



OU NEWS

Provost Search

The process for selecting a vice president for academic affairs and provost is now in its final stages. The Provost-Selection Committee of the Board of Trustees is now reviewing the credentials of the finalists and hopes to complete its work prior to the Board meeting on December 16. If the Selection Committee completes its work, it anticipates making a final recommendation to the Board at that meeting.

Season's Greeting

This is the season of warmth and friendship. This community has shown these traits to Emilie and me and our two daughters throughout our first year at Oakland University. We are deeply appreciative of your kindness and support. We find ourselves in challenging times but, together, we shall seek the solution to emerge with success and vitality.

May all of you have a warm and loving holiday season.

Emilie and Joe Champagne

Student Affairs Committee Formed

Editor's note—President Joseph E. Champagne has announced the charge and composition of a committee to look at the programs and future directions of the Division of Student and Urban Affairs.

COMMITTEE ON STUDENT AND URBAN AFFAIRS MISSION AND PRIORITIES PRESIDENTIAL CHARGE

WHEREAS, Oakland University finds itself in a period of declining real revenues appropriated by the State of Michigan; and

WHEREAS, students cannot realistically be expected, through increased tuition and fees, to offset in a major way declining real revenues; and

WHEREAS, it may reasonably be projected that this condition may persist for several additional years;

WHEREAS, the continued viability of Oakland University in its present configuration is called into serious question and is perhaps made impossible; and

WHEREAS, Oakland University must insure the personal development and well-being of a diverse student body with varied needs;

THEREFORE, A Committee on Student and Urban Affairs Mission and Priorities is hereby established. The charge to the committee shall be:

1. To consider the purpose, quality, scope, and utilization of activities and programs provided by or offered through the Division of Student and Urban Affairs;
2. To evaluate current and/or additional activities and programs in light of institutional strengths and mission, cost effectiveness, and student needs;
3. To evaluate present and potential sources of funds as well as costs for these activities and programs;
4. To present to the President by March 15, 1982, a report which shall include a recommended mission statement, a rationale for division activities and programs, and recommendations concerning priorities with the goal of appropriately allocating scarce and/or declining resources.

Committee Membership

Lee Anderson holds an A.B. degree from the University of Michigan at Flint and the M.A. from Michigan State University. He has

been an administrator for 5 years and is assistant director/financial aid.

Rosalind Andreas is dean of students and has been at OU 8 years. She holds a B.A. in English from Bethel College and an M.A. in Speech Communication and Human Relations from the University of Kansas. She is a Ph.D. candidate at the University of Michigan Center for the Study of Higher Education.

Kevin Appleton is a senior honors college student majoring in English. He has a biology minor and is working for certification in secondary education.

Cameron Bruner joined the OU staff in 1980 and serves as coordinator for student organizations. She received a B.A. in English from Oakland University, the M.A. in College Student Personnel at Michigan State University and she is a student in the doctoral program in Guidance and Counseling at the University of Michigan.

Robert H. Bunger serves as executive assistant to the president. He holds the baccalaureate from Rice University and a J.D. degree from Wayne State University.

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Forum Focuses On Financial Problems

Editor's note—The following abstracts are from an Oct. 29 forum on the Tax Situation in Michigan and Implications for OU. The sponsors were the School of Economics and Management and the Department of Political Science.

"The Current Budget Plight and the Business Climate,"

a presentation by
Karl D. Gregory,

School of Economics and Management

This is the second time in four years that a forum has been held on this topic. I am glad to have been asked to participate both times. We are particularly wise this time to have a representative from the administration on the panel, for the current fiscal situation requires a coordinated response from all sectors of the university.

I would like to briefly comment upon: the current budgetary plight at the federal and state levels of government, broad trends in revenues and expenditures in the State, causative forces behind the fiscal crisis, and some scenarios of worst case events (not forecasts). A byproduct of these remarks will be a sharing of a few findings in a large and major study on the fiscal status and the business climate of the State, involving 37 economists from five institutions, which will be published in January, 1982.

The Current Budget Plight

Substantial deficits are estimated for both the federal and the state government. These are without precedent, even for periods of war. Reputable sources predict that the federal government policies now will generate deficits of over \$100 billion in fiscal year 1982, \$150 in 1983, and \$160 in 1984, the latter in a year in which the President had promised in his campaign a balanced budget. These deficits will probably lead to further substantial cuts in federal expenditures, including grants-in-aid to the states and other programs affecting higher education. Only modest amounts are likely to be provided by increased tax rates or new tax bases, given the administration's commitment to supply-side economics.

In Michigan, a \$135 million deficit in fiscal 1981 was overcome on the last day of the fiscal year with cutbacks of state expenditures. A shortfall, then estimated to be \$270 million for fiscal 1982, was erased several weeks ago with directives to state agencies to cut an identical amount from their budgets. Professor Harvey Brazer, of University of Michigan, the coordinator of the major tax study to

be released in a few weeks, estimates that the state's deficit for this fiscal year will approach \$600 million, or \$330 million greater than expenditure slashes to date. This too could worsen if the decline of the economy in the fourth quarter of calendar year 1981 continues during the first half of next year, rather than the economy bottoming out this quarter and moving sideways, until recovering in the middle of next year.

Further cuts in state expenditures appear clearly to be indicated. Their magnitude would increase if initiatives currently under consideration in the Legislature were to be adopted. Chief among them is a reduction in the property tax, perhaps by increasing the circuit-breaker (i.e. the tax credit against the state income tax for a part of the property taxes paid that exceed a given percent of income).

Budget Trends

Certain budget trends are of interest because of their implications for higher education. In the decade since 1970, the consumer price index has risen by 112 percent. In that year, taxes on sales dominated the state tax structure. These taxes have not kept up with inflation. Fortunately, the state also relies on income and the single business tax. These have kept up with inflation. Less fortunately, federal aid, which provided significant and expanding amounts of revenue to the state through 1980, has declined each year since then. The annual reduction in federal aid to state and local governments in Michigan in 1982 is estimated at 15 percent. Further reductions appear to be in the making for 1983 and 1984.

The growth of expenditures for social services, generated by higher unemployment and other factors, has resulted in these services taking a 29.4 percent share of total state expenditures in 1980, up from 18.0 percent in 1970. This is the only major category of expenditures whose share of expenditure has grown substantially. Higher education's share, reflecting this competition for state financing, has fallen from 11.0 percent in 1970 to 8.3 percent in 1980. Its share is still falling. Reflecting these and other factors, President Champagne noted in an address to the faculty earlier this semester that during 1970 through 1980, the average state increase in funding for higher education was 53 percent. In Michigan, the increase, also in real dollars, was 9 percent, and the State ranked 48th among all the states in this respect.

causative forces

There are several explanations for the severe fiscal circumstances facing the state and higher education. The national economy is in one of the worst recessions since the Great Depression, and a serious recession nationally means a near-depression for this state.

The specific combination of policies taken by this administration to combat inflation, expand defense, downsize a government and strengthen incentives to produce focuses in the short term on an expansionary fiscal policy based on large tax cuts, leaving the policies for economic restraint to the Federal Reserve System. Unlike the national government, the only way the Federal Reserve System can combat inflation is through a set of actions that have to culminate, by their very nature, in extremely high interest rates. This has a horrendous impact on auto production, construction and other durable goods, the foundation disproportionately of the Michigan economy.

Foreign competition, relatively high wage rates, shifts in consumer tastes not always perceived correctly by manufacturers, and fuel uncertainties have also impacted negatively on auto production.

Other factors include the perception that the business climate in Michigan is adverse to the attraction and retention of business firms and that property taxes are unusually high and burdensome. Apart from the costs due to workmen's compensation, high wage levels, and employment compensation, neither of these perceptions is supported by the evidence, as the new study referred to above shows. Urban sprawl wastes tax dollars as new infra-structure needs (for schools, sewer systems, roads, colleges, etc.) have to be built in the developing communities, while costly excess capacity exists and may be becoming obsolete and underrepaired elsewhere. To be added to this list of explanations is the declining technological superiority of the United States. Alvin Toffler would describe Michigan as a second wave (manufacturing) state in an increasingly third wave (cybernetics and other high technology) world for advanced countries.

Comments by

John Tower, associate dean,
School of Economics and Management

There are several problems that I would like to address: One is the forecast for the auto industry. There is "sticker shock" which translates into a relative increase in the

price for autos compared to the increase in incomes. The concern is that people are buying a new auto every five years instead of every three. This change leads to a drop of 40% in the sales of autos. Auto sales have been running at six million cars for the past two years compared to the previous ten million car years. Six million units may be the long term breakeven point for the domestic car industry.

The second problem is that two major investments being made in Michigan, both by GM, are auto plants. These investments are desired, but they keep Michigan tied to manufacturing. Manufactured goods can be imported from the lowest cost producer. We can predict that more goods will be manufactured abroad and there will be fewer manufacturing jobs in Michigan. Services can not be imported as easily. Michigan needs to diversify its economy.

Another problem is that labor rates are high in Michigan. It has been taken as a positive feature of the Detroit area that there is relatively high and equal income. From the firm's perspective, the high wages and unionization associated with Michigan make it an unattractive place to locate a business.

Along with high labor rates Michigan has a reputation for high workmen's compensation costs. The data shows Michigan costs at two to five times the costs for workmen's comp in neighboring states. The argument is that the benefits in Michigan are in line, but that the administration of the system is quite different. In particular, attention is focused on the claims of retirees.

The last problem area is unemployment compensation. Since Michigan is a state with a significant amount of unemployment, the firms have borrowed to pay unemployment compensation costs. Now the Federal government wants the funds returned. The process of paying off these loans will either be another burden on the state's budget or will raise the cost of unemployment compensation insurance for Michigan employers.

There are difficulties in assessing decision-maker's perceptions of Michigan as a location for business. There is agreement that Michigan is perceived, with some justification, as a high wage, highly unionized state with expensive workmen's compensation and unemployment compensation systems. Until these problems and the industry diversification problem are addressed, Michigan's economic base will be weak.

Remarks by

Roger Marz, Professor of Political Science

Looking at the Michigan tax system as a whole, there is very little about it that cries

out for reform, and very few of the changes that might be politically feasible under present economic conditions could be thought of as changes for the better. We have an exceptionally well administered property tax system. The state personal income tax, since it is flat rate, doesn't get affected by bracket creep. The state single business tax discourages the formation of new high value added industry in Michigan as compared to Ohio or Indiana—that is a real area for reform. However, if we rewrote the business tax to compensate for that flaw the effects would not show up for several years.

We have a declining economy and one whose prospects are for continued decline relative to the nation as a whole. No matter what kind of economic enterprise you run booming economies look better than declining ones, so what we face is the problem of maintaining an adequate level of government services on a declining economic base.

It is practically certain that with the next 2 or 3 years the legislature and governor will be forced to revamp the system for financing K through 12 education. The Michigan Constitution requires the state to supply public education and the United States Constitution requires equal protection. Taylor, Alpena, Pontiac and other school districts will be re-opened, if they close, somehow.

What this means for higher education in Michigan is increased competition for declining state governmental resources in a period of declining state economic resources. I am not sure that it is proper to call this a problem. Problems have solutions. I believe it may be a condition.

No responses to this condition which rest upon the assumption of a rebound to previous levels of financial support or previous levels of public demand for our services have a high probability of succeeding. Those who chart the course of higher education in Michigan would, in my view, be well advised to plan on reduced financial support, reduced enrollment, and the restructuring of programs and services to select targets of opportunity within this overall decline.

OU Budget Summary

Ray Harris, Associate Vice President
For Administrative Affairs

Ray Harris traced the state's up and down appropriation picture over the past two years.

He noted that OU began 1980 with a Jan. governor's recommendation of an 8.6 percent appropriation increase for fiscal 1980-1981. The university ended up with a 5.1 percent reduction in appropriation for that year.

Then in January of 1981 the governor began with a recommendation of 12.4 percent increase in funds for the university, a figure increased by the legislature to 12.7 percent. But on Sept. 30, the governor took 3 percent back from the 1980-81 funding for a loss of \$561,000. In October the state took another 3 percent, this time from the university's 1981-82 appropriation for a loss of an additional \$632,000. These executive order budget reductions to date, plus the expectation of additional appropriation reductions, have combined with a projected tuition shortfall to eliminate all contingency funding in this 1981-82 budget and force the imposition of a 2 percent across-the-board reduction in the operating budget. The institution is now operating with an appropriation only \$117,000 larger than it had in 1979-1980. Further executive order reductions are expected for 1981-1982.

Below Harris outlines some of his thoughts on the future.

"This summer I made a preliminary projection of what I thought the budget looked like for 1982-1983, given a set of assumptions, and I made three projections, one optimistic, another being what I thought would be the most probable situation, and the third was pessimistic.

"The most optimistic projection showed a deficit of around a half million dollars, the probable one showed a deficit of about two and one-half million, and the pessimistic one was about four million out of line. What has transpired since June has blown the optimistic projection out of the window and brought the pessimistic prediction closer to an actuality.

"I will have to develop a new pessimistic deficit projection—of course these projections are before consideration of tuition increases or other revenue adjustments like that. But even under the most optimistic of projections, this institution will be faced with trying to overcome a rather significant multi-million dollar deficit. They will be doing that through program reductions or eliminations, they will be doing it through other types of expenditure reductions, across the board, or what have you. Our fall to fall tuition and fee increase was over 23-1/2 percent for undergraduates and 36 percent for graduate students. There will be additional tuition increases this next fall, I am sure, how much I don't know. It is going to be a very, very difficult time, probably the most difficult time budgetwise that the university has ever faced, and I don't know which of these areas will receive the most emphasis. We have done all the easy stuff. The last two budgets, the 1980-1981 and 1981-1982, each of those contains budget reductions from the then current

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Forum Continued

operating budget in excess of a million dollars—but there was not a lot of program elimination—there was a lot of across-the-board stuff, a lot of folding this position or reconfiguring that position, trimming this office from three people to two people—but most of the offices still exist—some have disappeared, but most are here. I think you will see the emphasis, out of necessity, turn to looking at programs—total programs, and saying will this entire program be with the

university in 1982-83 or the following years. I hope we don't face the catastrophes that have been implied here by the other speakers, but I don't think this institution or any of the other institutions have been planning or facing up to those types of catastrophic situations. I wonder how you ever plan for that."

Virginia Chandler, after 16 years at the university, is retiring Jan. 4, 1982. She has spent the last six years in the Office of Admissions and Scholarships.

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Margaret Chapa has been at OU eight years. She is assistant director of residence halls with an M.A. from Michigan State University.

Robert Fink's B.A. is from the University of Michigan and his Ph.D. in Psychology is from the State University of New York at Buffalo. He is director of the Counseling and Psychological Center and he has been at OU since 1974.

Bill Marshall has been an OU administrator for 14 years. He is director of the Oakland Center/Bookcenter and coordinator of conferences. Marshall attended Cornell College and the University of Michigan.

Narda McClendon is a junior history major who works as an assistant to the student organization coordinator and as a tutor in the Developmental Writing Center.

Manuel H. Pierson is dean for student services. A member of the administration since 1966, he holds a B.A. from Alabama State University, an M.A. from Western Michigan University, and a Ph.D. in Education from Wayne State University.

Judy Raddock is a second-degree undergraduate majoring in chemistry. Her B.A. degree in radio and television was received in 1972 from Michigan State University. This is her first year at OU.

Corey Van Fleet is director of athletics with over 16 years of service at OU. He earned B.S. and M.A. degrees from Wayne State University and has done graduate work at Florida State University.

Energy Plan

The university is following past practice in turning down the thermostat to 60 degrees in all main campus buildings during the holiday break between Dec. 24 and Jan. 3. In addition, fans will be turned off and exterior lighting reduced. The only exception on the main campus is Meadow Brook Theatre. Questions about the policy should be directed to George Karas at 377-2160.

Snow Closing Policy

Willard C. Kendall, Jr., director of employee relations, has released the university emergency weather closing policy. It is reproduced below.

Weather Emergency Closing Policy

1. Prior to 6 a.m.

When a weather emergency is declared prior to the start of classes for the day, all university offices will be closed unless the president notifies his vice presidents that administrative offices are to be kept open.

If offices are to be kept open, it is the responsibility of each vice president to notify his or her employees that they are to report to work.

2. During Scheduled Class Periods (8 a.m. to 10 p.m.)

When a weather emergency is declared during the class day, the university will generally cancel classes but keep offices open. In such a case, employees are to maintain their regular work schedules.

Occasionally, the severity of the weather will force the university to close during the day. The decision to close will be made by the president, and members of the president's cabinet will direct their respective managers to send employees home.

University faculty and staff members may not cancel classes or close offices independently. All decisions are made at the executive level.

3. Meadow Brook Hall and Theatre

The president may elect to keep Meadow Brook Hall or Meadow Brook Theatre open when the rest of the university is closed during a weather emergency.

4. Extension Centers

When the university closes or cancels classes, extension centers will also close

or cancel. There may be cases in which the extension centers are closed by decision of the local school district rather than by the university. In these cases, the extension office will notify the public relations office so that public announcements can be handled centrally.

5. Public Announcement

All public announcements concerning weather emergencies, including those relating to Meadow Brook Hall or Meadow Brook Theatre, are to be handled by the university public relations office. President Champagne or Vice President McGary will inform Jerry Dahlmann (or, in his absence, Jim Llewellyn) of the decision to declare a weather emergency and close the university to cancel classes.

Dahlmann will initiate the following series of announcements:

- A. Public Safety will notify the State Police LEIN Network for public announcement via radio and television.
- B. Supporting phone calls to radio and television stations will be made by Llewellyn. The following will be notified: WJR, WPON, WWJ, WXYZ and CKLW radio, and Channels 2, 4, and 7.
- C. If classes are cancelled during the work day, CIPO will be notified since it serves as a central information point for student inquiries.
- D. The university switchboard will also be notified. If the university is closed, a recorded message will be used.

DIVERSIONS

December 17, 1981

6:30 pm Slavic Folk Ensemble—Rehearsal
OC Gold Rooms

8:30 pm Play
Hay Fever
Meadow Brook Theatre

December 18, 1981

8:30 pm Play
Hay Fever
Meadow Brook Theatre

December 19, 1981

12:00 noon Academic
Final Exams End

6:00 pm &
9:30 pm Play
Hay Fever
Meadow Brook Theatre

Hay Fever continues through December 27. A View from the Bridge opens December 31. Call 377-3300 for times.

December 20, 1981

1:00 pm Public Tours Meadow Brook Hall

December 27, 1981

1:00 pm Public Tours Meadow Brook Hall

January 3, 1982

1:00 pm Public Tours Meadow Brook Hall

January 4, 1982

8:30 am Registration

January 5, 1982

8:00 am Classes Begin
8:30 pm Play
A View From The Bridge
Meadow Brook Theatre

January 6, 1982

9:00 am Late Registration Begins
Registrar's Office

2:00 & 8:30 pm Play
A View From The Bridge
Meadow Brook Theatre

January 7, 1982

4:30 pm Basketball
(Women) at Michigan Tech University

8:00 pm Basketball
(Men) at Michigan Tech University

8:30 pm Play
A View From The Bridge
Meadow Brook Theatre

January 8, 1982

8:30 pm A View From The Bridge
Meadow Brook Theatre

January 9, 1982

1:00 pm Basketball
(Women) at Lake Superior State College

3:00 pm Basketball
(Men) at Lake Superior State College

6:00 & 9:30 pm Play
A View From The Bridge
Meadow Brook Theatre
Swimming
Ann Arbor Pioneer Senior Meet

January 10, 1982

1:00 pm Public Tours Meadow Brook Hall
6:00 pm Order of Leibowitz Gaming
OC Annex

6:30 pm Play
A View From The Bridge
Meadow Brook Theatre

January 12, 1982

7:00 pm Basketball
(Women) at University of Michigan

8:30 pm Play
A View From The Bridge
Meadow Brook Theatre

January 13, 1982

2:30 & 8:30 pm Play
A View From The Bridge
Meadow Brook Theatre
3:30 pm Seminar
OASIS—Auditing Seminar
OC Gold Rooms A and B
7:30 pm Meeting
National Organization for Women
Oakland Center 126-7

January 14, 1982

3:00 pm OU University Senate Meeting
OC Rooms 128, 129, 130

6:30 pm Basketball
(Women) Ferris State College
Lepley Sports Center

8:00 pm Basketball
(Men) Ferris State College
Lepley Sports Center

8:30 pm Play
A View From The Bridge
Meadow Brook Theatre

DIVERSIONS

OU NEWS DIVERSIONS CALENDAR SURVEY

The Diversions calendar has been an insert to the OU News since October 1, 1981. Prior to this change in format the Diversions calendar was included on the back page of the OU News and it was necessary to delete some campus events. The insert has been costly and we request your opinion for possible revision. Please answer the following, and return to CIPO, 49 OC by Jan. 14, 1982.

Faculty Staff Student Other

Where do you receive the OU News/Diversions calendar?

at my office other
 at Charlie Brown's (please specify) _____

Please circle:

1) How important is it to you to have a day by day calendar of events included in the OU News?

*Very Important *Important *Neutral
*Somewhat Important *Not Important

2) How satisfied are you with the present format of the Diversions calendar for the OU News?

*Very Satisfied *Satisfied *Neutral
*Dissatisfied *Very Dissatisfied

3) Would selected highlights of information categorized by type of event (i.e., films, lectures, music, theatre, etc.), be an acceptable substitution to the day by day calendar of events?

*Yes *No

4) What sources do you consult for campus calendar information?
Please check all that apply.

- Oakland Sail
- Campus bulletin boards
- Banners in the OC
- OU News
- The CIPO office
- WOUX radio
- Honeywell Multics "help events" computer message
- Other (please specify _____)

Please make additional comments:
