

# The University Senate Of Michigan Technological University

## Minutes of Meeting 321 27 October 1999

Synopsis: The Senate

(1) heard a report from Dean Warrington (College of Engineering) on the Strategic Planning Working Group.

(2) heard a report from Larry Davis (Chair, Senate Finance Committee) on the June 30, 1999, MTU Financial Statements.

(3) approved Senate Proposals 1-99, 2-99, 3-99, and 4-99 dealing with policy and procedures for a financial crisis and financial stress.

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### 1. CALL TO ORDER AND ROLL CALL

President Seely called University Senate Meeting 321 to order at 5:32 p.m. on Wednesday, 27 October 1999, in Room B45 EERC.

Secretary Reed called roll. Absent were representatives from Institute of Wood Research, Metallurgical and Materials Engineering, Mining Engineering, Institute of Materials Processing, Keweenaw Research Center, and Research and Graduate School/University Relations/Administrative Offices. Liaisons in attendance were Anthony Moretti (USG) and Ted Soldan (Staff Council).

### 2. RECOGNITION OF VISITORS

Guests included Bob Warrington (Dean, College of Engineering), Bill McGarry (Vice President, Finance and Administration), Bob Keen (Chair, Separation Committee), and Marcia Goodrich (*Tech Topics*).

### 3. APPROVAL OF AGENDA

President Seely proposed to delete item 4 and renumber the remaining items. Davis MOVED and Nordberg seconded the motion to approve the agenda as amended. The motion to approve PASSED on voice vote with no dissent. [Appendix A. NOTE: Only official Senate and Library archival copies of the minutes will contain a full complement of appendices.]

### 4. REPORT FROM SENATE PRESIDENT

President Seely reported that Senate Proposal 16-99, Professional Development Leave for Non-faculty, Non-represented, Exempt Staff has been transmitted to the administration for approval. [Appendix B]

Pete Tampas has resigned from the Senate. According to the Senate Constitution, vacancies in at-large membership may be filled by appointment by the President of the Senate until the next election. Seely appointed Sonia Goltz, School of Business and Economics.

The Administrative Evaluation Commission has reported several changes in its membership. Tom Vichich has resigned from the Administrative Evaluation Commission. As the runner-up in the election establishing the Commission, Nancy Byers-Sprague will replace him. Ed Fisher has also resigned due to time constraints. The Senate recognizes the importance of full representation from the College of Engineering. Seely requested that Senators from Civil and Environmental Engineering, Geological Engineering and Sciences, Chemical Engineering, Mining Engineering, and Metallurgical and Materials Engineering circulate a request for an individual to step forward to serve on the Commission.

The Commission has circulated a request for self-evaluations to the upper administration and they are finalizing the questionnaire that will go to faculty and staff.

Dick Blanning has resigned from the Faculty Distinguished Service Award Committee. Christ Ftaclas (Physics) has agreed to serve and chair the committee. The Senate will approve procedures developed by the Committee.

The Fringe Benefits Committee, President Seely and Provost Dobney met on Thursday, October 21, to discuss Senate Proposal 12-98, Revision of the Retirement Medical Plan. They agreed on key issues that need to be examined; Provost Dobney suggested some additional changes. The Committee is making changes that will be forwarded to Andrea Dixon of Butzel-Long for review prior to Senate review and approval.

The Provost and Vice President for Academic Affairs Search Committee continues to meet. The advertisement was sent to Issacson-Miller (search firm). The search criteria and position description are almost final. Bill Bulleit, Chair, is in contact with the search firm on a weekly basis.

President Tompkins has asked Seely to serve on the Resource Allocation Process working group. The group includes Provost Dobney, Deans, Vice Provosts, Mike Abbott and Debbie Lassila. Several members of the group have visited the University of Florida and will visit RPI in November. These institutions have models in place that they are using to allocate resources.

The Tenured/Tenure-Track Faculty Handbook will have editorial adjustments related to the conversion to semesters; Debbie Lassila is reviewing the required changes. The administration has a proposal ready for defining more clearly and adjusting the relationship of research faculty to the institution. This proposal will be reviewed by the Academic Policy Committee.

The Senate Bylaws allow for a non-voting liaison member from an Emeritus/Emerita Association. The Association needs to take the first step to identify a member.

## **5. COMMITTEE BUSINESS/REPORTS**

### **A. Report on Strategic Planning Working Group**

The Group had its first meeting on Tuesday, October 26. Dean Warrington, (Co-chair) presented his understanding of the tasks of the group and the importance of this exercise.

The Group needs a strategic working plan in parallel with the budget model. There is a need to have budget allocations that fit with the University's vision and the strategic plan. The Group is going to take the plan in place and get more input to prepare a document to work with.

The group includes Warrington, Max Seel, Bruce Seely, John Sellars, Sonia Goltz, Nancy Seely, Glenn Mroz, Ed Fisher, and Brett Hamlin.

The group will use a template for the information they will gather and update. From these templates they will get a series of portfolios from various campus groups.

A dynamic working document with objectives will be ready March 1 for the Board of Control retreat. The group will meet with the National Advisory Board and other advisory groups in April. The final document will be ready for Board of Control review in May.

Senator MacLennan stated that the University went through the Strategic Planning Process not too long ago and asked if that information was going to be incorporated into this process.

Warrington responded that the existing strategic planning document is the starting point for this effort. The Group will update and give more focus to the current document. Goals will be added, including measurable as well as qualitative things.

Senator Snyder noted that non-departmental items like general education may fall through the cracks since there is no single unit with primary responsibility for them. Warrington responded that the documents will be out for review by a broad audience, and if there are any gaps they will hopefully be identified during this review and they can then be corrected.

President Seely stated that the Group expects to have information out to units by December 1 with responses back in an outline form before the Christmas/New Year recess. This is the first cut at an annual process.

Senator Pegg stated that it is not clear how the planning process will relate to the budgeting process. Senator Barna noted that the system will not work as intended unless there is a revolving cycle, with updates on a regular basis. Seely noted that there should be a Senate proposal to formalize the process sometime by the end of this year.

## **B. Review of the June 30, 1999, MTU Financial Statements**

The June 30, 1999, financial statements were reviewed by Senator Davis (Chair, Senate Finance Committee). The statements are for MTU only; they do not include Michigan Tech Fund figures. Davis noted that the year-end financial statements are available on the accounting web page (<http://www.sas.it.mtu.edu/acct/fin/>).

Senator Davis reviewed the June 30 balance sheet, discussing revenues, expenditures, and transfers for the previous year. He noted that the purpose of the audit process is to insure conformance with generally accepted accounting principles, and not to judge whether or not individual activities meet programmatic goals.

Fund accounting: Davis noted that specific funds are identified by function and purpose, and that fund accounting integrates budgeting and reporting. He noted that there is nothing necessarily wrong with inter fund transfers. He defined the funds identified in the statement: general, designated, auxiliary activities, retirement and insurance and expendable restricted.

Current funds: the general fund contains normal ongoing operations, the designated fund contains moneys for certain activities, auxiliaries contains non-educational operations, retirement and insurance is self-explanatory, and expendable restricted contains outside funds for specific purposes (such as grants).

Deficit: a deficit may be expressed by several metrics, including cash balance and fund balance. Different metrics are obtained from different places on the balance sheet. The different metrics have different values, and there is no single correct expression of the amount of a deficit; each measure indicates a different aspect.

Davis reviewed the cash balance, fund balance, and revenues and expenditures. In summary, he indicated that there is not a lot of money for new expenditures, but that there are funds to maintain the University's current status as long as there are no major problems.

## **6. OLD BUSINESS [See minutes, page 8135, for a copy of these proposals.]**

### **A. Proposal 1-99, Policy and Procedures for a Financial Crisis**

### **B. Proposal 2-99, Policy and Procedures for Periods of Financial Stress**

### **C. Proposal 3-99, Board of Control Policy for a Financial Crisis**

### **D. Proposal 4-99, Board of Control Policy for a Period of Financial Stress**

Williams MOVED and Snyder seconded the motion to bring Proposals 1-99 - 4-99 from the table. The motion to bring from the table PASSED on voice vote with no opposition. In response to a question raised in Senate meeting 320, Bob Keen indicated that there should be no inconsistency between Proposals 1-99 and 2-99 with respect to the rehire of tenured faculty.

Ftaclas MOVED and Kunz seconded the motion to add to 10.c.2) the wording, "a) Faculty who were tenured and who are rehired as faculty will be rehired with tenure and b) Persons who are rehired shall not lose credit for previous years of service, and shall have the same fringe benefits as current employees." Hearing no objections, the motion PASSED by acclamation.

Senator Ftaclas noted that the proposal clearly defined financial stress, but that it was vague concerning the specific steps to take after a crisis was declared. He noted that the time to define these steps was now, rather than during a crisis.

Senator MacLennan noted that the text seems to imply that there is a need for layoffs; there should be a process identifying steps before layoffs.

Keen noted that the committee deliberated plans for cuts and item 4.a. in 1-99 requires employee input, the identification of alternatives prior to layoffs, and compliance with existing policies, and that item d covers the issue. He noted that the proposals require all feasible plans short of termination to be adopted first.

President Seely noted that the Senate could request in the letter of transmittal accompanying these proposals that a specific list of steps prior to termination be identified now by an appropriate group.

Senator Pegg raised the question about what was meant by the term area administrator in the proposals. Keen noted that this is commonly used jargon at MTU that refers to vice provosts, deans, and directors.

Seely ruled that editorial changes be made to all four proposals replacing the phrase *area administrator* with *vice provosts, deans, and directors*.

Senator Snyder with support from Senator Davis called the question. There were no objections.

The motion to approve Proposals 1-99, 2-99, 3-99, and 4-99 PASSED on voice vote. The Senate directed President Seely to include a proviso in the letter of transmittal that an ad hoc committee be formed to develop a specific list of steps and actions that could be taken in response to a financial crisis or stress.

## **7. ADJOURNMENT**

Hodek MOVED and Long seconded the motion to adjourn. The meeting adjourned at 7:33 p.m.

Respectfully Submitted by David D. Reed  
Secretary of the University Senate