

The University Senate Of Michigan Technological University

Minutes of Meeting 356

26 September 2001

Synopsis: The Senate

- (1) approved Proposal 1-02, Revision of Senate Bylaws.
 - (2) heard a report regarding MTEPS.
 - (3) approved Proposal 2-02, Research Faculty Rank Definitions.
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1. CALL TO ORDER AND ROLL CALL

President Bob Keen called University Senate Meeting 356 to order at 5:34 p.m. on Wednesday, 26 September 2001, in Room B45 EERC.

Secretary Craig Waddell called roll. Absent were representatives from Fine Arts, ME-EM, Materials Science and Engineering, Mining and Materials Processing Engineering, Keweenaw Research Center, Academic Services-Engineering, and Student Affairs and Educational Opportunity. Liaisons in attendance were Dennis Taylor (USG) and Becky Christianson (Staff Council).

2. RECOGNITION OF VISITORS

Visitors included Dave Reed (Interim Vice Provost for Research), Pat Joyce (School of Business and Economics), Larry Davis (School of Business and Economics), Debbie Lassila (Human Resources), and Marcia Goodrich (*Tech Topics*).

3. APPROVAL OF AGENDA

Keen presented the agenda and proposed moving item 7.A. before item 6. He asked for further amendments. Senator Don Beck requested that an item be added to the agenda to allow discussion of the UAW contract negotiations and the combined impact of small raises and the new health-care benefits on lower-paid employees. Keen inserted a new item 8 to address this request. There were no other amendments or objections to the agenda as amended. [**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 MEETINGS 354 AND 355

Keen presented the minutes as corrected from meeting 354 and asked for additional corrections or additions. There were none. Pollins MOVED and Long seconded the motion to approve the minutes as corrected. The motion PASSED on a voice vote with no dissent.

Keen presented the minutes from meeting 355 and asked for corrections or additions. Minor editorial corrections were suggested. Malette MOVED and Pollins seconded the motion to approve the minutes as corrected. The motion PASSED on voice vote with no dissent.

5. PRESIDENT'S REPORT

As directed by the senate, President Keen sent an email to Provost Wray asking whether the university is now in a state of financial exigency. The provost responded that university is not in a state of financial exigency.

Keen sent an email to the senators explaining that any proposal to discontinue an academic program requires senate approval according to the senate constitution, which is Board of Control policy. The

senate can make recommendations on proposed departmental reorganizations, but the administration is not required by the senate's constitution to seek senate approval for such reorganizations.

Keen said that the provost is absent from tonight's senate meeting because he is on his way to a Board of Control finance subcommittee meeting where the budget-cutting plans produced by the deans will be presented.

Keen reported that the Benefits Liaison Group (BLG) has held four forums on changes in health-care benefits with MTU employees as well as a forum with local health-care providers. The BLG will process feedback at its next meeting.

Keen attended the President's Convocation on September 19.

Keen met with the provost on September 13 and 19 to discuss when the senate should consider any proposals for discontinuance of academic programs.

Keen reported that the Vice President for Research candidate interviews are complete and reminded senators of the deadline for comments.

The Strategic Planning Working Group met on September 24 and worked on selecting review panels for the forthcoming proposals.

The senate will meet informally with President Tompkins and other administrators on Thursday, October 25, at 3:00 p.m.

Tom Snyder produced a white paper regarding Proposal 7-00, Tenure, Promotion, and Reappointment Procedures. This will be posted on the senate Web site after the provost has had a chance to review it.

7. UNFINISHED BUSINESS

A. Proposal 1-02, Revision of Senate Bylaws [See minutes, page 9292, for a copy of this proposal.]

Pickens MOVED and Seidel seconded that proposal 1-02 be removed from the table. The motion PASSED on a voice vote with no dissent.

Keen said that the request for revision of the senate bylaws to include a computer committee had been brought to the senate during the summer by Professor Patrick Joyce from the School of Business and Economics. He invited Joyce to address the motion.

Joyce said that the University Computer Advisory Committee (CAC) was created in 1995 to provide a forum for the discussion of computer-related issues and to provide input to the Computer Executive Committee on policies, procedures, initiatives, and directions. The charter is available on the IT Web site.

Membership of the committee consists of the chair of the committee and the chairpersons of the following subcommittees: Standards, Strategies, Student Computing Fees, System Administrators Council, and Security. The committee's charter is outdated in that it asks the committee to do things that conflict with changes that have occurred since the charter was drafted. For example, Michigan Tech has since gone from a centralized to a decentralized computing system. Hence, the committee wants to rewrite its charter. Current membership in the committee would like to retain the committee but change its focus such that it concerns itself only with strategies, standards, and student fees. They would like to have the senate initiate a computer committee and have the chair of that committee be a member of the CAC, thereby involving the faculty more directly in the affairs of the CAC. Currently, CAC membership is primarily system administrators, IT, and a few faculty members.

Senator Dana Johnson said that the description of the computer committee in Proposal 1-02 is consistent with the descriptions of other standing committees in the senate bylaws; none describe any specific responsibilities.

Senator Mike Roggemann requested clarification of the problem that rewriting the charter would solve. Decisions about things such as student computing fees are best left to the experts: system administrators and IT people.

Joyce said that student computing fees are one of the few fees that are set with faculty oversight rather than by administrative fiat. More faculty input into such decisions might be preferable to less. Roggemann asked how student computing fees are calculated.

Joyce said that CAC decisions are based on appropriateness of equipment and fees, including whether students are being charged more for fees than schools and departments pay in computing costs.

Keen said that there are currently only two faculty on the CAC.

Senator Larry Davis said that student computing fees have increased dramatically with very little oversight.

Roggemann asked whether fee increases have been in line with cost increases.

Davis said that whether they are or not, oversight is needed.

Joyce said that the CAC has gotten all of the system administrators to use the same budgeting process so that there is a uniform basis for comparison across campus.

Johnson said that the senate would benefit from being represented on the CAC.

Senator Steve Seidel said that there is no uniform standard for computing needs; hence, it is essential that educators be involved in the decision-making process. It is also important that educators be involved in deciding what technologies we pursue, rather than allowing system administrators to decide based on what they know how to support or what they prefer to support.

Senator Bill Gregg asked whether the senate was being asked to form a liaison committee rather than a standing committee.

Keen said that the proposed committee would function as a liaison, but it would also produce proposals to appeal CAC recommendations to the administration.

Seidel asked Keen to describe the Computer Executive Committee (CEX).

Keen said that the senate has an elected representative to the CEX: Walt Milligan.

Joyce said that the CEX consists of deans, the provost, two CAC representatives, and one representative from the senate. The CEX hasn't met for at least two years.

Roggemann asked what kinds of issues the CEX addresses.

Joyce said that the CEX adjudicates policy differences, such as disputes over the purchase of equipment.

Senator Tony Rogers asked where the college-level computer committees fit in.

Joyce said that the College of Engineering computer committee reports to the college. The CAC, on the other hand, doesn't report to anyone: it functions as a forum.

There was no further discussion. The motion to approve proposal 1-02 PASSED on a voice vote with dissent.

6. COMMITTEE BUSINESS/REPORTS

A. Report from MTEPS faculty representative

Keen said that the Michigan Tech Enterprise Park (MTEPS) Board was formed in May 2001. The senate was asked to provide a representative. The Senate Executive Committee nominated Senator Larry Davis; Davis accepted and has since served as interim representative. The senate needs to produce a slate of nominees, from which President Tompkins will select the official representative. No one has yet been nominated for this position.

Davis said that the State of Michigan will provide the cities of Houghton and Hancock with approximately \$16-\$17 million in tax recaptures over 17 years to start a smart parks/smart zone to encourage regional economic development. There are already about 11 such parks in the state; the MTEPS would be the only such park in the Upper Peninsula. Participants in the proposal include the State of Michigan, the City of Houghton, the City of Hancock, the Keweenaw Industrial Council, and Michigan Tech.

The tax recapture would be passed to a Local Development Financing Authority (LDFA)--a governmental body comprised of representatives of the cities of Houghton and Hancock and one member of the MTEPS Board--which would then contract with and pass funds to MTEPS. MTEPS would in essence be a landlord with some attached business-support facilities (help with writing business plans, etc.). The focus is on high-tech businesses. A \$2 million start-up loan from the state to the LDFA is under negotiation.

Essentially, Michigan Tech is being asked to donate its name to the project. In exchange, the university gets two representatives on the MTEPS Board: the Vice Provost for Research (currently Dave Reed) and one representative from the senate. Michigan Tech is also donating some in-kind services, such as Davis's time and [Executive Director of Corporate Services] Pete Radecki's time. Michigan Tech is not being asked to make any financial contribution to MTEPS. Hence, Davis said that the primary risk to the university is not loss of financial resources, but damage to reputation, especially in light of the Ventures experience.

Senator Kelly Strong asked how much new construction volume would be required to generate \$17 million in tax recapture.

Dave Reed said the tax recapture is based on the increase in state equalized value within the two city limits from last January 1. It's essentially based on new property that has come on line during that time and the history of increase over some number of years, basically projecting forward from past experience.

Davis said that MTEPS would receive some funding even if there is no new construction.

Roggemann asked what the consequence would be of not getting the \$17 million.

Davis said that he didn't know. He said that a dissolution section to the corporate policy charter--an exit strategy--is currently being developed.

Senator Jacek Borysow asked for further information about the loan.

Davis said that the State has proposed loaning \$2 million in start-up funds to the LDFA, which in turn would loan this money to MTEPS. The loan would then be repaid out of tax recapture. The State takes the tax recapture as security on the loan--there is no financial risk to Michigan Tech.

Senator Jim Pickens asked whether MTEPS employees would have access to Michigan Tech's health-care benefits and/or Information Technology.

Davis said that MTEPS will have to pay for all Michigan Tech services that it uses.

Pickens asked who would account for these services.

Reed said that in the current draft of the proposal, MTEPS employees are not eligible for Michigan Tech benefits. There is no specific mention of IT services in the current draft.

Davis said that he didn't think that MTEPS would employ many people and that health-care benefits and IT support for any spin-off corporations was off the table.

Pickens asked why the Keweenaw Industrial Council has standing in this process and why they should be represented on the MTEPS Board.

Davis said that the KIC was one of the first to become involved in the process. They have donated some in-kind services and will donate some business-planning services. Davis, however, pointed out the potential problem of private businesses standing to benefit from the expenditure of public monies.

Seidel said asked whether MTEPS is still a good idea in light of what has happened in the markets over the past nine months. He said that he had previously seen conceptual drawings of MTEPS facilities proposed to occupy the Michigan Tech softball fields and asked whether the electrical cable and junction boxes currently being laid near the softball fields were in preparation for MTEPS facilities.

Davis said that MTEPS would be a hybrid governmental-business enterprise. The \$17 million in tax recapture is almost guaranteed to stimulate the local economy whether the MTEPS businesses are viable or not.

Senator David Hand asked what the legal ramifications of joining MTEPS would be for Michigan Tech, such as lawsuits for defective products.

Davis said that if the "iron curtain" of the incorporation stands between you and the entity, you are okay. That's one reason why MTEPS would be a corporation. MTEPS isn't going to manufacture anything--it's essentially going to be a landlord.

Senator Tony Rogers asked whether Michigan Tech would own any licenses for products produced by MTEPS incubator companies.

Reed said that Michigan Tech already licenses products in other contexts and might do so with MTEPS incubator companies.

Davis said that attempts to license products would be independent of the MTEPS. Incorporation protects individuals from loss of personal assets; likewise, Michigan Tech would also be protected from loss of assets through the incorporation of MTEPS.

Gregg asked how many other Michigan universities have given their names to local enterprise zones.

Davis said that he didn't know.

Keen said that he thought that the names of many of the enterprise zones were listed on the senate's web site.

Reed said that legislatively, universities have to be associated with the enterprise zones.

Long asked whether the electrical work being done near the softball field was associated with MTEPS.

Davis said that he didn't know.

Keen said that he would raise this question at the next Space Committee meeting.

Pickens asked Davis to raise his concern about the role of the Keweenaw Industrial Council at the next MTEPS meeting.

Davis said that the membership of the MTEPS Board is already established by way of a contract with the State, but that he has raised the same concern.

Seidel asked what would happen if the \$2 million loan fails.

Davis said that this wasn't clear, but that Michigan Tech would bear no financial risks.

Davis repeated that the primary risk to Michigan Tech would be to the university's reputation, especially in light of our experience with Ventures. However, MTEPS differs from Ventures in that unlike MTEPS, Ventures had no control structure, no oversight, no openness, and no external board.

Davis said that another potential risk was the abuse of student labor; he added, however, that the university's conflict-of-interest policy could be revised to protect against this.

Davis said that the benefits to Michigan Tech faculty might include entrepreneurial support and research opportunities. Benefits for Michigan Tech students might include co-ops and employment after graduation. Benefits for Michigan Tech itself might include public relations with the cities and especially with the State. We are a technological university, and this legislation was designed for us. If we don't take advantage of it, the State may look less favorably on future requests for support.

Strong asked whether the LDFA would have bonding authority.

Reed said that they probably would.

Davis said that there needs to be a referendum to issue bonds.

Strong said that Michigan universities can issue bonds without a referendum.

Davis said that a university bond would require Board of Control approval. He said that given Michigan Tech's financial situation, such approval would be unlikely; Michigan Tech administrators are willing to walk away from the table. Davis asked Pickens how much money the university has transferred out of the R and I fund.

Pickens said that there were two pools. One from the health-care fringe benefits, which was \$8-\$9 million. The second was from set-asides for TIAA-CREF and MPSER retirement, which was about \$6 million.

Strong said that Michigan Tech's economic crisis could not have come as a surprise to anyone because we've been talking about the problems of spending one-time monies on operating accounts. The senate representative on the MTEPS Board should insist that Michigan Tech not put its bonding capacity behind MTEPS.

Keen closed questions.

7. UNFINISHED BUSINESS

B. Proposal 2-02, Research Faculty Rank Definitions [Appendix B]

Roggemann MOVED and Pickens seconded the motion to approve Proposal 2-02.

Keen said that Debbie Lassila from Human Resources and Dave Reed, Interim Vice Provost for Research were present to answer questions.

Seidel asked whether the description of the promotion procedures for research faculty was worded the same as that for regular academic faculty.

Lassila said that the provost's intention is that if the research rank definitions are approved, more details on promotion criteria will be solicited from the departments. Research faculty have been in existence at

Michigan Tech since 1995. They've been limited to one-year, fixed-term contracts because we didn't know what role such faculty would play and many other institutions limited such faculty to fixed-term, one-year contracts.

Seidel said that the scope and detail of the proposed research faculty descriptions are about the same as those for regular academic faculty. He asked, however, whether anything might be done at this point to further detail the promotion criteria for research faculty.

Lassila said that the university would like to be able to offer research faculty continuing appointments, but that we must first define their duties and expectations.

Keen said that the senate could instruct the Academic Policy Committee to devise appropriate promotion policies for research faculty. Keen asked Seidel whether the current promotion policy was specifically confined to academic faculty.

Seidel said that section 2.3, which is entitled "Promotion," reads "Faculty of each department/school should establish its own criteria for recommendations concerning promotion of its faculty members." So if research faculty are considered faculty members, then this policy applies to them as well.

Keen said that departments would need to develop criteria for promoting research faculty.

Rogers said the proposed research faculty descriptions indicate that teaching responsibilities must go through an approved academic faculty appointment. He asked whether current research faculty teach.

Lassila said that some do. The point of having them appointed with an academic teaching rank is one of accountability.

Hand asked what "limited responsibility for advising" means.

Lassila said that research faculty would be expected to provide some level of advising for graduate students working on their research projects. They could be appointed to the graduate faculty and, hence, serve on graduate committees.

Keen said that the intent of the wording was to indicate that research faculty should not be required to advise undergraduates. This could be made explicit if necessary.

Gregg asked whether research faculty can serve on graduate committees.

Lassila said that they can.

Gregg said that in that case, the graduate faculty status membership regulations would need to be changed because now they say that only academic faculty are eligible.

Gregg MOVED and Pickens seconded the motion to amend the second sentence of the first paragraph of proposal 2-02 from "Tenure cannot be earned in these ranks, nor can the time in these ranks count toward tenure" to "Tenure cannot be earned in these ranks, nor can the time in these ranks count toward the probationary period in any tenure-track appointment."

There was no discussion. The motion to amend PASSED on a voice vote with no dissent.

Keen ruled that the amendment was clarifying. There were no objections to the ruling.

Pickens said that it was long past time to define these ranks.

Rogers asked what the policy on vacations would be for research faculty.

Lassila said that if they are working 75 percent time for 12 months, research faculty are currently eligible for five days of vacation, whereas full-time staff accumulate 24 days of vacation per year. Proposed changes would make research faculty positions nine-month positions with the possibility of earning extra compensation during the summer, just like academic faculty, but with that change would come no vacation, just like academic faculty.

Pickens asked whether research faculty would be eligible for the flexible-benefits program.

Lassila said that they would be.

There was no further discussion. The motion to approve the proposal PASSED on a voice vote with no dissent.

8. NEW BUSINESS

Inequity in the Health-Care Benefits Package

Beck proposed that no MTU employee should be making less this year than last year as a result of the combined effect of the 1.5 percent raise and choosing the Family Premium health-care plan.

Keen called for discussion and a motion in support of passage of a sense of the senate.

Beck asked whether there were any time constraints on providing input on this issue.

Lassila said that the UAW's September 25 contract ratification vote failed and that they would be going back to the table next week. She believes that there is no set time limit for completing negotiations.

Senator Carol MacLennan said that if there is a sense of support, it could be expressed at this meeting of the senate.

Roggemann said that it is clear that the proposed changes in health-care benefits will affect lower-paid employees more than higher-paid employees; however, it's difficult to support the proposed statement when we don't know how much rectifying this situation would cost and what we might lose in other places.

Strong asked whether health benefits were contractual for UAW employees.

Lassila said that they were.

Strong said that the UAW, then, should negotiate these benefits as part of their contract.

Beck asked whether Strong saw any value in having another body be supportive of that position.

Senator Becky Christianson said that the Fringe Benefits Committee concluded that anyone who makes \$56,000 per year or less will be negatively impacted if they adopt the Family Premium Plan and that 90 percent of staff make \$56,000 or less.

Strong asked whether Beck's proposed sense of the senate was specifically addressed to UAW employees.

Beck said that his proposal was addressed to all MTU employees.

Strong said that the effect on non-union employees would be even worse, because they have no recourse to collective bargaining.

Johnson said that it would be helpful to have more information on what people's current health-care plans were rather than assuming that everyone would want to select the Premium Plan.

Senator Pam Long said that right now, people don't have a choice as to which medical coverage plan they have--the decision is made by individual medical histories and needs.

Borysow said that it is important for people who can afford to select the premium plan and pay for it make a statement in support of those who cannot.

Keen asked Beck to make his statement as a motion so that it could be debated and voted on.

Beck MOVED and Adolphs seconded the motion to approve the following statement:

No MTU employee should be making less this year than last year as a result of the combined effect of the 1.5 percent raise and choosing the Family Premium health-care plan.

Marsha Goodrich asked if this would mean that people with larger families would get more money.

Beck said that it might, but he emphasized that the point of his proposal was for the senate to take a stand on an inequity in the proposed health-care benefits changes.

Johnson said that adjustments should be restricted to premiums.

Keen pointed out that in selecting the Family Premium Plan, people who are currently on the expanded benefits plan will not lose as much as will those who are not currently on the expanded benefits plan.

Beck said that the intent of his proposal was to point out to the administration that there are inequities in the proposed health-care benefits changes and that these inequities need to be addressed.

Seidel said that many people will be negatively affected.

There was no further discussion. The motion PASSED on a voice vote with no dissent.

President Keen will transmit the statement to the administration.

9. ADJOURNMENT

Malette MOVED and Long seconded the motion to adjourn. The meeting adjourned at 7:29 p.m.

Respectfully submitted by Craig Waddell
Secretary of the University Senate