

THE SENATE OF MICHIGAN TECHNOLOGICAL UNIVERSITY

Minutes of Meeting No. 250
7 February 1996

Synopsis: The Senate

- (1) heard presentations on enrollments, finances and budget planning;
 - (1) approved Proposal 11-96, conflict of interest.
 - (2) agreed by consensus to accept the guidelines suggested by President Tompkins and President Bornhorst for processing charter school applications.
 - (3) requested nominees for the charter school committee.
 - (4) heard space committee space allocation guidelines from President Bornhorst.
 - (5) approved Proposal 14-96 to permit voting on the constituency issue (Proposal 22-95) anytime from 1 April to 8 May 1996 instead of one year from approval of 22-95.
 - (6) heard a report from Provost Dobney on budget projections.
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1. CALL TO ORDER AND ROLL CALL

President Bornhorst called the Senate Meeting 250 to order at 5:30 p.m. on Wednesday, 7 February 1996, in Room B37 of the Electrical Energy Resources Center.

Secretary Glime called roll. Absent were at-large Senators Laurie Whitt and Dave Reed, and representatives from Business and Engineering Administration, Army/AF ROTC, Enrollment Management, and Academic Services/Engineering. Liaisons in attendance were Steve Batzer (GSC), James Dietrick (USG), and Ted Soldan (Staff Council).

2. RECOGNITION OF VISITORS

Guests included Fred Dobney (Provost), Marcia Goodrich (Tech Topics), Mike Gilles (Research Services), Debbie Lassila (Provost's Office), and Ellen Horsch (Human Resources).

3. APPROVAL OF AGENDA

Soldan MOVED and Mroz seconded the motion to accept the agenda. The motion PASSED by 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. APPROVAL OF MINUTES FROM MEETING 249

Carstens MOVED and Sandberg seconded the motion to approve the minutes of Meeting 249. The motion PASSED by voice vote with no dissent.

5. OPEN MOTION ON PROPOSAL 11-96 [See minutes, page 6034, for a copy of this proposal.]

Discussion continued on the open motion on Proposal 11-96, Conflict of Interest Procedures. President Bornhorst raised a question submitted by a constituent, asking why only the coordinator can sign conflict-of-interest forms. Senator Heyman (acting coordinator) responded that most proposals have come to him (as coordinator) with three days of lead time, and accessibility does not seem to be a problem; Anita Quinn from Research Services can also sign the form if the coordinator is not available. Provost Dobney added that the procedure is a response to NSF to be sure there is no conflict of interest and that it is needed by other agencies as well. Senator

Bradley commented that this will only catch the honest people. Heyman responded that it helps to resolve complex conflicts. Several senators from research units stated that sometimes they must complete a contract signing in a day and Senator Hein asked if the conflict of interest statement can be done ahead of time. Heyman responded that if expenditures are clear so that potential for conflict of interest can be determined, then the forms can be signed ahead of time.

Senator McKilligan stated that item 6.2.1.1.4 of the guidelines has conflicting statements: "the University should accept greater expense or complexity as the necessary cost of avoiding conflicts of interest;" and "Exceptions to these rules shall be made... Such exceptions shall include, but are not limited to... c. Cases where significant economic costs would be incurred by separating functions." Heyman responded that we can't write the procedure exactly; we have to consider the ramifications of the conflicts; we may accept the conflict if it permits us to avoid a major cost.

Senator Beck asked what was to be done about the administrative objection to "due process" as outlined in the proposal. Heyman responded that we will wait until we get suggestions back from the administration. Dobney added that there was a problem with the footnote on page 1; the Senate cannot bind the Board of Control or other agents outside the University. Senator Thayer asked that if the leaders are not bound by these rules, what does that make us? Dobney responded that the administration is bound, but not the Board of Control. Senator Keen stated that there was a grammar problem in 7.3.3. The first sentence was changed to make two sentences, to read, "7.3.3. When a violation of University policy is alleged, a thorough and timely process shall take place within the university to provide adequate opportunity for reaching valid conclusions. It is imperative that due process be followed and protection be afforded to the rights and reputation of both accuser and accused, those investigating the allegations, any sponsoring agency, and the University." President Bornhorst ruled that it was an editorial change and there were no objections, so the change stood.

Senator Mroz stated that we should invite the Board of Control to follow our guidelines. He also questioned what "hammer" we could use on unpaid advisors. Heyman responded that we could only effect policy on them insofar as it relates to the university. Dobney cited the example that adjunct faculty may have allegiance elsewhere. Dobney also stated that it might be appropriate to invite the Board to adopt our policy in their own University business. Thayer suggested that we should accept the procedure as it is and work out details later; he called for the question. Bradley seconded the call for question. The call for question PASSED on voice vote with two dissents. The motion to approve Proposal

11-96, Conflict of Interest Procedures, PASSED on voice vote with no dissent.

6. REPORT FROM SENATE PRESIDENT

The President has submitted Proposal 10-96, MS Degree in Environmental Policy, and Proposal 12-96, Academic Calendar: K-Day, to the administration. [Appendices B and C]

President Tompkins has approved Proposal 32-95, Ph. D. Program in Mathematical Sciences. [Appendix D] Provost Dobney alerted the President to the financial concerns voiced by the Senate and that Dean Seel had stated that the cost coverage will come from internal re-alignment.

As requested, the Senate Assistant has sent the MTU Charter School statement to all Senators.

President Bornhorst met with President Tompkins on 5 February to discuss several issues, including charter schools and the role of the

Senate in chartering a school. They agreed on several guidelines. Tompkins will initiate a committee consisting of Bill McGarry as chair, three persons selected by President Tompkins, and three persons selected by the President of the Senate. The charge of the committee will be to develop criteria and process details and to present these to the Senate for recommendation.

When a proposal is received, the committee must inform the Senate of its submission. If the committee unanimously recommends supporting a charter school proposal, then the recommendation will be forwarded to the Provost, President, and Board of Control. If a proposal passes but lacks unanimous support, the proposal will come to the Senate for its recommendation.

Bornhorst will bring his list of committee members to the Senate for concurrence. Provost Dobney pointed out that President Bornhorst has been instrumental in having the faculty involved in the decisions about charter schools.

Senator Thayer stated that he is not in favor of our involvement in charter schools, but that we should look seriously at proposals because they need good up front funding. Bornhorst added that there is also a liability issue. Senator Carstens added that the Milwaukee Journal has reported that some choice schools have folded due to disappearance of funding and corruption. Sandberg commented that there is also corruption in public school systems. Senator Mroz stated that the proposed process is good. Sandberg stated that all proposals should go to the Senate. Bornhorst stated that he would ask President Tompkins for such a change.

Based on consensus, the Senate agreed to accept the guidelines for charter school decisions as described regardless of whether or not the Senate gets to make a recommendation on proposals passed unanimously by the Review Committee. Bornhorst asked Senators to send nominees for the committee to him.

The Senate officers met with the Provost on 6 February. The Provost reported that the Senate can expect a new amendment on the grievance policy and on the evening exam policy (due to confusion in interpreting it).

Bornhorst reported that the staff have made excellent progress toward producing a professional staff handbook, due to the hard work of the steering committee, chaired by Shalini Rudak, and the task forces. In the future we may see some votes in the Senate that do not include the academic-degree-granting departments.

The University procedures manual is being updated.

The officers are preparing guidelines for reviewing petitions to become Senate constituents.

The University Space Committee has developed principles regarding allocation of vacated space when departments move to the new Environmental Sciences and Engineering Building. All space will revert to university space. The committee will make the allocations in a competitive process based on proposals. One consideration will be the ability to raise funds to renovate. [Appendix E]

The position of Director of the Center for Teaching, Learning, and Faculty Development has been posted.

Senators are asked to remind their constituents that the deadline for the administrative evaluation questionnaire is Friday, 9 February.

Bornhorst reported new budget information. The Governor's proposal is predicated on Federal Government reform. It provides first for 4% to all universities. In addition, there would be special allocations for graduate programs at the big three (U of M, Wayne, MSU), and MSU would get a special allocation to bring it to the level of the others. MTU will get an additional approximately 2.1% because of its high percentage of technological programs. If the tax credit is repealed because its implementation was faulted, the money saved would go back to the universities. Together, MTU could get about 6.6% increase from state funding.

President Bornhorst reported on the January 26 Board of Control Meeting. He presented a report on the progress of the Administrative Evaluation Commission and announced that the Board was seriously interested in knowing our results to complement their own concurrent evaluation of President Tompkins. Bornhorst presented the Senate resolution on salary increases to the Board.

Board of Control action included authorization of an escrow of \$3,772,000 for the Environmental Sciences and Engineering Building. They discussed the TIAA/CREF retiree health care pay-as-you-go, prefunding, level of funding, and guarantee for people once they retire so that retirees would not lose benefits that were in place when they retired. They modified the policy on scholastic standards, including academic progress, clarified the employee education program, approved purchase of Wesley House, and discussed the 96-97 budget.

8. OLD BUSINESS

President Bornhorst explained Proposal 14-96, Revision of Senate Bylaws. [Appendix F] Proposal 22-95, approved last year, modified the constitution to require a vote on the constituency 1 year later. That would occur

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in May, and would not allow enough time (less than 1 week) for staff to elect Senators before Senate officer elections must occur. Proposal 11-95 required a 7/8 vote to change its provisions. Therefore, it requires a roll call vote. Senator Soldan asked if we couldn't try a voice vote. Someone asked why 7/8 was selected and Senator Keen explained that it was set to make it difficult to change the intent of Proposal 22-95. Keen clarified that it was 7/8 of those voting. Soldan asked if the voting units were the full Senate and Bornhorst answered "yes." The Senate voted "yes" on a voice vote with no dissent, but the vote was invalidated because there was no motion on the floor. Carstens MOVED and Mroz seconded the motion to approve Proposal 14-96 to permit voting on the constituency (Proposal 22-95) anytime from 1 April to 8 May 1996. The voice vote had one dissent, so it was put to a roll call vote. Motion 14-96 PASSED on roll call vote with 29 for, 1 opposed, and 2 abstentions. Two additional votes were illegitimate.

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| Evensen - yes | Beck - abstain |
| Filer - yes | Heyman - yes |
| Glime - yes | Carstens - yes |
| Walck - yes | Goldstein - yes |
| Keen - yes | Moore - yes |
| Leifer - no | Fynewever - yes |
| Shonnard - yes | Hein - yes |
| Sandberg - yes | Diebel - yes |
| Ott - yes | Bradley - yes |
| Sloan - abstain | Chavis - yes |
| Mroz - yes | Lutzke - yes |
| Pegg - yes | McKilligan - yes |
| Olson - yes | Soldan - yes |
| Arici - yes | Little - yes |
| Thayer - yes | Vichich - yes |
| Greuer - yes | McLean - yes |

9. OTHER BUSINESS

Provost Dobney presented a draft of the 1996-97 budget. [Appendix G] The Governor's budget proposal should be released the next day. The budget scenario is subject to approval of the Federal Budget Reform Act. The state anticipates a \$62.7 million increase in higher education. MTU (and Ferris) will receive a special allocation because it is technology-intensive. He compared MTU to other universities, using the

criteria reported in US News and World Report: retention 25%, reputation 25%, faculty resources 20%, selectivity 15%, financial resources 10%, and alumni satisfaction 5%.

MTU's first-year retention is 84%, whereas U of M has 94%; our graduation rate is 62%, which is significantly below schools in the first tier (Research I universities). Our reputation rank was 149, the same as for Wayne State; U of M ranked 8. Senator Beck stated that MTU is not doing anything as a whole to promote reputations; it depends on individuals to do it. Dobney responded that a lot could be done at the department level. Senator Heyman stated that weighting retention 25% was too much weight. Dobney added that we do not admit students who are not capable of succeeding, but we don't know the reasons our students leave; they leave for many reasons. Senator Ott pointed out that we can't retain students who decide they want a degree that we don't offer.

Regarding faculty resources, Dobney said that the report rated us with a 16:1 student:faculty ratio, which is higher than our internal calculations. We are about in the middle compared to other schools. Faculty with terminal degrees comprise 92.5% of the faculty (Carnegie Mellon has 97.9%, Lehigh has 99%). We do well in class size with 8.9% of our classes >50 and 48.7% <20. Senator Pegg asked how we compare on % of part-time faculty and Dobney stated that we had no numbers for comparison but that we do better than urban schools.

Selectivity was measured by SAT/ACT scores. MTU accepts students mostly with scores of 24-29, MSU with 21-26. Our acceptance rate is 92%, which is one of the highest numbers, but our students often self-select. Our yield (enter/acceptance) is 45%, one of the highest.

Carnegie Mellon spends \$25,000 per student; we spend \$8,433. Western Michigan was the only school in the comparison chart that spent less.

Alumni satisfaction was based on the percentage of living alumni who gave to the 1993 and 1994 fund drives. MTU had 20% compared to 14% at MSU and U of M, but 52% at Lehigh and 34% at Georgia Tech. We need to nurture our future alumni.

Our BS in Technology has caused an increase in the enrollment in the School of Technology at a time when enrollments in this field are dropping elsewhere.

The prospects for 1996-97 revenue include a decline of 150 undergrads, stable graduate enrollment, tuition increase of 3-5.8%, indirect cost recovery of 10%, Auxiliary Activities Use charge of \$1.1-1.2 million, department lab fee increase of 5%, and \$1.5 million one-time revenue from Auxiliary reserves. State appropriations had been expected at 0 to 3%, but the Governor's proposal would increase that to over 6%.

Expenditures will include an increase in financial aid that is consistent with the tuition adjustment, 1% realignment for program development, salary and wage increase ranging 0 to 3%, perhaps more with the proposed gubernatorial budget, increased fringe benefit costs of 3% commensurate with salary increases, 5% more lab costs, deferred maintenance of \$500,000, ESE planning money of \$500,000, and contingency reserve of \$500,000. The moratorium on prefunding TIAA/CREF would be continued.

A 1% enrollment increase or decrease makes a difference of 62 students and a revenue difference of \$238,000. Therefore, a 3% tuition increase with the projected loss of 150 students is still a financial loss.

Salary adjustments would cost \$490,000, supplies and services \$140,000, and financial aid \$100,000 per percentage point.

He listed priorities in order as achieving salary parity by 1998, new Advancement positions, Director for the Center for Teaching, Learning, and Faculty Development,

new Dean of Engineering, increased cost of MPSERS (awaiting the Musselman decision), library, SS&E budgets, financial aid, new GTA's, and new faculty.

Senator Sloan asked about the cost for the new Director for the Center of Teaching, Learning, and Faculty Development. Dobney responded that the salary would come from the 1% realignment, costing about \$100,000 including support staff and fringes, but that the budget already has money in it for a half-time position. Senator Arici asked how we could achieve parity when we are aiming for a moving target. Dobney agreed that it is a problem. He reported that the faculty are currently 11.3% behind and staff 7.4% behind. It would cost us \$5.5 million if we increased to parity right now.

Senator Mroz asked if the Governor's budget plan implies that if MTU were to increase the number of graduate students would MTU receive more money from the state and Lassila (Provost's Office) stated that the division was based on the Carnegie Research I category, and we aren't close to that.

Since President Tompkins' justification for getting us more money was to keep us technologically current, we must spend some of it on equipment upgrades. Senator Heyman asked if we couldn't gain some in salary and other areas that had been sacrificed to help pay for equipment needs in the past. Senator Beck commented that if our aim is for Research I, the target may change; we have done well (in the budget plan). Dobney explained that the technology plea has helped. Heyman asked what the goal is for the capital campaign since its cost was a new budgeted item of \$150,000. Dobney responded that it was to increase our endowment by \$100 million, most of which would go to academic departments for scholarships and research. Alternate Gilles asked for an explanation on the drawdown on retiree health money. Dobney explained that we had been both setting aside and paying as we go; now we are retaining the set-aside but not adding to it and just using pay-as-you-go. We are working to establish what amount we need to set aside.

Dobney asked Senator Leifer to report on the TIAA/CREF Fringe Benefit Task Force. Leifer stated, "That basically there is this plan that was proposed, this pay-as-you-go-plan, that has drawbacks in it. I could talk extensively about it but time is late." Dobney asked if we are near having a report from the Task Force. Leifer responded, "You (Dobney) will be at the next Task Force meeting on Monday, as far as I know, and you're going to be talking to the Benefits Committee on Friday at 10:00 and I think I would prefer to wait until after that." Dobney responded that we do not have a recommendation. Leifer responded, "they have a recommendation, we have a very definite recommendation, and basically everybody on that Task Force can live with that level of funding plan. There's no doubt about that and as a matter of fact that plan is so good that it will fund, as it is right now, everybody on this campus until the year 2023. With a minor amount of tweaking it will fund everybody in perpetuity. So I might say that that's a very good plan." Dobney commented that it should be recorded that Leifer suggested this plan. Gilles asked if the retirement was set at 80 points and Dobney affirmed that.

Dobney stated that the Governor would announce his capital outlay plan the next day. It would include \$8.7 million for the Forestry addition, but it will require 25% matching funds (for all new buildings). We must have \$2.3 million; we have \$300,000 in the bank now.

AGENDA ADJUSTMENT

President Bornhorst requested an agenda adjustment to make an announcement. There were no objections so the agenda was adjusted.

ANNOUNCEMENT

There is no pressing business, so there will be no Senate meeting

next week. The calendar for the Senate includes one additional meeting each quarter compared to last year to avoid piling up at the end and this one is not needed.

10. ADJOURNMENT

Thayer MOVED and Arici seconded the motion to adjourn. The meeting adjourned at 7:30 p.m.

Respectfully Submitted by Janice M. Glime
Secretary of the Senate

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