

# OU NEWS

## Tisch' stand

The Oakland University Board of Trustees opposes Tisch II (Proposal D) and has authorized the interim president to inform and mobilize the university community against the proposal.

The action was approved 5-1 at the Oct. 15 meeting of the board. More than 140 students, faculty, and staff were in attendance.

Board members said Proposal D threatens the future of Oakland University. Passage would result in skyrocketing tuition costs that would deny many Michigan young people access to a university education. Trustee Ken Morris said the board had an obligation to take a position on the issue.

Voting against the resolution was Richard H. Headlee, chairperson of the board. Headlee said the issue was not Tisch, which has some dangers, but the protection of the freedom of discussion and debate that should take place on a university campus. Board positions on political issues might tend to stifle that debate, Headlee said.

Prior to the discussion and vote, the Board of Trustees was informed that four university groups had passed resolutions that opposed Tisch II and asked the board to take a stand on the issue. Those groups were the University Senate (composed of faculty, students, and staff), the University Congress (the student governance body), the Administrative-Professional Assembly, and the Association of Black Students. The ABS asked the board to oppose all three ballot proposals (A—Smith-Bullard, C—Legislative-Coalition and D—Tisch II). The board took no action on Proposals A and C.

Voting for the board resolution to oppose Tisch II were trustees David Handleman, Marvin L. Katke, David B. Lewis, Alex C. Mair, and Ken Morris. Morris was the author of the successful board resolution.

## President's letter

Dear faculty and staff of Oakland University:

You should know that at the meeting of the Board of Trustees held on October 15, a resolution was adopted that placed Oakland University clearly in opposition to the passage of Proposal D (Tisch II) that will appear on the general election ballot on November 4. The text of the resolution follows:

WHEREAS on November 4, 1980, the Tisch property tax proposal will be on the Michigan general election ballot as Proposal D; and

WHEREAS the Governor of the State of Michigan has informed the general public of the potential disaster to the State of Michigan generally and higher education specifically if the Tisch proposal is adopted; and

WHEREAS most public supported universities and colleges in the State have strongly opposed the Tisch proposal as a threat to their very existence, and have encouraged their students, parents of their students, and faculty and supportive staffs to oppose the Tisch proposal; and

WHEREAS the trust placed in the Oakland University Board of Trustees by the parents of students and by the students themselves requires the Oakland University Board of Trustees to speak out and lead the university community to prevent the impairment of opportunities for social and economic mobility which higher education at Oakland University and in Michigan offers; and

FINALLY, the State of Michigan will not be a place for businesses to locate, people to move to; and for businesses and citizens to stay if the State is savaged by a tax proposal that wipes out essential services, closes all but the three universities with elected Boards of Control and reduces them to half their current size: Therefore be it

RESOLVED, That the Oakland University Board of Trustees does hereby record its opposition to the Tisch II Proposal D, and the Interim President is hereby directed to notify Oakland University students and their parents of the negative impact of Tisch II and seek to give leadership to the mobilization of the university community against Proposal D.

Proposal D was singled out explicitly as having the potential to cripple the public services of the State of Michigan and specifically to devastate its institutions of higher education. The board resolution also authorized the interim president to notify the university community of the negative effect of Tisch II and to seek to give leadership to the mobilization of the university against Proposal D.

I am in complete agreement with the board in its action against Tisch II. I believe that Proposal D is more than a property-tax-relief measure. It raises profound social and political issues. I believe that passage of this proposal would send tuition rates soaring, thereby denying access to higher education to thousands of Michigan citizens, young and old. I believe that Oakland University would need to reduce enrollments, faculty, and staff by half and eliminate many valuable academic programs if Proposal D passes. Oakland University as we know it would cease to be. Clearly, society would be the loser.

If you also oppose Proposal D, then in order to register your negative vote, vote "No." To not vote is in effect a vote in favor of Proposal D.

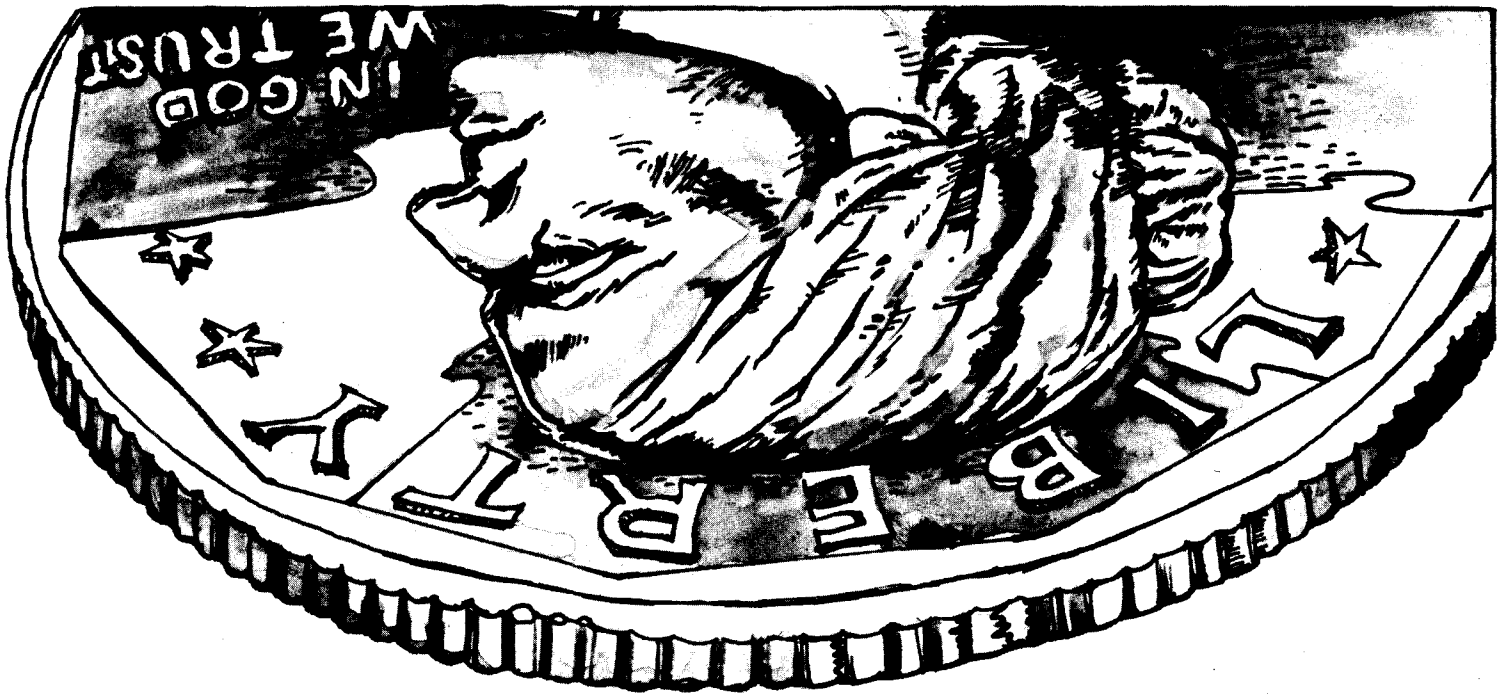
I wish to thank my colleagues throughout the university who have made it possible for me as interim president to take a public stand on this most serious issue.

Sincerely yours,

George T. Matthews  
Interim President



# Tax Reform Plans and Michigan Higher Education



*Printed with funds supplied by UAW/CT Local 1925, the OU Chapter of the AAUP, and other employees of Oakland University.*

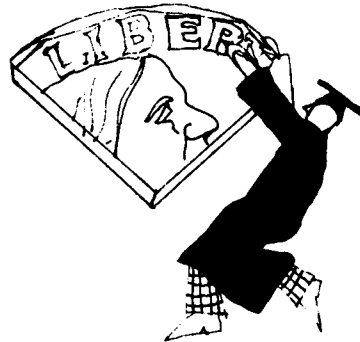
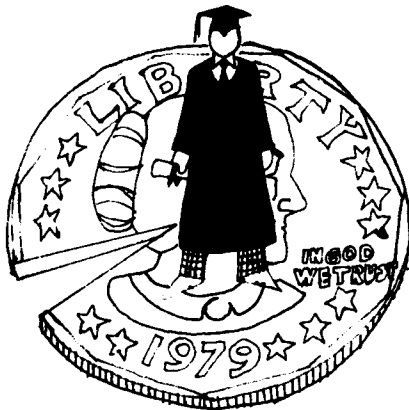
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## Ballot Proposals: Tisch II, Smith-Bullard and the Coalition Proposal

Come the November election, voters in Michigan will have the opportunity to choose between three plans which will affect their future property tax bills. The plans might also affect sales taxes, income taxes and, most certain of all, the services which the State of Michigan provides its citizens.

These ballot questions would alter the Michigan Constitution. Approval by the voters of the wrong plan might permanently cripple higher education in Michigan. *College tuition may double or even triple.* This report describes other possible effects of voter approval of the plans.

# Property Tax Reform and Higher Education



The Coalition Proposal offers about \$1.25 billion in property tax relief for Michigan residents, but without a substantial reduction in state/local revenues.

Tisch II proposes to eliminate about 60% (\$2 billion) of the state budget available for essential state programs, including colleges and universities.

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**'Our analysis leads to the unavoidable conclusion that the Tisch proposal, if adopted, would be devastating for all of Michigan's colleges and universities.'**

... from a joint statement issued by the Presidents' Council of State Colleges and Universities with the Association of Independent Colleges and Universities of Michigan.

In June, 1980, organizations representing all of Michigan's colleges and universities communicated the above conclusion to the Governor and members of the Michigan Legislature. The statement was prepared after analyses by higher education officials revealed that the Tisch II initiative petition, if adopted at the November 1980 general election, would:

- Result in anywhere from a 50% reduction to total elimination of state support for public and private higher education
- Require tuition rates at public institutions to be "doubled or tripled," while at the same time reducing or eliminating student financial aid programs at the state level
- Invoke the "very real possibility" that a number of colleges and universities would be forced to close
- Severely limit the ability of the Michigan economy to rebound with strength and vitality

**Q What is the Tisch II Plan?**

**A** A tax reform plan which will be on the November 4 election ballot. It would cut property tax assessments to one-half what they were in 1978, limit new home and farm assessment increases to 2% per year, and require a 60% vote of the people for any new tax increase. The state would reimburse local units for a portion of the \$2.7 billion in lost revenues.

**Q Isn't that good?**

**A** It sounds good, but . . . Tisch II would cut state support for colleges and universities, state police and state prisons, mental health, social services and more — by about \$2 billion dollars.

**Q Isn't that just "belt tightening"?**

**A** Because of the way the Tisch II proposal is drafted, it actually would cause a cut of about 60% in available general funds for these essential state programs.

**Q The other ballot questions . . . are they tax cut plans too?**

**A** Yes and no. The Smith-Bullard plan is essentially a school financing reform plan for grades kindergarten through twelve. It would cut property taxes by about \$2 billion too, but it requires the Legislature to increase other taxes to make up the difference, most likely the income tax and a statewide property tax on business. The plan also includes a feature which could eventually require higher overall taxes to increase aid to K-12 schools.

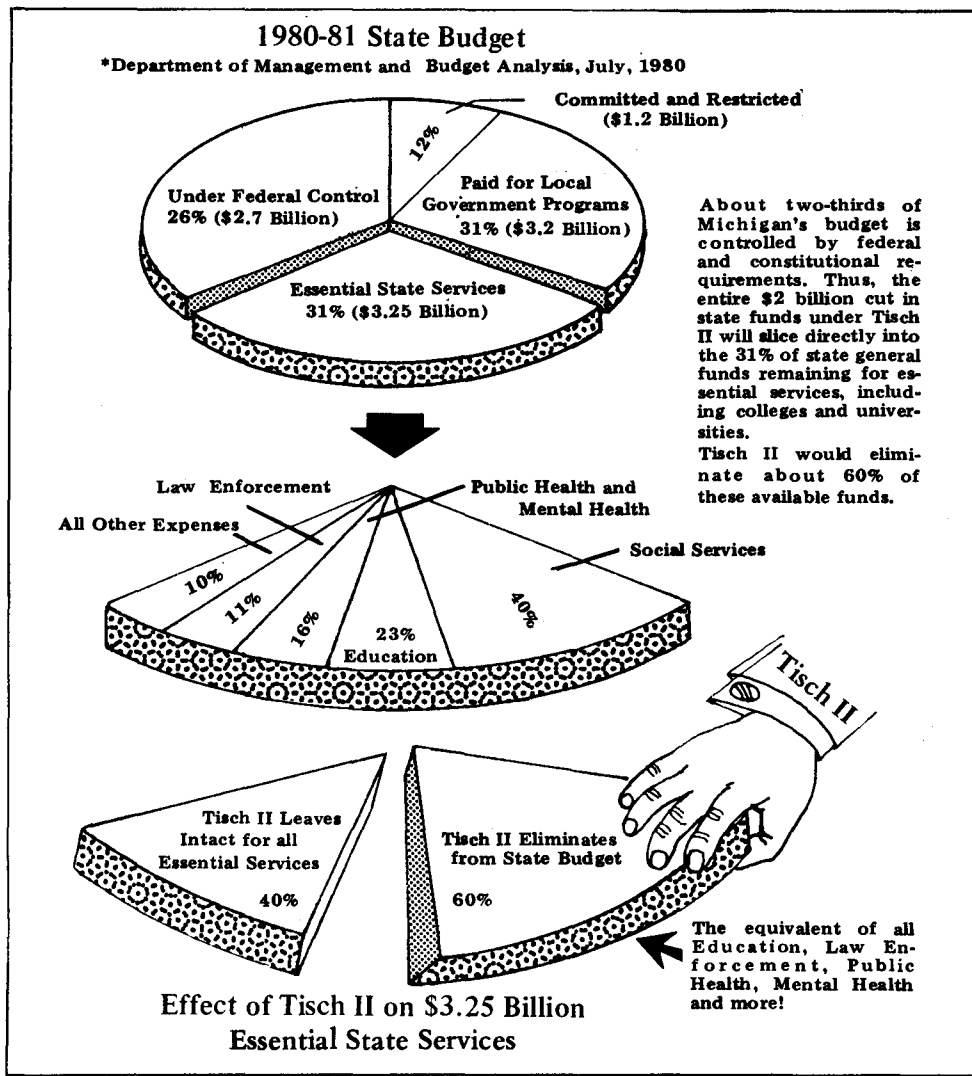
**Q What about the Coalition Proposal?**

**A** The coalition proposal, an alternative to the other two tax reform plans, was developed by Gov. William Milliken, the Legislature and a group of persons representing public, private, educational and civic groups. It will provide, in 1981, significant but reasonable property tax relief through a \$7,100 exemption in the assessment for each homestead. The tax savings will be offset for the most part by a 1.5% increase in the sales and use tax.

**Q Isn't that just a tax shift?**

**A** Even with an increase in the sales tax, the Coalition Proposal provides an

# Questions and Answers About Property Tax Reform



About two-thirds of Michigan's budget is controlled by federal and constitutional requirements. Thus, the entire \$2 billion cut in state funds under Tisch II will slice directly into the 31% of state general funds remaining for essential services, including colleges and universities.

Tisch II would eliminate about 60% of these available funds.

A Many renters will be far better off under the Coalition Proposal than under Tisch II. The critical factor is whether the landlord passes on the tax savings to the renters. The California experience indicates that landlords do not pass on the savings. The coalition proposal, therefore, was drafted to *guarantee* tax relief to Michigan renters through an automatic \$140 income tax credit added to existing credits. The \$140 renter relief will be increased each year according to increases in the GNP price index.

**Q** What if the State actually reaps a tax revenue windfall?

A That's impossible under the Coalition Proposal. All money collected from the increase in the sales tax will be placed in a separate fund, which constitutionally can be used only to pay for providing property tax, income tax, and utility tax breaks for Michigan residents.

**Q** Will the federal government reap a tax revenue windfall?

A Under Tisch II, the federal government would gain substantial additional tax revenues. Billions of dollars in deductions on the federal income tax return would be lost. Michigan already receives less federal money than it pays in. Under Tisch II, another \$500 + million will be sent to Washington, with even less federal money returned because of the inability to afford matching payments for federal grants. Under the Coalition Proposal, increased payments under the sales tax remain deductible on the federal return.

**Q** What about preserving quality and opportunity in higher education?

A If tuition is forced to triple under Tisch II, many Michigan residents will no longer be able to afford a college education. Michigan tuition rates already are among the highest in the Nation. Ironically, some Tisch II supporters contend that tuition could not be increased without a 60% statewide vote. As offered by the State's budget director, "if that happens . . . you'll effectively shut down the institution."

overall tax reduction of about \$200 million for Michigan residents. In addition, the Proposal requires a phase-out in the sales tax on utilities, and annual increases in the \$7,100 property tax exemption and the \$1,500 personal income tax exemption — resulting in even greater tax savings for Michigan residents in future years.

**Q** Why the sales tax?

A The Coalition Proposal uses the sales tax to give Michigan residents a tax break. Only Michigan residents will benefit from the property tax relief, while the offsetting revenue from sales tax will be paid in part by nonresidents and businesses. Tisch II, meanwhile, gives only a little more than half of its tax relief to Michigan residents. More than \$1 billion in tax breaks is given for other property, including thousands

of nonresident individuals and corporations owning resorts, vacant acreage and agricultural lands in Michigan.

**Q** How much will the Coalition Proposal save individual taxpayers?

A The \$7,100 exemption will save the average homeowner about \$350 in 1981, increasing in future years. Unlike Tisch II, the Coalition proposal also preserves the full value of existing income tax credits for senior citizens and others who have low incomes compared to their property tax. This increases the average relief to about \$425 per residential unit — almost three fourths as much relief as Tisch II, but without a 60% cut in essential services.

**Q** What about people who don't own property?

# Highlights of the Property Tax Reform Proposals

<b>Tisch II</b>	<b>Coalition Proposal</b>
<p><b>Property Tax Relief</b></p> <ul style="list-style-type: none"> <li>• Reduce property tax assessments by half—from 50% to 25% of true cash value</li> <li>• Roll back property values to 1978 levels</li> <li>• Limit annual increases in home and farm property values to 2%</li> <li>• Additional tax or millage exemptions for certain low income persons and senior citizens</li> </ul>	<ul style="list-style-type: none"> <li>• Exempt the first \$7,100 of a homestead's assessed value (\$14,200 true cash value) from property taxes levied for local government operation (not including debt levies)</li> <li>• Continue and guarantee the full value of state income tax benefits for property tax relief</li> <li>• Enable larger millage reductions under Headlee</li> <li>• Additional special relief for renters (\$140 per unit)</li> </ul>
<p><b>Other Tax Relief</b></p> <p>\$ None</p>	<ul style="list-style-type: none"> <li>• Annual increase in the \$1,500 personal exemption under state income tax</li> <li>• Remove sales tax on residential heat, light, and other utility services</li> </ul>
<p><b>Total \$ property tax relief (statewide)</b></p> <p>\$2,506 million from reducing assessments to 25%</p> <p>\$ 278 million from additional relief for seniors and low income persons</p> <p>\$ 100 million from existing income tax benefits</p> <p>\$2,884 million TOTAL</p>	<p>\$ 750 million from SEV exemption</p> <p>\$ 390 million from preserving state income tax benefits</p> <p>\$ 105 million from \$140 aid to renters</p> <p>\$1,245 million TOTAL</p>
<p><b>Total \$ property tax relief (homeowners and renters)</b></p> <p>\$1,756 million</p>	<p>\$1,245 million</p>
<p><b>Total \$ property tax relief (nonresidents and businesses)</b></p> <p>\$1,128 million</p>	<p>\$ None</p>
<p><b>Average property tax relief per residential unit</b></p> <p>\$595</p>	<p>\$ 425</p>
<p><b>Net replacement revenues for state/local services</b></p> <p>\$ None</p>	<p>\$ 767 million from 1.5% increase in sales and use tax</p>
<p><b>Net \$ loss to state/local services</b></p> <p>\$ 591 million — local government</p> <p>\$1,853 million — state government</p> <p>\$ 2,444 million TOTAL</p>	<ul style="list-style-type: none"> <li>• No net loss in first year.</li> <li>• \$ 64 million in 1982, \$242 million in 1985</li> <li>• Net losses in later years to be shared proportionately (approx 20% by state and 80% by local units)</li> </ul>

## Smith-Bullard Plan

The Smith-Bullard initiative does not lend itself to comparison on an item-for-item basis with the two other tax reform proposals. Its essential features, however, are as follows:

- Limits K-12 school taxes to 7 voted mills for each school district, result-

ing in about \$2 billion in property tax reductions statewide.

- Allocates additional, fixed millages for the operation of other local government units, with overall residential property taxes not to exceed 24½ mills.
- Requires the state to assume the financing of K-12 schools, and attain

by 1986-87 equal per pupil funding at the level of the highest funded school district.

- Permits the levy of a statewide tax on business property, not to exceed 30½ mills, to supplement increases in the income tax and other taxes as a source of revenues for K-12 school aid.

# \* "Two by Two" \*

Opens

Oct. 31

Studio  
Theatre

Call 377-2000

## Enrollment high but deceiving

Oakland University has a record enrollment of 12,006 students for the fall semester. However, enrollment of new students is down in all categories.

Charts of enrollment by classes and by "new" student categories are reproduced below. More detailed analysis of the student body is being prepared by David C. Beardslee, director of the Office of Institutional Research.

In preliminary notes, Beardslee observes that "the most striking fact about this fall's enrollment is that the increase in total occurs despite a very strong drop in incoming new students."

"A drop of 140 or more FTIACs is about what one would expect given 35 fewer student life scholars, 35 fewer summer support students, and 5 percent (-70) fewer high school graduates in June, 1980 than June, 1979."

"Even the drop in transfers is not terribly surprising. If 18 year olds peaked a couple of years ago, 20-year-old transfers could now be trailing off. In short, demography may be making itself felt."

Beardslee concludes that "the sharply declining enrollment of new students makes it very likely that this is the last time we shall have declining finances and growing enrollment. As the present contingents of undergraduates and graduates complete their studies or leave, totals should begin to drop," Beardslee concludes.

### House for sale

Three-bedroom, 1½-bath tri-level. Large, wood-paneled family room with raised hearth fireplace, living room with built-in bookshelves. Hardwood floors, brick and aluminum siding, fenced backyard. Mortgage assumption possible at 7%. Call Eileen Hitchingham (656-1295).

### OU Enrollment Fall 1980

Headcounts	1979	1980	Diff.	% Change
Freshmen	2,489	2,346	- 143	- 5.7
Sophomore	2,166	2,265	+ 99	+ 4.6
Junior	2,254	2,385	+ 131	+ 5.8
Senior	1,777	1,890	+ 113	+ 6.4
Other Undergraduate	645	612	- 33	- 5.1
Master's	2,372	2,479	+ 107	+ 4.5
Doctor's	26	29	+ 3	+11.5
Total	11,729	12,006	+ 277	+ 2.4
<b>Credits</b>				
Freshmen	32,045	29,739	-2,306	- 7.2
Sophomore	26,617	28,097	+1,480	+ 5.6
Junior	25,504	26,502	+1,298	+ 5.1
Senior	20,451	21,655	+1,204	+ 5.9
Other Undergraduate	3,823	3,850	+ 27	+ .7
Master's	12,416	13,135	+ 719	+ 5.8
Doctor's	174	252	+ 78	+44.8
Total	121,030	123,530	+2,500	+ 2.1
<b>FYES</b>				
Freshmen	1,033.7	959.3	- 74.4	- 7.2
Sophomore	858.6	906.4	+ 47.8	+ 5.6
Junior	822.7	864.5	+ 41.8	+ 5.1
Senior	659.7	698.5	+ 38.8	+ 5.9
Other Undergraduate	123.3	124.2	+ .9	+ .7
Master's	517.3	547.3	+ 30.0	+ 5.8
Doctor's	10.9	15.8	+ 4.9	+45.0
Total	4,026.2	4,116.0	+ 89.8	+ 2.2

### NEW STUDENTS, SUMMER AND FALL 1980 VERSUS 1979

Category	1979			1980			Difference
	Su Final	Fall Final	Total Su & Fa	Su Final	Fall Final	Total Su & Fa	
FTIAC	165	1337	1502	133	1227	1360	-142
New Trans*	85	1200	1285	78	1061	1139	-146
New Grad	404	669	1073	386	532	918	-155
					FTIAC, New Trans, New Grad		-443

\*Class codes FR/SO/JR/SR only.

THURSDAY, OCTOBER 23, 1980

# CALENDAR

## FRIDAY, OCTOBER 24

1 to 5 pm 19th Annual Craftsmanship of Creative Writing Conference Writing Labs, MBH, Conference Dept.  
7 & 9:30 pm Film, "The Champ," 201 DH  
8 pm "Black Coffee," Studio Theatre  
8:30 pm "Thieves' Carnival," Meadow Brook Theatre

## SATURDAY, OCTOBER 25

9 to 5 pm 19th Annual Craftsmanship of Creative Writing Conference Writing Labs, OC, Conference Dept.  
1 pm Soccer: OU vs. Grace  
6 pm "Thieves' Carnival," Meadow Brook Theatre  
7:30 pm "Diabolique," 201 Dodge Hall  
8 pm "Black Coffee," Studio Theatre  
9:30 pm "Thieves' Carnival," Meadow Brook Theatre

## SUNDAY, OCTOBER 26

1 to 5 pm Public Tours—Meadow Brook Hall  
2:30 pm "Black Coffee," Studio Theatre  
6:30 pm "Thieves' Carnival," Meadow Brook Theatre

## MONDAY, OCTOBER 27

12 noon Tisch Slide Presentation, Exhibit Lounge, OC

## TUESDAY, OCTOBER 28

8 am to 5 pm Mime Ensemble Blood Drive Promotion, OC  
3 to 9 pm Blood Drive, Crockery, OC  
6:30 pm "Thieves' Carnival," Meadow Brook Theatre

## WEDNESDAY, OCTOBER 29

9 am to 9 pm Blood Drive, Crockery, OC  
noon Order of Leibowitz Blood Drive Promotion, OC  
noon Film, "A Place to Be," OC  
2 pm "Thieves' Carnival," Meadow Brook Theatre  
8:30 pm "Thieves' Carnival," Meadow Brook Theatre

## THURSDAY, OCTOBER 30

noon Tisch Slide Presentation, Exhibit Lounge, OC  
3 pm Spectral Theory for Linearization of Dynamical System, 575 VBH  
8:30 pm "Thieves' Carnival," Meadow Brook Theatre

## FRIDAY, OCTOBER 31

7 & 9:30 pm "Halloween," 201 DH  
7 pm to 7 am All Night Edgar Allen Poe Movie Festival, "House of Usher," Marque of Red Death," "Pit and the Pendulum," and "Premature Burial," Multi-Purpose Rm., VBH  
8 pm "Two by Two," Studio Theatre  
8:30 pm "Thieves' Carnival," Meadow Brook Theatre

## SATURDAY, NOVEMBER 1

1 pm Soccer: Oakland vs. Ferris State  
6 & 9:30 pm "Thieves' Carnival," Meadow Brook Theatre  
6 & 9:30 pm "Two by Two," Studio Theatre  
7 pm Concert, —God's Way—Featuring Saved and OU Gospel Choir, Varner Recital Hall

## SUNDAY, NOVEMBER 2

1 to 5 pm Public Tours—Meadow Brook Hall  
2:30 pm "Two by Two," Studio Theatre  
6:30 pm "Thieves' Carnival," Meadow Brook Theatre  
7 & 9:30 pm "Ramparts of Clay," 201 DH

## WEDNESDAY, NOVEMBER 5

1 pm "Two by Two," Studio Theatre  
8 pm Concert, "The Look," Varner Recital Hall

## THURSDAY, NOVEMBER 6

3 pm Fixed Point Theorems for Set Valued Mappings Satisfying Inward Conditions, 575 W. VBH  
8 pm "Two by Two," Studio Theatre

(Both weeks—Ideas In Evolution, Meadow Brook Art Gallery)