

THE SENATE OF MICHIGAN TECHNOLOGICAL UNIVERSITY

Minutes of Meeting No. 209
2 February 1994

Synopsis: The Senate

- (1) corrected and approved minutes of Meetings 205 and 206;
- (2) approved Proposal 9-94, New Option for MS Degree in Mathematical Sciences;
- (3) received Proposal 11-94, Revision of Faculty Handbook;
- (4) heard a review of the 1994-95 budget from the Provost;
- (5) learned that the administration had received Proposal 8-94, Creation, Allocation and Funding of GAs and TAs;
- (6) learned that the Senate recommendation on Proposal 4-94 had been received by the administration.

I. Call to Order

President Bornhorst called the meeting to order at 5:35 pm on Wednesday, 2 February 1994, in Room B37 of the Electrical Energy Resources Center.

II. Roll Call of Members

Secretary Keen called the roll. 26 senators or alternates were present. John Pilling was present as a representative for Metallurgy & Materials Engineering. Senators or alternate representatives from Computer Sciences, AF ROTC, Army ROTC and KRC were absent. Absent senators-at-large: Boutilier and Grimm. Absent liaison members: Dean of Engineering, CTS, Undergraduate Student Government, and Staff Council.

III. Introductions and Recognition of Visitors

Recognized visitors were F. Dobney (Provost), A. Baartmans (Math Sci), D. Lassila (Provost's Office), J. Pickens (Forestry), E. Carlson (Bio Sci), and Marcia Goodrich (Tech Topics).

IV. Agenda Adjustments

Bornhorst referred to the published agenda [Appendix A of these minutes] and proposed addition of Proposal 11-94 as New Business, and moving Old and New Business to precede the budget presentation. Bornhorst asked for agenda adjustments from the floor; there were none. Heuvers MOVED to approve the adjusted agenda; Mroz seconded the motion. Bornhorst asked for objections to the motion. There were none, and Bornhorst declared the agenda approved as adjusted.

V. Approval of Minutes

Bornhorst referred to the minutes of Meeting 205 attached to the agenda sent to senators, and called for corrections. There were none. Heyman MOVED to approved the minutes, and Bulleit seconded the motion. The motion PASSED without dissent in a voice vote.

Bornhorst called for corrections to the Minutes of Meeting 206 attached to the agenda. Grzelak and Keen noted errors. Grzelak MOVED to approved the minutes, and Mroz seconded the motion. The motion PASSED without dissent in a voice vote.

VI. Old Business

Proposal 9-94, New Option for MS Degree in Mathematics.

Bornhorst referred to the text of the proposal which had been circulated with the agenda of the previous meeting. Heuvers MOVED that Proposal 9-94 be approved. Bulleit seconded the motion.

Bulleit asked why the Senate was considering the proposal. Bornhorst said that addition of degree options required Senate action, and that such changes appeared in the Catalog. Bornhorst called for further discussion; there was none. The motion PASSED without dissent in a voice vote.

VII. New Business

Revision of Faculty Handbook. Bornhorst distributed copies of Proposal 11-94, Revision of Faculty Handbook, and noted that, if approved, the proposal [Appendix B of these minutes] would become part of the revised Faculty Handbook. Bornhorst said Proposal 11-94 would be taken up at the next meeting of the Senate.

VIII. Presentation on the Budget

Bornhorst introduced Provost Fredrick Dobney for a presentation on the university's 1994-95 budget. Dobney exhibited a series of explanatory charts [Appendix C of these minutes] in his presentation.

Dobney said that an attempt has been made to tie the budget to a plan, instead of making plans after budgeting. He compared summary 5-year plans submitted by the colleges and schools with the 5-year plan developed by the administration. Notable differences between college and administrative plans, respectively: faculty growth to 411 vs 365, federal funding of \$25M vs \$15M, undergrad enrollment of 6895 vs 6120, MS student enrollment of 541 vs 480, total enrollment of 7963 vs 7200, and PhD enrollment of 527 vs 600. Dobney said the last are the most disparate figures; the administration's plan may be a little high. The colleges' projections are based on 411 faculty, while the administration's are based on 365.

Since 1984, graduate enrollments, particularly of PhD students, have increased, while numbers of faculty and undergraduates have declined slightly. This shows efficiency, but also indicates faculty are doing more than can be reasonably expected. From the engineering school, a plot of research expenditures vs number of undergraduates per faculty shows MTU to be the most productive public research university in the US. For 92-3 vs 93-4, the tuition increase of 6.5 percent was the lowest in the state. Salary and wages increased 6.5 percent also. However, the salaries of faculty are still below national averages, while clerical staff wages are well below average even for universities in the UP.

MTU does not have position control, but the basic principle is to increase numbers of faculty and to increase staff only enough to support the faculty. From 1991-93, faculty increased from 342 to 358, while full-time staff decreased from 754 to 711. However, the temporary staff increased from 153 to 189, although part of these are being used to implement the BANNER system.

Dobney summarized the income premises of tuition, state funding, indirect cost recovery and auxiliary activities, and the expenditure premises of increased student financial aid, increased salaries and wages, increased fringe benefits, and continued one percent program realignment. Dobney distributed copies [Appendix D of these minutes] of the draft budget, with three possible scenarios; the total budget picture varies by \$3M depending on the scenario.

Dobney noted a principal budgeting problem in the \$2.5M being taken from auxiliaries; this involves a one-time withdrawal from reserves. Roblee asked for a breakdown of the number. Dobney replied that about \$1.7M comes from generated income, and \$700K from reserves. Continuing expenditures are \$49.9M; the detailed

information has been given to the Budget Oversight Subcommittee Chair E. Carlson. The continuing one percent process is forcing budget examination, taking fat from budgets, and permitting reallocation to areas where development is needed.

Dobney discussed one-time expenditures, program development, and return of former administrators to the faculty at high salaries. Departmental requests now total \$6.8M; only \$437K can be covered, maybe.

Beck asked whether increased indirect cost recovery would be obtained from increased rates or greater efficiency in recovery. Dobney replied that the increase was based on obtaining more research funding. Mullins said that as a researcher who usually pays 47 percent, he was concerned that the average rate is only 20

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percent. Dobney said that there were a lot of agencies and corporations that paid less than 47 percent.

Mullins asked why the budgets did not include income from endowments or investments. Dobney said there was income from these sources, but it was not part of the base budget because the money was tagged for a specific purpose. Mullins asked about the interest from endowments; Dobney said that the interest last year was 19 percent, but was being used to build the endowment. The eventual goal was subsidy of continuing costs. Specified giving was preferred to support of general operations.

Dobney summarized four pages of budget requests from colleges and administrative groups. He presented three scenarios for budgets with various levels of decreased state funding. Dobney asked for questions and for suggestions on how interaction between the Senate and administration should proceed.

Glime asked about the funding of the new positions of Director of International Studies and Director of Information Technology. Dobney said the budget contained some but not all funds needed for the kind of person required; this was true also for the Affirmative Action Officer, the SBEA Dean, and the Physics Dept Head.

Mullins asked which areas deviated most from the 93-94 budget this year. Lassila said the enrollment decrease and health expenses were the principal areas. Heyman asked whether the \$6.8M college requests would be involved in the budget line of program development. Dobney said that some of the requests would come from part of that line. Glime asked whether an additional person in education would result in a net funding increase from having additional students in the program. Dobney said that such a person would service and retain current students rather than attract new students. More students are signing up for teacher education than can be accommodated. Dobney said that if any Michigan university should be training teachers in science and math, it should be MTU, but money has not yet been put behind that idea.

Mroz said that endowment interest could be used to build the endowment directly, or could be used to hire people to solicit endowment funds. Dobney said that the problem was difficult; givers are not interested in giving to support fund raisers. Specific programs are more likely to generate support. Half the persons in the Tech Fund are on soft money now.

Leifer said that Galetto had specifically stated to the Senate that MTU had 3140 qualified applicants, but that enrollments were down. Leifer asked how student numbers could be down by 150 if applications exceeded enrollments, and how a decrease of 150 could have a big impact. Dobney replied that the problem is that applications do not mean the students will enroll; MTU's yield rate is about 48 percent. If half of the current applicants enroll, MTU

will lose students, because numbers of graduates this year will exceed the numbers of new enrollees.

Janners said that a survey recently had been completed of admitted applicants who did not enroll. The first five reasons had to do with the university's location: too far away, too cold, etc. The capture rate percentage of applicants is something over which the university has little control. Dobney said that the administration is trying to generate a larger pool of applicants. A new recruiter had been added in the admissions office.

Glime asked whether new position funding might include bringing in established persons whose principal function is research, and who might be expected to generate 50 percent of their salary with soft money. This would increase the number of new persons entering the university, and increase the strength of the graduate program. Dobney said that the university has generally been bringing in junior faculty, but that the point is open for discussion: would it be better to bring in fewer senior people who can bring in funding, or would it be better to bring in people to reduce the teaching load on current faculty? Heyman said that bringing in junior faculty does not just reduce teaching loads. Bringing them in should result in the production of external funding by their third or fourth years.

Bornhorst asked the Senate at what point it wanted to get involved in the budgeting process, and to provide recommendations for budgeting priorities. He said he preferred the Senate as a whole to set the priorities while the Finance Committee would work with the budgeting details. Heyman said that most budget requests appeared to be continuing, not one-time requests, and that on this basis, only the top 10 percent of the requests of each unit appeared to be realistic. Dobney said that this assumed that all units were equally deserving.

Leifer asked whether any administrators had looked in detail at the budgets of other institutions, such as Northern Michigan. Dobney asked what the point was for doing this. Leifer said it might show how such institutions are able to do things we are not able to do, such as higher faculty salaries in many departments, and better fringe benefits. Seel said that the Dean of Arts & Sciences at Ferris State is preparing to cut 20 positions. Dobney said that the fringe benefit rate at Michigan Tech is 38 percent, the highest in the state.

Mroz said it was not clear how the Senate as a body could interact with the budgeting process. The college priorities were generated at the college and departmental level. Dobney said it would be important for the Senate to discuss categories of expenditures, for example, should there be a one-time expenditure for scholarships, or should the one percent redistribution go into staff members, or faculty members.

Beck said that any increase in GAs needs to be examined closely. He asked whether the increase in PhDs awarded has been proportionate with the increased spending in that area; this needs to be examined before pumping in new money. Dobney replied that this was not quite a fair question because of the lag time involved in PhD production. A number of PhD programs were started about 5 years ago and are only just beginning to produce doctoral graduates. The number of PhD students has grown from 50 to 270 over the past decade. Beck responded that the relationship between money and PhD production could be studied over the first five years, at least.

Grzelak said that he was concerned with the trend in faculty numbers over the last 10 years. The increased demands on the faculty should make the hiring of more faculty the top priority.

Heyman said that it was appropriate for the Senate to comment on university-wide concerns. The requests from ETS for \$580K and from CAC for \$350K seem illogical. The \$330K for new GTAs should be placed against the possibility of new faculty. Roblee said that

these issues have not been talked about for a long time, and that the research and graduate programs need to be addressed from a cost point of view. It would be more cost-effective to increase the undergraduate population, and to hire faculty to emphasize that activity.

Bornhorst said that the role of the Senate in budgeting still remained unclear. Filer said that he was not sure the Senate could be fair or not whimsical. The senators represent particular interests, and somebody outside these interests needs to make the decisions. Bornhorst said that the Senate would not make the decisions, but could have important input into the decision process. Glime said that summary sheets do not provide detail at the level that senators require to make decisions.

Dobney said that he would be taking the same presentation to a variety of groups over a month, and would be collecting input from all of them before making any budget revisions.

Janners said undergraduate enrollments needed to be maintained because undergraduates pay tuition and also room and board. They support the auxiliary reserve, which is beginning to be depleted. Graduate students cost money; undergraduates pay money. Mroz said that the Doctoral I status might improve the ability of the university to attract funds at the state level. Dobney said that President Tompkins viewed the Doctoral I classification not as a goal, but as merely a milepost on the way to improvement. Doctoral I status would protect the university under some scenarios of state formula funding.

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Bulleit asked whether REF funds were intended to be used as seed money for programs to bring in outside money in the longer term. Dobney said this was the intent of the program. Bulleit asked whether it might be better to spend the money to hire faculty that are good at bringing in money. Dobney said the money originally came as a line item from the state. Now it is part of the university's base budget, although reports are required on its use. Hiring new faculty would involve political maneuvering. The funds are now being used at MTU to promote interdisciplinary research. Pilling asked whether there has been any follow-up of the success of the persons receiving REF funds. Dobney said that he would have to ask Dean Lee. Seel said that REF proposals that come from Lee to the Research Advisory Board are not funded if it appears that the researchers are depending solely on REF funds; the REF funds are seed money.

Heyman said that increasing numbers of faculty would help not only with undergraduate enrollment, but also with other sources of income. There would be a lag between hiring new faculty and their production of outside funding, but it would come. Dobney asked whether Heyman preferred new faculty positions at the expense of the 3 percent salary increase. Heyman said he assumed the 3 percent was a done deal, and that his arguments were for the available funds above that. Bulleit noted that all of Dobney's scenarios included the 3 percent. Dobney said this was intentional.

Bornhorst said that the discussion of the budget would continue at the next meeting, and it should focus on the broader issues of priorities. Heuvers asked whether it would be appropriate for the Finance Committee to focus some of the issues before the next meeting. Pickens said that the role of the Committee should be to gather and synthesize information. He said he was uncomfortable with the idea of the Committee making policy and priority recommendations.

Hubbard said that details are needed on the \$6.8M departmental and college requests before any recommendations could be made. Further, the amounts available are uncertain. Dobney said that the material would be sent to the Senate office and could be distributed by the Senate. Roblee said looking at the \$6.8M requests is focusing on the unimportant part of the budget, because all the funds will not be available. Examination of the base budget would be more profitable.

Mullins said that 3-4 years ago a question raised by the Direction & Planning Committee involved the amount of funding devoted to the academic side of the university. At MTU this was less than 50 percent. A report provided by then-Provost Powers showed all the peer universities spending more than 50 percent. Mullins asked whether there had been a shift in that percentage, whether it was now above 50 percent, and whether MTU was now comparable to the other state universities. Dobney said that this particular percentage was easily manipulable. If academic support and student services were to be included in the figure, then MTU might go as high as 65 percent. Mullins said that the report had made a serious attempt to make the comparison on the same basis.

Bornhorst said that the Senate had other business to transact, and thanked the Provost for his presentation.

IX. Report of the Senate President

1. Proposal 8-94 Creation and Allocation of GAs and TAs, has been formally transmitted to the administration [Appendix E of these minutes].
2. A notice of Senate support for the recommendation contained in a memo on Proposal 4-94 from the Presidential Commission for Women was formally transmitted to the administration [Appendix F of these minutes].
3. Two proposals, to initiate new degree options for the BS degree in Biological Sciences and the BS degree in Geology, have been sent for review to the Curricular Policy Committee. These proposals have been assigned proposal numbers 12-94 and 13-94.
4. At the meeting between the Senate officers and the provost office on February 1, a list of peer institutions [Appendix G of these minutes] was provided to the Senate. These institutions will serve as benchmarks for various university activities.
5. The Senate Institutional Planning Committee is requested to provide a representative to the University Space Committee.
6. The Provost is expecting to have a meeting soon with the Ad Hoc Committee on University Search Procedures.
7. An offer has been made to a candidate for the position of Director of Information Technology. The search is now going on for a Director of International Studies. The SBEA Dean's Search Committee is still collecting applications.
8. As a matter of protocol, all Senate action will be forwarded to the administration as Proposals. Under the constitution, Senate authority is divided into two categories. Under the "A list", the Senate has the authority to establish policy; proposals are clearly necessary for this area. Under the "B list", the Senate makes recommendations to the administration who actually establishes the policy in these areas.

Under the protocol, Senate action in both areas will be forwarded as proposals, with titles indicating the kind of action being requested. For example, at the next meeting Proposal 14-94 is likely to be introduced; it will be a recommendation on exceptional student tuition. The administration does not necessarily have to take action on such recommendations.

9. A statement Shared Governance: Communication is the key to successful shared governance. On all issues it is critical

that the Senate interact with the administration before Senate action. It is likely that most suggestions by the administration will be only editorial changes or changes agreeable to the Senate. This does not mean that we must always agree, for the Senate should follow the wishes of its constituents. Conversely, the administration should provide careful input so the Senate can avoid unnecessary reconsideration of issues. Thus, when any proposal is brought to the Senate floor, the Senate chair will ask for the extent and type of interaction and input obtained from the administration, if this is not clear from the previous discussion of the proposal.

X. Reports of Committees

A. Steering Committee on the Faculty Handbook. Bornhorst said that the four Task Forces were operating. The Steering Committee is reviewing the Handbook policies, and making initial determinations of who will work on the first draft of those sections that need rewriting. The Senate participants on the Committee are working on drafts of the sections on governance and handbook revision. The Academic Code of Ethics has been sent to the Institutional Policy Committee. Sections titled Release of Grades, Right to Privacy, and Student Absences have been sent to the Instructional Policy Committee.

Bornhorst noted that the cascade of proposals connected with the revision should increase dramatically as the year progressed.

B. Board of Control Relations Committee. As committee chair, Bornhorst reported that the Senate did not have a representative in Detroit at the January 21st meeting of the Board of Control. Bornhorst distributed copies of the Board agenda [Appendix H of these minutes]. Bornhorst noted that significant items included support for the Environmental Sciences & Engineering Building with an intent to bond for \$30M in matching money. Bornhorst said that the vote was only for an intent, and was not a commitment to bond. If the bonding were done, it would cost the university \$4-5M per year for 30 years.

Bornhorst asked that senators notify him if they wished to meet with the Board of Control on March 18th. A group of senators needs to be assembled for a breakfast meeting.

Bornhorst noted that the Board of Control follows Robert's Rules of Order in conducting their business. Any proposal that is tabled is therefore dead at the close of the following meeting.

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This means that the Senate proposal on spousal tuition which was tabled at a Board meeting several years ago has expired. If the Senate wishes the Board to consider the proposal, the process will have to begin again in the Senate.

C. Finance Committee. Committee Chair Pickens reported that the Committee had considered four issues from the Fringe Benefit Subcommittee at its recent meeting. Two of these were Proposal 2-94, Supplemental Medical Coverage. These involve fundamental questions of equity, and they passed the Committee 9-0 with a recommendation for full Senate approval.

The other two of these were approved Senate proposals for retirement benefits. One proposal was for life insurance in the amount of 2 times terminal year salary. This was brought to the Finance Committee in unchanged form. The other proposal was for a lump sum retirement payment equal to 10 percent times terminal

year salary times years of MTU service. This proposal was presented in modified form as an annuity purchase of 2 percent times terminal year MTU salary times years of MTU service. This change was made principally for tax reasons.

These two proposals were discussed and were favorably reported by the Finance Committee 7-2. Majority and minority reports are being prepared by the two groups. A meeting to discuss the issues is being arranged with Provost Dobney, Senate President Bornhorst, Finance Committee Chair Pickens, Fringe Benefits Subcommittee Chair Leifer, and CFO McGarry.

Pickens said that the Senate could pass these proposals over administrative objections, but that these financial matters fall into the areas in which the Senate can only offer advice and recommendations. Pickens said that the Senate should look at the proposals as an entire package, and not try to pass them piecemeal. Further, it is extremely important to get the issues before the Senate and to have them settled. Senior faculty members want the issues resolved to allow them to make decisions about retirement.

XI. Adjournment

Bornhorst called for a motion to adjourn. Mroz MOVED that the meeting be adjourned. Bulleit seconded the motion. Without opposition, Bornhorst declared the meeting adjourned at 7:30 pm.

Submitted by Robert Keen
Secretary of the University Senate

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