of Finance and Administration.)

#### License Agreement with Dr. and Mrs. Joseph Frederick Heitsch

Mr. De Carlo stated that there remains to be a difference of opinion on some of the terms and conditions of the license agreement with Dr. and Mrs. Joseph Frederick Heitsch regarding use of University property adjacent to their home. He noted that since an agreement was not reached by the parties, this item should be removed from the agenda.

#### Workers' Compensation Redemption

Mr. De Carlo stated that the University administration requests Board authority to settle a workers' compensation claim filed against the University by an employee who left active University service in March, 1989. In September, 1989, the employee filed a petition alleging that a work-related disability occurred during employment at Oakland University. He stated that having weighed the law and facts applicable to this case, the administration and retained counsel believe a redemption of this claim would be in the best interest of the University.

Mr. De Carlo made the following recommendation:

RESOLVED, that the University's General Counsel is authorized to settle the worker's compensation claim filed by Ms. Florence Phillips in accordance with the terms proposed in the confidential memorandum from the General Counsel dated November 14, 1990, and distributed to the Board.



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

Other items that may come before the Board

Chairman Sims called on Professor Ronald Cramer, President of the American Association of University Professors (AAUP), who asked to address the Board.

Professor Cramer made the following statement:

This statement is offered on behalf of the Oakland University faculty as represented by the Oakland University Chapter of the American Association of University Professors. The statement is motivated by the Association's concern about the faculty's role in the decision-making process at Oakland University.

A university is a marvelous place to spend a lifetime. Contrary to the popular conception, the university is not a shelter from the storms of life. We are perfectly capable of brewing up our own storms, thank you. And we have daily contact with the most vital element in our society--young people on the cusp of discovering their independence, interests, and intelligence. Of course, the professorate is not an especially lucrative profession when compared to medicine or law, for instance, but we do not measure our worth in terms of dollars earned, though, I hasten to add, we have nothing against earning enough dollars to send our children to college and purchase our daily bread. Our hearts are centered not on dollars but on teaching, research, and service--the traditional roles of the university professor. I will freely admit, we have our share of minor faults--certain traits that endear us to ourselves but that drive provosts and presidents crazy. A university president once compared undergraduate students with university professors. He said that undergraduates reminded him of lemurs because they were bright-eyed and bushy-tailed and couldn't believe the world was the way it was. Professors, on the other hand, reminded him of baboons because they were highly intelligent and very sociable. In all candor, I must admit that he also noted that baboons couldn't be entirely trusted. I suspect the man who made those remarks had been a university president for a long time, and he had it about right. Professors certainly can be an irritant; they can turn complaining into an art form. But when it comes to our concern for students, teaching and research, our hearts are in the right place.



The relationship of the American Association of University Professors with the Board and the administration has been a positive one. You have understood and generally supported our efforts to vigorously represent the interests of the faculty. And we have reciprocated by becoming a faculty of which you are justly proud. The data shows that Oakland University's faculty have a teaching, service and research profile that has more in common with The University of Michigan faculty than it does with the faculties of Eastern, Western, or Central Michigan. The recent North Central accrediting report substantiates this assessment. That report suggests that Oakland's faculty teaches with the vigor exhibited by faculties at expensive liberal arts colleges which specialize in fine teaching. At the same time, Oakland's faculty conducts research with the sophistication of faculties at major research universities.

We believe, selfishly perhaps, that the faculty is the heart of the university and maybe the brain as well--not being too modest about it. The university is a living organism and no organism can afford to neglect its heart, let alone its brain. We appeal to the Board and the administration, therefore, to take a more active role in recognizing the importance of involving the faculty more directly and more substantively in the decisions that are crucial to the mission of Oakland University. We are especially concerned about the faculty role in university planning, mission and goal setting; the construction of university facilities; and in projecting an image of the university to the community.

To be more specific, Oakland is contemplating building a conference center and adding an 18-hole golf course to the existing golfing facility. The faculty have strong opinions, pro and con, about these proposed facilities. Some say, for instance, that an additional golf course misdirects our priorities and sends the wrong signal to the public about the management of our fiscal affairs. Others reluctantly recognize the beneficial influence that such a facility might have on increasing membership in the President's Club which could result in substantial contributions to Oakland University. And what about the proposal to build a conference center? Will such a facility enhance the academic mission of the university? Will the faculty have access to this facility? If so, will it be on terms that academic departments can afford? We see no point in having a university facility that academic departments cannot afford to use. A related concern centers on the question of the impact a convention center or an additional golf course will have on land use and the campus environment.

The faculty, as represented by the American Association of University Professors, is not saying no to a conference center or to a golf course, although, as provosts and presidents know well, a faculty member's first reaction to almost any proposal is to say no. The faculty, and certainly the American Association of University Professors, has no desire to micromanage the affairs of Oakland University. Rather, we wish to be valued partners in decision making. Our participation may appear to make decisions less efficient, but in the long run, our active participation will enhance the quality of decisions made. The faculty will seldom, I am certain, speak with one voice. But there is intelligent life on this strange universe called The Faculty.

We hope you will welcome our counsel in the same spirit that Chrysler, for example, has welcomed the counsel of the members of the United Auto Workers. Chrysler and the United Auto Workers have formed a partnership impelled by the recognition that partnership is the key to mutual prosperity while lack of it paves the way to failure. Universities have historically operated on collegial principles, and certainly Oakland's history and current practice involves the faculty in many ways. But renewed efforts must be made to strengthen the means by which we communicate with one another.

Consider, for example, the agenda of the Board's monthly meetings. Every month you hear from the University's vice presidents. They honestly and ably report to you on the academic and financial affairs of the university. But where is the heart of Oakland University represented in your monthly meetings? Where is the sustained input from Oakland's faculty? Wouldn't you appreciate hearing, for instance, about the innovative research of Professor Sevilla in the Chemistry Department, or the exciting eye research conducted by Professor Riley? What do you know of the influential reading research conducted by Professors Stanovich and Schwartz of the Psychology and Reading Departments? Perhaps you have wondered what motivates the extraordinary dedication of award winning teachers such as Professors Bingham, Cheek, Hampton and Hammond. I suspect you are aware of the successful outreach of Oakland University into the business and educational community, but do you know the personalities that create these success stories? I know you care deeply about these matters, and I believe you would find sustained contact with the faculty intellectually stimulating. Of course, I do not wish to divert you from the stimulating

issues implicit in budgets, parking lots and road repairs. But, I suspect that you sometimes thirst for more tantalizing diversions. The American Association of University Professors would like you to get better acquainted with the men and women who teach your children, write your books, consult with your businesses and public institutions. We know this would be good for us, and we are confident enough to think this would be good for you.

Chairman Sims thanked Professor Cramer and stated that the Trustees appreciate the offer of assistance and participation in the decision-making process. He assumed that the invitation to become more familiar with the academic sector of the university is one that, "perhaps, has been neglected." On the matter of the conference center and golf course, he stated that the Trustees have many questions concerning these issues, and they are not nearly as far along as the faculty may believe.

Trustee Sharf stated that there is some misconception that the Trustees have already "begun building" the conference center and the golf course, but he wanted to make it clear that the Trustees have the same questions and concerns raised by the faculty. He appreciated Professor Cramer's speech in support of many of his own concerns.

Trustee Morris stated that he also appreciated Professor Cramer's remarks. He was reminded of the practice of the University in earlier years when the Trustees met with representatives from a different academic department each month to discuss their concerns, interests and ideas. He noted that there was an excellent interchange which was stimulating and interesting, and he has missed those discussions. He stated that there must be a way to renew that kind of exchange.

Trustee Sharp stated that Professor Cramer's speech was one of the "better motivational speeches he has heard" since his experience with the U.S. Marines.

Trustee Chunovich stated that he has given similar speeches to Trustees at other universities in the State. He noted that he appreciated Professor Cramer's reminder of the responsibility of the "total educational community."

Chairman Sims thanked Professor Cramer for his remarks.

President Champagne then reported on recent events in Lansing. He stated that he and Mr. De Carlo were in Lansing earlier in the day to attend a legislative committee meeting conducted by Representative Morris Hood, Chairman of the House Higher Education Subcommittee on Appropriations. Rep. Hood had called a meeting of

the State university presidents in order to discuss the possibility of a significant budget reduction for the current fiscal year. President Champagne stated that there is a projected deficit of approximately \$400 million for the fiscal year ending September 30, 1990, and a projected shortfall of \$900 million for the current fiscal year. If these amounts are correct, there would be a \$1.3 billion State fiscal deficit by the fall of 1991. President Champagne reported that education accounts for a significant amount of the State budget along with the Department of Social Services, the Department of Corrections, and the general operating budget for State government. He noted that based on some of the rumors, the State higher education institutions could face a budget reduction of 10 to 15 percent in order to balance the State's budget. He added that since Oakland is halfway through its fiscal year, Oakland would be facing a 20 to 30 percent reduction to the portion of its budget funded by the State, which is approximately \$36 million.

President Champagne noted that Governor-Elect John Engler has indicated that he does not wish to cut the education budgets of the State. The House Subcommittee members indicated, however, that because education was "spared" last year from budget cuts, not including the cuts in the Capital Outlay appropriation bill, "it would be very difficult to exclude education this year." He added that the pressure from the other State agencies to cut education would be very strong, and it was the feeling of some members of the House of Representatives that education should share in any budget cuts. All of the basic operating agencies in the State would experience cuts.

President Champagne noted that Rep. Hood felt strongly that the development of a solution to the current budget problem should include Governor-Elect Engler and his staff in addition to the current legislature. He added that over the next few weeks, Governor-Elect Engler would provide guidance regarding his priorities in adjusting the budget to reduce the \$1.3 billion deficit.

President Champagne noted that it is very difficult for a university to reduce its budget in the middle of a fiscal year because of its commitment to programs and courses that are already in place. He added that the House Subcommittee members indicated that all other State departments use "equally emotional and strongly persuasive arguments" regarding the problems related to budget cuts.

Trustee Chunovich stated that since tuition comprises 36 percent of Oakland's revenues, two thirds of Oakland's budget will be impacted by a reduction. He noted that the administration and the Board must determine where additional revenues can be realized besides tuition.

Trustee Morris reviewed the budget situation of the Michigan Employment Security Commission which may be losing considerable manpower due to lack of funding.

Chairman Sims noted that the University must engage in contingency planning to prepare for the possibility of a budget reduction. There being no further discussion of this subject, Trustee Sims called on Mr. McGarry.

Mr. McGarry reported that he has responded to Mr. Clarence Bennett, Electronics Engineer at Oakland University, who made a request at the Board meeting of August 16, 1990, that the development of a walkway from Oakland's campus to the corner of Squirrel Road and Walton Boulevard be investigated. The administration has determined that a walkway cannot be considered until a decision is made regarding the widening of Squirrel Road.

Trustee Morris, seconded by Trustee Hartmann, moved adjournment of the meeting. The motion was voted on and unanimously carried. The meeting was adjourned at 6:11 p.m.

Submitted by,

Approved by,



John De Carlo, Secretary  
Board of Trustees

Howard F. Sims, Chairman  
Board of Trustees

Written and Prepared by  
Catherine Gianakura Rogg