Minutes of the Meeting
of the
Oakland University
Board of Trustees
September 22, 1982

The meeting was called to order at 7:30 p.m. by Trustee Alex C. Mair in Lounge II of the Oakland Center, who announced that a quorum of the Trustees was not present, and the meeting would be delayed for a short time to determine whether or not one additional Trustee would arrive.

Present: Trustees David Handleman, Alex C. Mair, Wallace D. Riley (at the time indicated in the minutes), Arthur W. Saltzman and Howard F. Sims

Absent: Trustees Patricia B. Hartmann, Richard H. Headlee and Ken Morris

At 7:40 p.m. Mr. Mair stated that the meeting would begin under the "absence of a quorum" policy, and requested that Mr. John De Carlo, Secretary to the Board, explain this procedure.

Mr. De Carlo stated that on January 22, 1975 the Board adopted a policy covering meetings which were held in the absence of a quorum. In essence this policy authorizes the Board to review items and those members who are present may pass on the items presented. These decisions are not legally binding on the Board since a quorum is not present, but are advisory to the staff and administrators. These actions must subsequently be ratified at the next Board meeting. There is the possibility that the Board could reverse its actions providing an element of risk to the administration for any action taken, but it is assumed that those who voted in favor of an item at this meeting would also do so at the next meeting. Mr. De Carlo added that this procedure had been followed before on several occasions, and that it has worked. The Board should decide as to whether it would continue the meeting under this provision.

Mr. Mair received the Board's and the President's consent to proceed with the meeting.

Election of Chairman and Vice Chairman of Board of Trustees

The Bylaws for the Oakland University Board of Trustees require the election of a "Chairman" and a "Vice Chairman" for one term commencing with the September meeting. Mr. Mair called upon Mr. Saltzman as Chairman of the Board's Personnel Policy Committee to report on the Committee's recommendation.

Mr. Saltzman made the following formal statement:

> "As Chairman of the Board's Personnel Policy Committee, I would like to report on behalf of my fellow members, Trustees David Handleman and Patricia Hartmann, regarding the recommendation of a Chairman and Vice Chairman for the Board of Trustees for 1982-83. We have reviewed this matter extensively and we recommend Vice Chairman Ken Morris, who is a charter member of the Board of Trustees, as Chairman, and we also recommend Trustee Alex Mair as Vice Chairman. The terms of office for these positions will be for one year commencing with the September 22 meeting of the Board of Trustees."

Mr. Sims moved that the recommendation be approved. Mr. Handleman seconded the motion which was voted on and approved by the four Trustees present.

Mr. Mair thanked the Board for the confidence in him by this election.

President Joseph E. Champagne announced that Trustees Hartmann and Morris were recently reappointed by Governor Milliken to the Board of Trustees for eight year terms, with expiration dates of August 11, 1990. He was delighted that both members had accepted the reappointments.

Approval of Minutes of August 18, 1982

Mr. Mair requested approval of the minutes of the Board meeting of August 18, 1982 as submitted.

Mr. Handleman offered a motion for approval of the minutes. Mr. Sims seconded the motion which was voted on and approved by the four Trustees present.

Request for Extension of Paving Project for Squirrel Road

Mr. Mair stated that a special item was to be brought to the Board's attention. He then recognized Mr. Robert Grusnick, Supervisor of Pontiac Township, who wished to present a request for the extension of the paving project on Squirrel Road since Board approval of a grading permit was necessary in that University property was affected.

Mr. Grusnick said he was present on behalf of the Board of Pontiac Township and its citizens. Over the 10 years that he has been supervisor of Pontiac Township there have been various discussions with University personnel and many citizens of the community with regards to upgrading Squirrel Road from Featherstone to University Drive. The Pontiac Township governmental offices were established in 1977 on Squirrel Road. There is a great deal of traffic on the road, not only coming to the Township offices, but also from students coming to the University. This year the County, the County Road Commission and the Township Board entered into an agreement for the upgrading of Squirrel Road from Auburn Road north, and for approximately 450 feet of paving in front of the Township offices. This evening the Board's approval was being asked to extend the present project an additional 1600 feet south to the entrance to the parking lot of the Township park on Squirrel Road. He added that an easement may be required from the University. He asked Mr. Dennis Grylicki from the Oakland County Road Commission who was present to answer any questions.

Mr. Saltzman asked if this matter had been reviewed by the appropriate Board committee.

Mr. De Carlo responded that it has not as yet been presented to any University committee. The initial communication on this extension had been received from Mr. Grusnick about two weeks ago. Because of Trustee Ken Morris' interest in this particular subject, discussions were held by Mr. Morris, Mr. Grusnick and Mr. De Carlo. Mr. Morris served on the original Board of Trustees Committee in 1978 when paving the entire length of Squirrel Road was being considered. At the recent meeting with Mr. Grusnick, Mr. Morris asked that this matter be referred to the appropriate Board committee since he wished to present his opinion with respect to paving Squirrel Road. Mr. Morris has some reservations about the extension of the paving and would like to have an opportunity to present his views to the committee and the Board at the proper time.

Mr. De Carlo noted that Mr. Grusnick has been very cooperative and helpful in resolving issues relating to the Township and the University. He added that he realized there is a construction time schedule involved, and he regretted the difficulty this delay may cause to the project since the contractor is on the site completing the paving in front of the Township Hall approved by the Trustees at its meeting of July 21, 1982. The request this evening while not an afterthought, is something that developed during construction of the present project. The Oakland University Board of Trustees had no awareness of any extension of the project. Mr. Morris was not aware of this proposal, and therefore asked that the matter be referred to committee.

Mr. Grusnick stated that he had enjoyed meeting with Mr. Morris even though they have different viewpoints on the improvement of Squirrel Road. He requested that Mr. Grylicki report on the status of the project.

Mr. Grylicki stated that the current project plans were developed and brought to the Oakland University Board for a grading permit because the construction of the new roadway would encroach on University property. During construction of the project, the Township received some additional funding, and had some discussions with the contractor to determine if it would be possible to extend its contract with the same unit price. The contractor was agreeable to the additional paving. An easement is not needed since the right-of-way would not change; however, a grading permit is required from the University since State property will be removed by slope changes. If the continuation of the project can get under way this year, the present contractor would remain at the site to perform the work.

Mr. Riley arrived at this time.

Mr. Mair thanked Messrs. Grusnick and Grylicki for their presentations. Mr. Mair stated that since Trustee Morris has some reservations about this project, and has requested that the matter be referred to the University and Development Committee for consideration, he asked for the Board's direction.

Mr. Handleman moved that this matter be referred to the University and Development Committee in accordance with Board practice for review. Mr. Saltzman seconded the motion which was voted on and approved by all of the Trustees present.

Mr. De Carlo suggested that with Trustee Wallace Riley's arrival a quorum was present and that Item 1, election of Chairman and Vice Chairman, and Item 2, approval of the minutes of the August 18, 1982 meeting, should be voted on by the Board.

Mr. Mair asked for a vote on Item 1, the election of Ken Morris as Chairman, and Alex Mair as Vice Chairman. The recommendation was moved by Mr. Sims and seconded by Mr. Handleman, voted on, and approved by all of the Trustees present.

Vice Chairman Mair asked for a vote on Item 2, the approval of the minutes of the Board meeting of August 18. Mr. Handleman moved for the approval of the minutes which was seconded by Mr. Sims. The recommendation was voted on and approved by all of the Trustees present.

Acceptance of Gifts and Grants

Vice Chairman Mair requested the Board's acceptance of the gifts and grants totaling $409,594.42. (A copy of the complete list of gifts and grants is on file in the Office of the Secretary to the Board of Trustees and the Office of the Vice President for Developmental Affairs.) Vice Chairman Mair requested that Mr. Robert W. Swanson, Vice President for Developmental Affairs, comment on this month's gifts and grants.

Mr. Swanson called the Board's attention to the $4,760 gift in support of the Friends of the Kresge Library which represented proceeds from the Glyndebourne Picnic. This event was reinstated by popular demand and while the proceeds and expenditures are not completely reconciled as yet, this year's event was very successful. Mr. Swanson then suggested that Mr. Keith Kleckner, Senior Vice President for University Affairs and Provost, might wish to comment on some of the grants to the academic areas.

Mr. Kleckner noted that the grant from the Agency for International Development under the direction of Dr. Thomas Casstevens pays that faculty member's entire salary. In addition, this is a very important grant since it establishes contact between the University and a Federal agency. He also noted the continued substantial support of approximately $250,000 for faculty research in the Institute of Biological Sciences and the Chemistry Department.

President Champagne announced that while it was not shown in this month's gifts and grants report, General Motors Corporation has donated $100,000, to be paid over a five-year period, in support of the Center for Robotics and Advanced Automation. The first check has been received. President Champagne expressed thanks to Trustee Mair and his associates at General Motors who made this very substantial grant to the School of Engineering possible.

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

Approval of Personnel Actions

Vice Chairman Mair requested approval of the following faculty personnel actions as distributed:

Appointments

Haque, Nasir U., Clinical Associate Professor of Health Sciences, effective August 15, 1982, through August 14, 1984

Humes, James J., Clinical Associate Professor of Health Sciences, effective August 15, 1982, through August 14, 1984

Jackson, Frances C., Instructor in Nursing, effective August 15, 1982

Kluka, Margaret, Clinical Instructor in Medical Technology, effective August 15, 1982, through August 14, 1984

Levin, Murray B., Clinical Associate Professor of Health Sciences, effective August 15, 1982, through August 14, 1984

Margulis, R. Ralph, Consulting Professor of Health Sciences, effective August 15, 1982, through August 14, 1984

Ng, May C., Clinical Assistant Professor of Health Sciences, effective August 15, 1982, through August 14, 1984

Appointments (Continued)

Pfeifer, John R., Clinical Associate Professor of Health Sciences, effective August 15, 1982, through August 14, 1984

Pit-og, Trinidad A., Assistant Professor of Nursing, effective August 15, 1982

Rocchio, Ronald A., Clinical Assistant Professor of Medical Physics, effective August 15, 1982, through August 14, 1984

Schomaker, Thomas E., Clinical Assistant Professor of Health Sciences, effective August 15, 1982, through August 14, 1984

Srodawa, Ronald J., Associate Professor of Engineering with tenure, effective August 15, 1982. Supersedes previous Board action of July 21, 1982

Changes of Status

Fung, Kon K., from Instuctor in Mathematical Sciences to Assistant Professor of Mathematical Sciences, effective September 1, 1982

Khapoya, Vincent B., from Associate Professor of Political Science to Associate Professor of Political Science and Acting Chair, Department of Political Science, effective January 1, 1983, through April 23, 1983

Pino, Lewis N., to continue as Professor of Chemistry, Director, Research and Instructional Services, and Acting Dean of the Graduate School, effective July 1, 1982

Stokes, Charlotte V., from Assistant Professor of Art and Art History to Assistant Professor of Art and Art History and Acting Chair, Department of Art and Art History, effective September 1, 1982, through December 18, 1982

Changes of Status (Continued)

Stransky, Alfred W., from Associate Professor of Education and Director, Exercise Physiology Laboratory to Associate Professor of Education, Director, Exercise Physiology Laboratory, and Interim Director, Physical Therapy Program, effective September 1, 1982

Rescind the following change of status action taken at the June 8, 1982, Board of Trustees meeting:

Barnes, Carl F., from Professor of Art and Art History to Professor of Art and Art History and Acting Chair, Department of Art and Art History, effective September 1, 1982, through December 18, 1982

Leaves of Absence

Barnes, Carl F., Professor of Art and Art History, sick leave from September 1, 1982, through December 18, 1982

Cowlishaw, John D., Associate Professor of Biological Sciences, sabbatical leave from January 1, 1983, through April 23, 1983

Hampton, Nigel, Associate Professor of English, sabbatical leave from January 1, 1983, through April 23, 1983

Heubel, Edward J., Professor of Political Science and Chair, Department of Political Science, sabbatical leave from January 3, 1983, through April 23, 1983

Lowery, Sandra K., Assistant Professor of Nursing, part-time (75%) leave from September 1, 1982, through April 23, 1983

Milewski, Carol A., Assistant Professor of Nursing, part-time (50%) leave from September 1, 1982, through april 23, 1983

Leaves of Absence (Continued)

Pak, Moon J., Associate Professor of Biological Sciences and Associate Provost for Health Sciences and Director, Center for Health Sciences, part-time (80%) leave from July 1, 1982, through June 30, 1983

Wilson, Diane R., Assistant Professor of Nursing, part-time (50%) leave from September 1, 1982, through December 18, 1982

In response to Vice Chairman Mair's request for comments, Mr. Kleckner noted that for the most part the items were routine with the exception of the appointment of Alfred W. Stransky as Interim Director of the Physical Therapy Program, who will serve until such time as a permanent Program Director is recommended to the Board.

Mr. Sims moved that the faculty personnel actions be approved.

Mr. Saltzman inquired if the entire Physical Therapy Program was now staffed with three faculty members.

Mr. Kleckner assured him that the full program is now under way.

Mr. Handleman seconded the motion which was voted on and approved by all of the Trustees present.

Approval of Collective Bargaining Agreement Between Oakland University and Oakland University Chapter, American Association of University Professors

Vice Chairman Mair requested that President Champagne present the item on the collective bargaining agreement.

President Champagne stated that the University had reached a tentative agreement with the AAUP, Oakland Chapter, and recommended that the Board approve the agreement which the bargaining team had negotiated with the American Association of University Professors, Oakland University Chapter. The AAUP chapter will vote on ratification of the contract on Monday and Tuesday of next week. President Champagne added that the administration would like to have the Board ratify the agreement subject to the agreement being ratified by the AAUP.

He noted that Mr. Robert H. Bunger, Chief University Negotiator, was present. He added that Mr. Bunger had worked very long and very intensely on this agreement and would summarize its salient features. President Champagne said that all of the Trustees had been supplied with a copy of the complete agreement and that the terms had been discussed in considerable detail with the Personnel Policy Committee.

Mr. Bunger said he would like to clarify paragraph "88 + 2" in the contract. He submitted a revised provision and asked that the contract be approved with the substituted paragraph "88 + 2". The previous formula provision was technically incorrect and did not reflect the intent of the parties. He noted that in the copy of the agreement received by the Board the dates for the contract should be August 15, 1982 through August 14, 1985. He stated that the provisions of the agreement are within the guidelines established by the Personnel Policy Committee of the Board. Mr. Bunger informed the Board that the AAUP was holding a meeting this evening for open discussion of the contract and the Union expected to have polling places open for the ratification vote next Monday or Tuesday. He asked that the bargaining agreement be approved subject to the Union's ratification next week.

Mr. Riley asked if the new sheet replaced in total paragraph 88 + 2.

Mr. Bunger replied that it did.

President Champagne asked Mr. Bunger to explain the problem with this particular formula.

Mr. Bunger explained that this paragraph relates to those instances where an academic administrator ceases administrative duties and assumes full-time faculty responsibilities as a member of the bargaining unit. This provision provides that if such individual is above the normal faculty scale, he or she would receive only a portion of any lift-of-scale increment until such time as that individual's salary falls within the bargaining unit salary scale.

Mr. Riley said the approval should be "subject to ratification" rather than "contingent upon ratification."

Mr. Saltzman commended the bargaining team headed by Mr. Bunger for the University and the bargaining team for the faculty for arriving at an agreement which he felt "does them proud and helps the University." He thought the agreement was "very responsible" to the needs of the parties.

President Champagne read the following recommendation for the Board's approval:

> It is recommended that the Board approve the contract between the University and the Oakland Chapter, AAUP, which has effective dates of August 15, 1982, through August 14, 1985:
>
> > RESOLVED, That the Board of Trustees does hereby approve the 1982-1985 contract between Oakland University and the Oakland Chapter of the American Association of University Professors (AAUP), and does hereby authorize the Vice President for Finance and Administration, the Director of Employee Relations, and the University's Chief Negotiator, to execute any and all documents needed to effectuate this action. This approval is made subject to ratification by the membership of the Oakland Chapter, AAUP.

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

Approval of the Extension of Liquor License

Vice Chairman Mair requested that Mr. De Carlo present the item on the extension of the liquor license.

Mr. De Carlo stated that currently the Board of Trustees has a liquor license covering Meadow Brook Hall and a narrow perimeter area around the Hall. As previously discussed by President Champagne, there is the desire to improve and utilize the Riding Ring as an all-purpose conference center facility operated by the Hall. One of the conditions to make this a viable facility and to obtain remodeling funds is a liquor license.

During the review of the proposal of a liquor license for the Riding Ring, the Meadow Brook Music Festival indicated its desire to have a license for scheduled events such as the opening night party in an area adjacent to the Festival grounds. The Liquor Control Commission was approached and it has graciously agreed to extend the license from Meadow Brook Hall to two defined areas covering the Riding Ring and area just outside the Festival grounds by the stainless steel sculpture. The rules and provisions applying to Meadow Brook Hall will also apply to these areas. Only regularly scheduled events may be served. An "open bar" to serve anyone is not permitted.

This matter has been discussed with the appropriate Board committees. The administration is requesting the acceptance of the Liquor Control Commission offer to extend the Hall license. Since certain documents will need to be executed, authorization to specified individuals to sign in the Board's behalf is required.

Vice Chairman Mair presented the following recommendation for the Board's approval:

> WHEREAS the Board of Trustees is grateful to the Liquor Control Commission for extending the liquor license to include conferences and special events to be conducted in connection with the proposed Riding Ring project and the Meadow Brook Music Festival; now therefore be it
>
> RESOLVED, That the Board of Trustees authorizes any of the following University administrators to sign appropriate documents required by the Liquor Control Commission in connection with the applications for these licenses:
>
> Joseph E. Champagne, President
>
> John De Carlo, Secretary to the Board of Trustees, Vice President for Governmental Affairs and General Counsel
>
> Lowell R. Eklund, Dean, Division of Continuing Education
>
> Robert J. McGarry, Vice President for Finance and Administration and Treasurer to the Board of Trustees

Mr. Handleman moved that the recommendation be approved. Mr. Riley seconded the motion.

Mr. Riley moved to amend the recommendation to read: "Resolved, That the Board of Trustees authorizes any one or more of the following University administrators ..." since documents sometimes require more than one signature for approval.

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

Mr. Riley inquired as to the type of license that would be obtained.

Mr. De Carlo explained that the Hall license was a "conference center" license. The license resulted from an amendment to the Liquor Control Act.

Mr. De Carlo thanked the Trustees for their action on behalf of Meadow Brook Hall, the Festival, and others involved.

Approval of Capital Outlay Budget Request for 1983-84

Vice Chairman Mair announced that the Capital Outlay Budget Request for 1983-84 had been reviewed by the Audit and Finance Committee, and requested comments from Mr. Robert J. McGarry, Vice President for Finance and Administration, and Treasurer to the Board of Trustees.

Mr. McGarry noted that the Board's approval of this item will allow the University to comply with the State's annual budget requirement for the submission of a request for the funding of capital projects. This year the University has submitted 10 items, with the top 3 being:

1. Completion of the expansion of the chemistry laboratories in Hannah Hall. $145,000 has been given; the University is now requesting $348,000.

2. Kresge Library. Several years ago the institution received planning funds for the study of a proposed 150,000 square foot addition at a cost of anywhere from $9,000,000 to $14,000,000; this project has been

scaled back to a phased program with the initial cost of approximately $3,500,000 for 50,000 gross square feet.

3. Addition to Dodge Hall. This addition would accommodate the laboratory needs of robotics, computer science, and biology.

Mr. McGarry added that the administration felt that these were the most important projects at this point in time and the most likely to be funded. The other projects and their priority indicated by number are:

4. Roof modification and replacement-North Foundation Hall

5. Energy management plan

6. Modification of existing water generators

7. Replace high temperature hot water lines

8. Public water and sewer for the Matthew Lowry Early Childhood Center

9. Science Building

10. Air-condition Hannah Hall

Mr. Riley asked who decided whether or not to fund a project.

Mr. De Carlo replied that the Office of Management and Budget makes recommendations to the Legislature. However, on occasion it could be in the reverse order with the Legislature making the decision as to the projects to be approved.

Vice Chairman Mair presented the following recommendation for the Board's approval:

RESOLVED, That the Board of Trustees approve the 1983-84 Capital Outlay Budget Request.

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

Report on Status of Michigan Association of Governing Boards (MABG)

Vice Chairman Mair called upon Mr. Saltzman, who is the delegate for the Board of Trustees, to report on the status of the Michigan Association of Governing Boards (MAGB).

Mr. Saltzman stated that the MAGB has been in existence for about 12 years. About 3 months ago the MAGB Board voted to rent permanent headquarters in Lansing. At this time the Association meets on various university campuses. Mr. Saltzman stated that he was not at the MAGB meeting when the decision was made to rent facilities, because if he had been, he would have "advised the group that it was not appropriate" to spend funds for this purpose at this time. As a result of this action, the Association is requesting the payment of $1,408 from the University as its share of the cost. He noted that the University of Michigan has never joined the MAGB and Michigan State University and Grand Valley State College will not participate in the cost of the office. The Association in Mr. Saltzman's judgment has "not yet developed a cohesive message nor a mode of relating effectively with the college presidents, the Legislature or with the State's Executive branch". He, therefore, recommended that the Board defer any action on this item at this time; otherwise, the only other action he would be able to recommend would be to turn down the request for funds. He would prefer to have Mr. Sims and himself work with the Association for a while before making a recommendation.

Mr. Riley asked if his phrase, "at this time", was because of hard economic conditions. Mr. Riley noted that his feeling was either, "We are in it and should support it, or we should get out".

Mr. Saltzman replied that he is proposing that Oakland take a more active role than in the past. There is a need for a group to represent trustees, but he finds it very difficult to provide added funding to the MAGB at this time based on its past record.

Mr. Sims asked for the amount of previous assessments.

Mr. De Carlo responded that the annual dues were $100, but were recently raised to $150.

Mr. Riley asked why the Association needs an office.

Mr. Saltzman responded that the MAGB was trying to establish a presence in Lansing so that it could be more effective in lobbying.

Mr. Riley inquired if they did any effective lobbying.

Mr. De Carlo responded that he did not believe that the Association currently had an effective "lobby operation". He noted that an office was being established to provide a base of operation for those board members who are active, and who do go to Lansing. The Association had the option to utilize the facilities of the Presidents Council which it declined. The MAGB rented the suite adjacent to the Presidents Council. Currently there are about four or five trustees from various institutions who are very active.

President Champagne added that he felt the Presidents Council was a very effective representative of the colleges and universities with a full-time office in Lansing and a budget of over $200,000. Oakland University's assessment to the Council is $7,000 a year. This amount will probably be increased this year. The Council actively represents the colleges before legislative bodies. There are many presidents who have questions about whether or not this action by the MAGB imposes another layer of interaction. President Champagne thought the Presidents Council has been very effective this past year. Many of the presidents pose the question, "Are we going to dilute ourselves?"

Mr. Riley asked if the presidents group was against this action.

President Champagne responded that the presidents are "lukewarm".

Mr. Riley reiterated his opinion that if you are in a group you should support it, and if not, you should get out.

Vice Chairman Mair stated that he felt Mr. Saltzman was requesting additional time in which to make the decision to get in or get out.

Mr. Saltzman added that there are three concerns relating to the MAGB:

1. There are times when he feels the Presidents Council is not effective in its representation of the trustees, and occasionally the trustees are more effective in this role. There should be a mechanism for a group of trustees to address the Executive Office and the Legislature.

2. Oakland University has not been as active as it should have been. He said this was his fault due to the press of personal and professional responsibilities. With Mr. Sims' assistance as an alternate member to the MAGB, it is anticipated that Oakland University will be more involved.

3. It could well be that unless a substantial amount of money is invested in the MAGB, including the hiring of a full-time executive, the organization may not be effective. In addition, the trustees must be a more "disciplined" group to move the organization ahead.

Mr. Saltzman added that he thinks there is merit in having such an organization. However, to date, the organization has not carried out its mission or been effective. He said he would like to be more active and to borrow a little more time. The Board concurred and tabled the request for additional funds.

President's Report

Vice Chairman Mair called upon President Champagne for his report.

President Champagne said he would try to explain the status of the University's legislative appropriation for next year since the actions taken in Lansing are somewhat complicated. The accounting procedures being taken "defy" anyone's ability to easily understand what is happening.

An Executive Order was approved last week which cut $32,000,000 from higher education for the current State fiscal year ending September 30, 1982. This action results in a loss of a little over $1,000,000 to Oakland University, and is an actual cut.

The Legislature has also approved an appropriations bill for next year (the fiscal year 1982-83) which would increase the institution's level of appropriation from last year's base (1981-82), the fiscal year just completed, by 5 percent. However, because of the recent cut ($1,000,000) that the institution just experienced, which also equals 5 percent, the University is looking to "steady funding" this year over next year.

The method of payment for the State's 1982-83 fiscal year provides that starting in October, the University will receive 1/12th of the 1982-83 appropriation each month through June at which time (in June) the State colleges and universities will receive an additional $32,000,000 which amount equals the 1981-82 Executive Order cut. For Oakland, this payment will amount to $1,000,000. However, for the first three months of the University's next fiscal year, i.e., July, August and September 1983, the institution's payments will be reduced by an amount equal to the $1,000,000 received in June.

The language in the act indicates that the reason for this action is to "front load the fourth quarter 1982-83 payments into the June payment in order to enable colleges and universities to balance their books". This means that the State will take some of the money the institutions should be paid in the next fiscal year (1983-84) for payment in the current (1982-83) fiscal year, thereby allowing the universities to avoid a deficit.

President Champagne expressed the hope and expectation that the following fiscal year's payments (1983-84) will somehow or other be increased by an amount of money to offset the decrease, i.e., the offsets in July, August and September. In effect there is a cut in one fiscal year, which is paid in the next fiscal year, out of funds borrowed from the following fiscal year. A "rolling" process is used to "balance the books" so that the State does not end the 1981-82 fiscal year in deficit and to avoid penalizing the colleges so that their fiscal years do not end in deficit. All of the money will hopefully be coming from the following fiscal year in which it is believed there will be increased State revenue.

If this plan works, the University's appropriations for the 1982-83 State fiscal year beginning October 1, 1982 will be $21,000,000. However, because of the cut of $1,000,000 from the 1981-82 fiscal year this amounts to "steady State funding" for these years since the University's base is only being restored.

It should be remembered that in addition to the above-mentioned cuts, the State deferred the payment of the University's fourth quarter allotment for the 1981-82 State fiscal year in the amount of $2,700,000. (All of the universities have a fourth quarter deferral.) The universities have in effect "loaned" this money to the State due to its fiscal problems. The State will begin to repay these funds starting October 1982.

The Milliken administration has assured the universities that the money will be paid back before the Milliken administration leaves Lansing. The current plan will provide for equal monthly payments in October, November and December. The University is encouraged that it will get back the "loan" that it made to the State by the deferral of the fourth quarter allotment payments.

The concern that we all have about the payback is the assumption that the economy of Michigan can generate the revenue necessary for the State to repay all of these funds. The University was assured last year that there would be no cuts, and in spite of these statements Oakland University's budget was cut 22.1 percent.

President Champagne said it was hoped that the optimism on the State's economy prevails. The State is estimating that there will be about $150,000,000 of extra money from the cigarette tax and from deferred payments on the temporary income tax increase which has now lapsed. If the State does have an additional $150,000,000, this amount should be enough to restore the cuts.

President Champagne said that while there is some optimism that the funds will be restored, in the absence of any assurance of this fact, the University administration will present a budget to the Board at the October Board meeting which will reflect a restoration of only some of the funds. The budget may be indexed with contingencies again just in case all of the revenue from the State is not forthcoming.

If everything works as planned by the State, this will be "very good for higher education". There are still some questions, and the University administration is being cautious as it moves through the process. He applauded the Governor and the Legislature for attempting to find a way out of this critical fiscal situation for the colleges and universities.

President Champagne said with regard to the appropriations for capital outlay projects, the bill under consideration in effect gives Oakland University $348,000 for the Hannah Hall renovation project which will be of great assistance in providing science labs. In addition, $100,000 is recommended in planning funds for the Kresge Library expansion. If this bill is approved, the University will have some money to accomplish some needed projects. President Champagne commended Mr. De Carlo for his work with the legislative committees in obtaining these funds.

Vice Chairman Mair thanked the President for his report.

There being no further items for discussion, Mr. Handleman moved that the meeting be adjourned. Mr. Saltzman seconded the motion which was voted on and approved by all of the Trustees present. The meeting was adjourned at 8:40 p.m.

Approved,

John De Carlo, Secretary
Board of Trustees

Alex C. Mair, Vice Chairman
Board of Trustees

Date ____________________