The University Senate Of Michigan Technological University

Minutes of Meeting 362

12 December 2001

Synopsis: The Senate

1. heard of plans to fund the varsity tennis programs.

2. heard that President Tompkins vetoed Proposal 3-02, Elimination of the AAS Degree Program in Forest Technology.

3. heard that the administration approved Proposal 4-02, Elimination of the Minerals Process Engineering Option Degree Program.

4. heard that the administration did not approve Proposal 6-02, Recommendation on the Proposed Elimination of the Department of Biomedical Engineering and the Merger of the Biomedical Engineering Degree Program with the Department of Chemical Engineering.

5. heard that the administration approved Proposal 7-02, Recommendation on the Proposed Elimination of the Department of Mining and Materials Processing Engineering and the Merger of the Mining Engineering Programs with the Department of Geological Engineering and Sciences.

6. heard that the administration approved Proposal 10-02, Amendments to Proposal 16-00, Certificate in Design Engineering.

7. heard that the administration supports the principles contained in Proposal 22-00, Recommendations on Medical and Health Insurance Benefits.

8. approved Proposals 11-02, Minors in Modern Languages, 12-02, International Minors in Modern Languages, and 14-02, Board of Control Policy for Financial Emergencies.

9. referred Proposal 13-02, Enterprise Minor, to the Finance Committee for further review.

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1. CALL TO ORDER AND ROLL CALL
President Bob Keen called University Senate Meeting 362 to order at 5:35 p.m. on Wednesday, 12 December 2001, in Room B45 EERC.

Secretary Craig Waddell called roll. Absent were At-large Senators Carol MacLennan, Tony Rogers, Dieter Adolphs, Don Beck, and representatives from Mathematical Sciences, Mining and Materials Processing Engineering, Physics, Keweenaw Research Center, Auxiliary Enterprises, and Student Affairs and Educational Opportunity. Liaison in attendance was Becky Christianson (Staff Council).

2. RECOGNITION OF VISITORS
Visitors included Kent Wray (Provost), Jay Meldrum (KRC), Peter Radecki (Corporate Services), Max Seel (College of Sciences and Arts), Sigrid Weinmann (Humanities), and Marcia Goodrich (*Tech Topics*).

3. APPROVAL OF AGENDA
Keen presented the agenda and suggested a new item under New Business: A. Veto of Proposal 3-02, Elimination of the AAS Degree Program in Forest Technology. Keen asked for additional amendments.

There were none. There were no 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 MEETING 361
Keen presented the minutes from meeting 361 and asked for corrections or amendments. There were no corrections or objections to the minutes as presented. The minutes were declared approved as presented.

5. PRESIDENT'S REPORT
Proposal 10-02, Amendments to Proposal 16- 00, Certificate in Design Engineering, was transmitted to the administration for approval. **[Appendix B]**

Keen reported that he received a 28 November memo from Provost Wray in response to Proposal 8-02 indicating that President Tompkins has agreed to fully fund the varsity tennis teams for FY 2002-03 and partially fund the teams for FY 2003-04. Funds to support the programs during FY 2003-04 and thereafter will need to be raised externally by the Athletic Department. **[Appendix C]**

Keen reported receiving responses to senate proposals 3-02, 4-02, 6-02, 7-02, and 10-02. **[Appendices D-H]**

Keen received a memo from President Tompkins vetoing Senate Proposals 3-02, elimination of the AAS Degree Program in Forest Technology, which is on the senate's A list. Keen said that as far as he knew, this was the first time a president had vetoed a senate proposal. The senate constitution requires the senate president to report vetoes of senate proposals at the next meeting of the senate; hence, the inclusion of this item on the amended agenda as an item of new business.

Keen said that President Tompkins approved Proposal 4-02, Elimination of the Minerals Process Engineering Option Degree Program.

Keen said that President Tompkins disapproved Proposal 6-02, Recommendation on the Proposed Elimination of the Department of Biomedical Engineering and the Merger of the Biomedical Engineering Degree Program with the Department of Chemical Engineering.

Keen said that President Tompkins approved Proposal 7-02, Recommendation on the Proposed Elimination of the Department of Mining and Materials Processing Engineering and the Merger of the Mining Engineering Programs with the Department of Geological Engineering and Sciences.

Keen said that President Tompkins approved Proposal 10-02, Amendments to Proposal 16-00, Certificate in Design Engineering.

Keen said that the administration acknowledged its support for the five principles contained in Proposal 22-00, Recommendations on Medical and Health Insurance Benefits. The proposal currently calls for quarterly reports on medical and health insurance benefits from the Office of Human Resources to the full senate. Provost Wray has asked that these reports to the full senate be less frequent, with perhaps quarterly reports going to the senate's Fringe Benefits Committee. **[Appendix I]**

Keen said that the senate is still soliciting nominees for the Sabbatical Leave Committee. The committee will need to begin its work soon. There is currently only one nominee.

Keen asked senators to remind their constituents that ballots for the Faculty Review Committee--which processes grievances not resolved at the level of the department, school, or college--are due by December 14.

The Board of Control meets December 14. Senate officers are scheduled to meet with the BOC for 45 minutes before this BOC meeting. At the BOC meeting, Keen will defend the senate's decision on the proposed merger of the Department of Biomedical Engineering and the Department of Chemical

Engineering. Depending on the senate's vote tonight, Keen may also talk with the BOC about the AAS Degree Program in Forest Technology.

6. COMMITTEE BUSINESS/REPORTS

A. Center for Integrated Learning and Information Technology -- An Update, Dean Max Seel

Seel said that in difficult financial times, new building proposals are unpopular; hence, he is committed to meeting with all campus constituencies to keep them up-to-date on the proposed Center for Integrated Learning and Information Technology (CILIT). At least since 1986, efforts have been underway to expand both Fisher Hall and the Van Pelt Library; this proposal addresses both needs. All Michigan Tech students spend most of their time in their first two years at Michigan Tech in these buildings, yet these buildings are in the worst condition of any on campus. It is time to do something for instructional facilities and for the departments of physics, computer science and math, all of which are housed in Fisher Hall.

In September 2001, Governor John Engler authorized planning for this project. This was the only new higher-education project of this type authorized by the governor in 2001. The state funds for this project cannot exceed $25 million. The project costs have been cut from $70 million to $60 million. Engler required Michigan Tech to work with Michigan Virtual University on this project to provide access to high technology and advanced technological training. This was already part of the proposed project.

This project will both provide both new program space and renovate existing space. The project will be a showcase for a unique integration of instructional research and development and information competencies; it will integrate the modern function of a library with laboratory, office, and teaching space. Every other university in Michigan now has a new science building and a new library.

In addition to the $25 million commitment by the state, the project has attracted a $5 million gift from John and Ruanne Opie for the library and a $5 million gift from Kanwal and Ann Rekhi for new computer science facilities.

The project has to be pursued in two phases. Phase one will consist of renovating and upgrading the library, adding new space for computer science, creating high-tech distance-learning classrooms, and creating two additional classrooms. Phase two will consist of the main renovation of Fisher Hall and the creation of additional classrooms, space for math, physics, and the library, and a connection from Wadsworth Hall across U.S. 41 to the CILIT.

The project will include renovation of the current 58,000 assignable square feet (ASF) and the construction of an additional 33,000 ASF. Computer science currently has 6,700 ASF; the project will create 20,000 new ASF for computer science. Hence, in phase one, there will be some relief for physics and math because 6,700 ASF currently occupied by computer science will be made available to these departments. The entire project will include $20 million in new construction, $9 million for equipment, and $13 million for other expenses, such as site services (water, sewer, communications, etc.) and renovation.

Phase two will include both renovated and new space for both math and physics. Phase two will involve an additional 100,000 ASF in new or renovated space.

At the Board of Control's December 14 meeting, Seel will solicit approval for professional services for schematic development. Initially, 11 firms were considered. Four of these were invited to make presentations on campus; one of these firms has been selected for schematic development. This will take about three months. The schematic will then be presented to the state for final building approval. Phase one should be ready to open in the fall of 2005.

The project will add a total of about 100,000 new square feet. It costs about $5 per square foot to maintain buildings (including heat, lighting, etc.). Hence, it will cost about $50 per semester per student to operate this new facility. Thus, beginning in the fall of 2005, about $50 per student per semester will need to be set aside to operate this new facility. Seel has met with the Undergraduate Student Government and with the Graduate Student Council. They understood the need for this method of funding the project.

Seel asked for questions.

Senator Jim Pickens said that the available funding was $35 million, but the proposal only scheduled to spend $33 million.

Seel said that planners did not want to exceed the 25 percent match.

Senator Bruce Barna asked if Seel's overheads could be made available to the senate.

Seel said that he could forward a pdf file of his overheads to the senate.

B. Michigan Tech Enterprise Smart Zone (MTEPS) Board -- Faculty Representative Report, Kelly Strong

Keen introduced Senator Kelly Strong, the faculty representative to the MTEPS Board.

Strong said that approval of the MTEPS agreement is on the agenda for the Board of Control's December 14 meeting. Strong has spoken with everyone involved in initiating this project and has read all of the agreements. There should be no major surprises, but there are a few things the senate should be made aware of.

Article II of the agreement defines the rights and obligations of the Michigan Economic Development Corporation (MEDC), which will supervise establishment of MTEPS. The MTEPS Board includes two representatives from Michigan Tech (Strong and Vice President for Research Dave Reed), two from the City of Houghton, two from the city of Hancock, and one from the Keweenaw Industrial Council. Section 2.03 of Article II defines the rights and obligations of the state, including the core community investment (CCI) loan commitment, the loan the MTEPS will receive from the state. The MEDC shall loan core communities initiative funds to the authority--the Local Development Financing Authority (LDFA), which consists only of the cities of Houghton and Hancock and excludes Michigan Tech, since Michigan Tech does not have any taxing authority--in the amount of $2 million in accordance with the terms of the financing agreement. Hence, the state will loan MTEPS $2 million to be administered under the agreement of the LDFA, of which Michigan Tech is not a part.

Article III of the financing plan, "Authorized use of CCI loan proceeds," defines how the loan will be used: "Proceeded from the CCI loan received by the authority [the LDFA] may be expended or disbursed by the authority in the following manner to the extent not inconsistent with the agreement: To fund the purchase within twelve months of signing of the agreement by the authority or the Michigan Tech Enterprise Corporation [MTEPS] of a facility to be used by a business incubator." Thus, the state loans the LDFA $2 million, which the LDFA uses to purchase a building, which is then given to MTEPS.

Strong asked for a copy of the tax-increment financing development plan because Michigan Tech is not represented on the LDFA, which developed this plan. This plan indicates that the proceeds of the $2 million loan will be used to purchase the Republic Bank building in Hancock (which will serve as the business incubator) "consistent with the articles in the economic development financing agreement." This agreement says that the LDFA will purchase the Republic Bank building for not more than X dollars. Hence, the MTEPS agreement includes a commitment to purchasing the Republic Bank building. This made Strong nervous, until he found that the state will not lend the LDFA money until they have a target property to acquire. The Republic Bank is the target property; however, the LDFA is under no obligation to purchase this building--an alternative building could be selected.

A second concern is university programs and participation under the MTEPS agreement. "The University shall develop and implement programs designed to foster the use of the Smart Zone, including business incubator and development of other high-technology enterprises located within the certified technology park [Houghton and Hancock] including the following: (1) a program to support student involvement; (2) assistance in identifying students for potential employment; (3) intellectual property protection for technologies involving the university; for tenants of the business incubator [non-University affiliated], (1) nonexclusive access to meeting facilities; (2) access to university sport and health facilities; (3) access to library opportunities; (4) opportunities to obtain faculty appointments; and (5) opportunities for involvement in University-base research activities."

Senator Steve Seidel said that the Michigan Tech library's licenses for databases and other electronic resources do not allow the university to provide anyone of the university's choosing access to those resources. They are strictly academic resources, and they are priced with academic pricing. It is very expensive to provide the electronic resources Michigan Tech's library has on an open, commercial basis. Michigan Tech would be in violation of its license agreements if it adopted this proposal.

Provost Wray said that the university would honor the terms of its licensing agreements.

Keweenaw Research Center Director Jay Meldrum said that "access to library opportunities" doesn't necessarily mean free access; if tenants of the business incubator need to pay for such access, they will. The entire business incubator should pay for itself.

Seidel said that the wording in the agreement suggests that the university would be responsible for providing these resources.

Meldrum said that if the people accessing these resources were students or faculty, there would not be a problem.

Seidel said that this was generally true; however, it was questionable whether or not students or faculty could legally use these resources to run a business.

Senator Bruce Pletka asked why the agreement guaranteed tenants of the business incubator opportunities to obtain faculty appointments, since anyone has such opportunities by applying for posted positions.

Executive Director of MTU Corporate Services Pete Radecki said that part of the requirements for the original proposal to the state was demonstrating connections between the university and the Smart Zone. Hence, those who drafted the proposal tried to include things that the university already does. At the point at which an agreement is approved, these items will need to be further detailed.

Pletka said that in his department (materials sciences and engineering) adjunct faculty pay less money for use of university facilities than do regular faculty. This might have implications for the university's commitments under the MTEPS agreement.

Strong said that "opportunities to obtain faculty appointments" guaranteed that tenants of the business incubator would not be prohibited from teaching at Michigan Tech. He assumed that anyone running a full-time business would not have time for any Michigan Tech appointment other than as adjunct faculty.

Meldrum agreed.

Strong said that he would add concerns about library access and faculty appointments to his list of issues to present to the Board of Control.

Strong continued to read excerpts from the description of university programs and participation under the MTEPS agreement: "Use its best efforts in collaboration with MTEPS to establish an on-campus advanced technology development center, including facilities for student programs and an incubator where the said incubator may be a public-private partnership, no later than December 31, 2004." This commits the university to developing a new building on campus. "Assist the MTEP in establishing a marketing outreach program for Michigan Tech Enterprise no later than January 1." This entails in-kind services, such as publicity.

Strong said that he hoped that his concerns could be communicated during the senate officers' meeting with the Board of Control immediately prior to the board's December 14 meeting rather than during the board meeting itself. He encouraged the senate to pass a resolution recommending approval of the MTEPS agreement with the following comments:

(1) "No university funds from ANY source be designated for the purchase, operation, or maintenance of the Republic Bank building or any other off-campus incubator." Strong said that this was Ventures language and that he is confident that the board shares this concern.

(2) "That the board be cognizant of potential conflict of interest regarding the purchase, operation, and/or leasing of the on-campus incubator." The purchase, operation, and/or leasing of the on-campus incubator could create bad publicity for the university. Under the current arrangement, the state will loan $2 million to the LDA; the LDA will pass that money to MTEPS, which will buy the Republic Bank building (or some other off-campus incubator); MTEPS will then sell this building to Bronce Henderson--a member of the Board of Control--who undertakes the operation and management of the building and leases it to the businesses that are housed therein. This could look bad in the media; however, there is a legitimate reason for this arrangement. Neither the university nor the cities of Houghton and Hancock want to take any financial risk--someone has to take risk. Hence, Henderson is taking the risk. He has recused himself from all Board of Control deliberations regarding MTEPS and has followed the university's conflict of interest policy. This arrangement has all been open and documented, but we all must be sensitive to appearances and their effects on the university's reputation.

(3) "The best efforts be made by MTEPS to provide low-cost or no-cost space for student incubator projects in the interim between purchasing the off-campus incubator and the construction of the on-campus incubator." The off-campus incubator is not intended for student business ideas. Strong has encouraged the cities of Houghton and Hancock to make available to students some low-cost incubator space in the next three years so that students who have business ideas can try to commercialize those ideas. The cities have agreed to do this.

(4) "Any non-university-affiliated tenants of the ATDC (Advanced Technology Development Center) pay market rent and contribute toward the operating maintenance and other annualized costs required for the use of the building." That would include Northern Initiatives, the Keweenaw Industrial Council, business-planning services, and so on.

(5) "That the ATDC construction costs be entirely externally funded, including construction financing and debt costs." That is the current plan, using foundation grants and economic development grants that are not available for educational purposes. Strong said that another concern is the nature of the university's land contribution. The ATDC will be built on university land, but it will be owned by MTEPS, which will lease space to both university and non-university tenants.

(6) "The minimal university operating funds be allocated to the annual operation and maintenance of the ATDC, and that the appropriate University Senate committees be included in the decisions regarding the operating budget of the ATDC " The annual operation and maintenance costs are projected to be $150,000 per year. Some of these costs will be paid by tenants and by grants, but some university funds may also be needed.

In light of concerns raised by Seidel, Strong added a seventh item to his list:

(7) "The university abide by licenses for academic software and library resources."

Seidel said that Strong had composed a lengthy resolution.

Strong said that the resolution would be to recommend approval of the MTEPS agreement, not to amend the agreement, which would require a lengthy process. The cities of Houghton and Hancock and the State of Michigan have already approved the agreement. Hence, Strong said that he would prefer to offer a commentary to the Board of Control, calling their attention to the above concerns.

Strong presented an overhead showing the proposed location of the ATDC at the corner of Sharon Avenue and Garnet Street. As incubated student or faculty projects become marketable, they will move from the Phase I student incubator space to the developer side of the ATDC as ongoing, rent-paying small businesses. That space doesn't need to be built yet, because the university doesn't yet have any businesses that fall into that category.

Senator Dana Johnson asked if some of the $2 million was designated for operating expenses and hiring. She asked what the asking price was for the Republic Bank building. She said that the Michigan Economic Development Corporation has restrictions on interest rates, provisions for loans, and so forth. She asked if MEDC is fully aware that the off-campus incubator building will be purchased by MTEPS with the $2 million loan and then sold to Bronce Henderson's company, which is as for-profit corporation.

Radecki said that the agreement with Henderson's company is not a purchase agreement; it's a lease agreement with a purchase option at the end of sixteen years. This has been discussed with MEDC and is consistent with the Core Communities Initiative Program, with the Smart Zone Program, and with the relevant legislation. The purchase price for the Republic Bank building is currently under negotiation. The price will be less than $2 million and will allow funds within the loan to initiate operation of the center, including hiring a director. The loan will be repaid through the tax capture that occurs over the course of the program. The tax capture is based on increase in property values over time; hence, less is generated in earlier years of the program and more in later years. This is why the loan is needed.

Johnson said that as a Michigan Tech alumna who witnessed the problems with Ventures, this project raises a lot of red flags in her mind.

Strong said that the $2 million loan was split $1,776,000 for purchase of an off-campus business incubator and $224,000 for operating expenses. Houghton City Manager Scott MacInnes told him that this arrangement required a waiver from MEDC because MEDC usually doesn't grant Core Community Initiative funds for operating expenses.

Waddell asked if the various documents Strong had referred to could be linked to the University Senate's web site so that senators could examine them at their leisure.

Radecki said that he had copies of the documents, which had been compiled by Houghton City Manager Scott MacInnes, in electronic form and could make them available to Strong.

Strong said he would pass these documents along to University Senate Assistant Jeanne Meyers, who could post them on the senate's web site.

Seidel asked what would happen if the $2 million loan could not be repaid by tax captures.

Strong said that in this case, the loan would be converted to a grant and would not have to be repaid. Michigan Tech will not be responsible for any of the risks associated with the off-campus business incubator. Bronce Henderson's company will be responsible for any risks associated with operating costs.

Senator Bruce Barna asked if Michigan Tech would lease any space in the Republic Bank building.

Strong said that Michigan Tech would not.

Barna asked if Michigan Tech would be prohibited from leasing such space.

Radecki said that Michigan Tech would not be prohibited from leasing such space.

Barna said that he asked this question because during the Ventures years, one of the ways that state money was laundered into private money was by converting buildings into Ventures buildings and then leasing them to Michigan Tech at rates set by people who controlled Ventures.

Strong said that in the current situation, safeguards include the participation of the cities of Houghton and Hancock, which are regulated by law and have open, public meetings. Purchasing Republic Bank for the business incubator makes sense in part because the building is already 35 percent leased, which provides some immediate cash flow.

Senator Deb Bruch asked if there was any formal method of accountability.

Strong said that there would be annual audits by the State of Michigan. Also, the tax-increment financing plan, which describes both the uses and the proceeds of the tax capture, has to be amended every year. Hence, every year, there will be a public hearing on the operation of the LDFA.

Bruch asked how this was different with Ventures.

Strong said that Ventures had no state oversight.

Keen said that he believed it took a search warrant to access Ventures' records.

Strong said that Ventures was a private organization that could buy and sell real estate using money funneled through Michigan Tech. With MTEPS, none of the money will come through Michigan Tech; it all goes through the Local Development Financing Authority, which is run by the cities.

Johnson said that even though Michigan Tech is not making a financial commitment, the university's name is attached to the project. Hence, we have to be cautious about how this affects the university's reputation.

Strong said that he shared this concern. He is not opposed to Bronce Henderson contracting for the operation of the Republic Bank building because it relieves risk from other parties. However, everyone concerned must be open and fully disclose the operation of MTEPS or we will create the perception that something illicit is taking place.

Waddell asked if when Strong said that Henderson's company would absorb the risks associated with the Republic Bank building he meant that the company would absorb the risks associate with operation costs, not the risks associated with the $2 million loan.

Strong said that that was the case. If it costs $500,000 to operate the building, but there is only $100,000 in rent income, someone has to make up the difference. That will be one of Henderson's companies--his real estate holding company.

In response to Johnson's concern, Radecki said that the university has a unilateral right to withdraw its name from MTEPS for any reason.

Strong said that Michigan Tech had insisted on this point, which created some ill feelings with the cities.

Johnson said that even if Michigan Tech withdrew its name, there would still be the affiliation with Henderson, who is both a Michigan Tech alumnus and a member of the Board of Control.

Senator Jim Pickens said that when the senate discussed MTEPS last year, many concerns were raised about conflict of interest. The senate asked that the MTEPS conflict of interest policy be a direct analogue of the Michigan Tech conflict of interest policy. He asked what conflict of interest policy had been adopted.

Strong said that there is currently no policy in place. The draft policy will be reviewed on December 17, but the Michigan Tech Enterprise Corporation doesn't exist yet and can't exist until the Board of Control approves the agreement. Hence, there is no corporate body that can enforce a conflict of interest policy. The draft policy is virtually identical to Michigan Tech's conflict of interest policy. As a board member, Henderson is already bound by Michigan Tech's conflict of interest policy.

Barna said that he would not be concerned about the proposal if it were not for the fact that Henderson is a member of the Board of Control. It would be safer if this were not the case. He asked it this should be part of the senate's recommendation to the Board of Control.

Keen asked if there were objections to Strong communicating to the Board of Control the concerns that he had outlined. There were none. Keen asked Strong to communicate these concerns on behalf of the senate to the Board of Control.

7. UNFINISHED BUSINESS
A. Proposal 11-02, Minors in Modern Languages [Appendix J]
Bruch MOVED and Strong seconded the motion to approve Proposal 11-02. Keen said that this proposal was brought forth with a positive recommendation from the Senate Curricular Policy Committee and a recommendation indicating no cost from the Senate Finance Committee. Keen called for discussion. There was none. The motion to approve PASSED on a voice vote with no dissent. Keen said that he would forward the motion to the administration for their approval.

B. Proposal 12-02, International Minors in Modern Languages [Appendix K]
Keen said that this proposal was brought forth with a positive recommendation from the Senate Curricular Policy Committee and a recommendation indicating no cost from the Senate Finance Committee. He asked for a motion to approve. Senator Dickie Selfe MOVED and Senator Susan Martin seconded the motion to approve Proposal 12-02.

Strong asked if candidates for a minor need to be degree-seeking students.

Waddell said that they did.

There was no further discussion. The motion to approved PASSED on a voice vote with no dissent. Keen said that he would forward the motion to the administration for their approval.

C. Proposal 13-02, Enterprise Minor [Appendix L]
Keen called for a motion to approve proposal 13-02. Senator Bill Gregg MOVED and Bruch seconded the motion to approve Proposal 13-02. Keen said that this proposal was brought forth with a positive recommendation from the Senate Curricular Policy Committee and that the Senate Finance Committee was currently circulating a report.

Barna summarized the report of the Senate Finance Committee. **[Appendix M]** Barna said that the Senate Finance Committee had been unable to conduct a complete financial analysis of the proposal because some of the information submitted to the committee was not in a form that would allow for such an analysis. The committee had strong reservations about the proposal's claim that no additional university resources would be required to deliver this minor. The committee recommends that the proposal be amended to address these reservations and resubmitted. Particularly, the proposal involves a large number of small-enrollment directed-study or capstone courses, which are faculty intensive. The proposal presumes that additional industrial funding will be available to handle this additional expense. It is not clear, however, either that this additional funding will be available or that the current level of funding will be maintained. Michigan Tech has a history of taking on programs that rely on external funding--for example, Whitaker funding for the Department of Biomedical Engineering--and then when the grant expires, the university is stuck with the bill.

Keen said that one of the proposers said that the program depends absolutely on external support.

Johnson said that she was concerned about accountability of spending in the enterprise programs, including overspending.

Strong said that he believed that the Enterprise Program was intended to provide an option to taking senior design, which would suggest that the proposed program would award students a minor simply for completing the requirements of their major.

Senator Lee Oberto said that the full Enterprise Minor included more than just the enterprise option to senior design. He said he believed that the full minor entailed 16 credit hours.

Johnson said that these requirements need to be clarified.

Barna asked if the Senate Curricular Committee had a report on this proposal.

Senator Bill Gregg said that the Senate Curricular Committee viewed this proposal as an attempt to involve non-engineering majors at Michigan Tech in the Enterprise Program. The committee also determined that the proposal met the requirements for minors established by the university. The committee didn't consider cost issues, since this is not their charge. However, since the proposal is only an extension of existing courses, the committee didn't believe that it would involve additional costs.

Selfe said that many scientific and technical communication majors are interested in consulting and entrepreneurial work; this program would provide them with another means of receiving training in these areas. If the proposal would only add a few more people to already small courses, there should be no additional cost.

Senator Mike Roggemann said that the electrical engineering enterprise program is popular with students, and the university should support programs that are both educational and popular with students. Also, we shouldn't avoid doing things that require additional funding if these things are attractive to students and provide a richer intellectual environment.

Senator Carl Vilmann said that the university has two years of successful experience with enterprise programs; hence, documentation on the costs of running such programs should have been included in the proposal. He doesn't object to spending more money on worthwhile programs, but he would like to know how much money is involved.

Roggemann said that in electrical engineering, one faculty member carries the weight of most of the enterprise program.

Vilmann said that in mechanical engineering, some faculty are assigned to teach enterprise courses, and this assignment constitutes half of their teaching load.

Roggemann said that this cost exists as part of the major. The question is, what additional cost--if any--would be entailed in developing an enterprise minor.

Strong said that he teaches two one-credit courses in the Enterprise Program. Currently, this is not part of his regular teaching load. Hence, he receives deferred summer compensation for teaching an overload during the regular academic year. If there were 6-7 students in a one-credit course, he would be happy to teach it; but if there were 36 students in the course, more compensation would be needed to attract instructors. Without knowing how many additional students might be attracted to these courses by the addition of a minor, it would be difficult to determine what the cost of the proposed minor will be.

Barna said that the associate dean of engineering had told the Department of Chemical Engineering that an enterprise load represents a one-half-time commitment for one faculty.

Senator Jim Pickens said that he didn't know if the cost of an enterprise minor would be large or small, but he believes that the senate needs to know what costs will be before approving anything. He also said that small capstone classes involve twice as much work if one teaches ten students rather than five.

Senator Ruth Archer said that she believed that enrollment in enterprise courses would continue to grow with or without the addition of an enterprise minor.

Roggemann said that he believed that the primary market for this minor would be non-engineering majors, which he viewed as a good thing.

Keen suggested that the senate vote to return the proposal to the Senate Finance Committee and that that committee work with the proposers to develop a more complete assessment of the financial implications of the proposed minor.

Pickens so MOVED.

Johnson MOVED to table, and Vilmann seconded the motion.

Roggemann asked if there were any time constraints on the proposal, such as for advertising the program for next fall.

Keen said that the time urgency was associated with the deadline for the undergraduate catalog.

Johnson said that these were two separate issues.

Vilmann asked if there was a motion to table.

Keen said that the motion was to return the proposal to committee.

Vilmann said that Johnson had moved to table and he had seconded the motion.

Keen said that Pickens had made a previous motion.

Pickens said that tabling a motion was a way of killing a proposal or at least delaying doing anything about it. If a tabled motion isn't addressed at the next meeting, it's defunct.

Johnson seconded Pickens' motion to return the proposal to the Senate Finance Committee for further information.

Barna suggested sending the proposal back to the proposers because the Finance Committee doesn't have access to the requisite information.

Pickens said that, procedurally, the senate needs to return the proposal to the Finance Committee, but the senate should also communicate to the proposers that if they wish to move this proposal out of the Finance Committee, they need to provide the committee with the requisite information.

Gregg asked that the Finance Committee separate the costs of running all of the preexisting enterprise programs from the cost of adding an enterprise minor.

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

8. NEW BUSINESS
A. Veto of Proposal 3-02, Elimination of the AAS Degree Program in Forest Technology [See Appendix D]
Keen said that this was the first time there has been a presidential veto of a senate proposal. The senate constitution says that a veto can be overridden by a two-thirds majority vote of the eligible senators, which in this case are the academic senators. If the senate votes to override President Tompkins' veto of Proposal 3-02, Keen will make a presentation to the Board of Control arguing the senate's case for not

discontinuing the associate's degree in forest technology. Keen said he had asked the School of Technology whether they thought the senate should vote to override the veto. He asked Senator Larry Sutter to convey the School of Technology's response to the senate.

Sutter said that the School of Technology does not want to eliminate this program. However, there is no better alternative. If the veto is overridden and the Board of Control agrees to maintain the associate's degree in forest technology, then the School of Technology would have to cut 5 percent of its budget elsewhere, and there is no better place for the school to cut this 5 percent. Hence, the School of Technology does not urge the senate to override this veto.

Johnson asked Keen to again display the text of the veto as an overhead projection. Keen complied. Referring to the text of the veto, Keen said that President Tompkins suggests that the alternative would be eliminating the associate's degree in chemical engineering technology.

Johnson said that the School of Technology had been considering a four-year degree in chemical technology. She asked if this degree would be developed if the associate's degree were eliminated.

Sutter said that it would not be.

Barna asked if budget cuts had to be done on a college-by-college basis. Inherent in this veto is the assumption that each college has to cut its budget by 5 percent. He asked if some of the proposed budget cuts might be made elsewhere, such as in the Rozsa Center or in the administration. He said that the same situation occurred with the athletic program.

Keen said that the athletic programs have been cut, and the Athletic Department will find funding elsewhere to field tennis and cross-country ski teams.

Johnson asked how many faculty would be eliminated respectively by the elimination of the associate's degree in forest technology and the elimination of the associate's degree in chemical engineering technology.

Keen said that there is one untenured tenure-track faculty member in the forest technology program, and there are two untenured tenure-track faculty members in the chemical engineering technology program.

Seidel said that the senate has received information about the forest technology program and, hence, has made an informed decision about the future of this program. The senate has not, however, received any information on the chemical engineering technology program and, hence, is not in a position to make an informed decision about this program. He also asked why the 5 percent budget cuts must be made by cutting degree programs rather than by some other means.

Keen said that schools and colleges were directed to make 5 percent budget cuts by whatever means they chose, and this is what the School of Technology chose. The senate can ask the Board of Control to reconsider the president's veto, but, in effect, the senate would be telling the School of Technology that they would have to make a 5 percent cut elsewhere. If it wishes, the senate can comment on the wisdom of making budget cuts on a college-by-college basis.

Keen asked that the senate stick to the question of whether or not it wished to overturn the president's veto of Proposal 3-02. He asked if there was a motion to appeal the president's veto to the Board of Control. There was no motion. Hence, the veto remained uncontested.

B. Proposal 14-02, Board of Control Policy for Financial Emergencies [Appendix N]

Keen said that since he must take an advocacy role with respect to this proposal, he would turn over the chair of the senate to Vice President Christianson.

Keen said that the question of how the university should respond to financial emergencies has been under discussion for about fifteen years. In about 1985, the senate passed a proposal on this topic to the administration. That proposal was neither approved nor disapproved by the administration. This same proposal was brought to the attention of the administration during the financial emergency of 1991, and the administration chose to ignore it. Hence, in 1997, the senate approved the establishment of an ad hoc committee on separation. As a result of this committee's work, the senate approved proposals addressing the following subtopics: (1) Board of Control policy for handling financial emergencies; (2) administration policy and procedures for handling financial emergencies; (3) financial problems that must be resolved within one to six week--defined as crises; (4) financial problems that must be resolved within one year--defined as stress.

Keen said that the senate transmitted these proposals to the administration in the fall of 1998. There has been continual communication between the administration and the chair of the ad hoc committee since that time. The proposals have gone through three different provosts, to the university's lawyers at least three times, and to the president at least twice. Keen distributed Proposals 14-02, 15-02, and 16-02, which he said were the final result of this process. He said that to the best of his knowledge, the faculty and the staff had given away nothing in the revised proposals. The procedures have been streamlined to allow more flexibility in the case of a financial emergency. The long policy statement for the Board of Control has been condensed to four paragraphs of Proposal 14-02, which (1) indicates that the Board of Control will direct the president, in cooperation with the senate, to develop procedures for handling financial emergencies based on three or four guidelines; and (2) indicates that the Board of Control has the power to do as it chooses. The university attorney felt that the Board of Control should be reminded of this fact in the policy statement.

Keen MOVED and Roggemann seconded the motion to approve Proposal 14-02.

Senator Dave Chesney said that he was a member of the ad hoc committee on separation and was proud of the four original proposals that the committee had brought to the senate (Proposals 01-99 through 04-99). He disagreed with Keen's claim that the faculty and the staff had given away nothing in the revised proposals. He said that there have been substantive changes in the proposals, yet these changes had not been discussed by the ad hoc committee. He asked if the ad hoc committee was defunct.

Keen said that it was.

Chesney asked who was bringing these proposals to the senate.

Keen said that they were being brought to the senate by the administration. The proposals have been negotiated between the senate officers and the administration; now they have returned to the senate with the modifications that the administration considers necessary.

Chesney asked if Keen meant that these proposals had been submitted to the senate by the administration as senate proposals.

Keen said that the senate officers can receive proposals from anyone and assign them a number. This is consistent with the senate constitution. Keen asked Chesney what substantive changes he believed had been made in the proposals.

Given that only 15 minutes remained in the meeting, Chesney moved to table the discussion until the next senate meeting so that he, Keen, and others could confer on the issues without taking up the time of the full senate.

Keen said that he would be happy to do that with the two procedural proposals (15-02 and 16-02), but that if there were problems with Proposal 14-02 (Board of Control Policy for Financial Emergencies), now would be the appropriate time to discuss them.

Chesney said that he objected to the inclusion of the last paragraph, which indicates that the Board of Control has the power to do as it chooses. He said that the members of the Board of Control know that they can ignore the procedures described in this proposal; they don't need to be reminded by the senate, and the senate should not put this in writing. The proposal looks like it was not written by the senate. It says, "The Board directs the President"; that sounds like a proposal from the board.

Keen said that that's why it's called "Board of Control Policy for Financial Emergencies."

Chesney said that the original Board of Control Policy didn't have that kind of wording in it.

Keen agreed that it did not. He said that this proposal was an attempt to get the senate's concerns before the Board of Control.

Chesney asked if this proposal (14-02) would then precipitate action on the other two proposals (15-02 and 16-02).

Keen said that 14-02 directs the president to act in cooperation with the senate.

Chesney said that this hadn't happened to this point.

Keen said that this was correct.

Chesney said that in that case, he supported proposal 14-02, but that he still objected to the last paragraph.

Keen said that he was not happy with the last paragraph either, but that without that paragraph, the proposal would be rejected by President Tompkins and, hence, wouldn't go to the Board of Control; in which case, the university would be left with no policy or procedure for handling a financial emergency, and the Board would be able to do whatever it wanted to do.

Chesney said that this was a Catch-22 situation.

Keen agreed and said that this was dictated by the Constitution of the State of Michigan: the Board of Control can do as it pleases.

Strong asked if there was any precedent for the senate establishing Board of Control policy.

Keen said that there was. For example, the senate constitution is Board of Control policy, yet it was written by the senate and presented to the board for their approval.

Gregg asked if proposals 14-02, 15-02, and 16-02 were list A or list B items.

Keen said that they are list B items because they address financial policies, which fall within the purview of the administration and the Board of Control. The senate can only make recommendations on such matters.

Gregg said that the senate had sent the administration its recommendations on these matters, and the administration had modified those recommendations to make them consistent with the state constitution and the board's authority. He asked if it was necessary for the senate to now approve these modifications.

Keen said that it wasn't. He said that Proposal 14-02 (but not Proposals 15-02 or 16-02) is on the agenda for the Board of Control's December 14 meeting. It would be prudent for the senate to support this proposal.

Strong asked if the original proposals had been submitted under different numbers.

Keen said that they had been. Given the degree of modification and the amendment to the senate constitution that eliminates old proposals, it was appropriate to assign new numbers to these proposals.

Pickens said that years ago, the university's previous attorney had modified the original proposals exactly as the university's current attorney has modified the current proposals. The policy is not perfect, but the university needs a policy on how to respond to financial emergencies. The senate should support Proposal 14-02.

Barna referred to the last sentence of the third paragraph of Proposal 14-02: "Where layoffs of tenured faculty may be necessary, the procedures shall require reconfiguration of academic programs and specific Board approval." He asked why this needed to be included since procedures for laying off tenured faculty are already covered by tenure law.

Keen said that tenure policy defines several ways in which tenured faculty can be laid off. For example, tenured faculty can be laid off for cause (e.g., moral turpitude), and they can also be laid off in cases of financial exigency. Hence, the Board of Control can lay off tenured faculty in cases of financial exigency; these proposals are intended to provide an orderly and rational mechanism for doing so. Keen said that the American Association of University Professors (AAUP) also provides guidelines for how to terminate tenured faculty in a financial emergency.

Chesney said that Keen had missed an essential point in Barna's question. The subsequent two proposals--15-02 and 16-02--say that in a financial crisis, tenured faculty can only be laid off through the reconfiguration or elimination of academic programs. This provision was included to create an obstacle to random elimination of tenured faculty under the auspices of financial emergency.

Strong called the question.

The motion to approve PASSED on a voice vote with no dissent.

Additional Discussion

Barna asked if Keen would describe how he would present to the Board of Control the controversy regarding the proposed merger of the Department of Biomedical Engineering and the Department of Chemical Engineering.

Keen said that he would emphasize the point made by Senator Christ Ftaclas that last May, the administration urged the senate to approve creation of the Department of Biomedical Engineering. Now, just five months later, the administration is urging the senate to eliminate this department, and the senate is not prepared to do so. Other issues include the viability of a program in biomedical engineering within its own department versus within the Department of Chemical Engineering.

Pickens said that a related issue is that the untenured, tenure-track faculty member in forest technology started on the payroll in August and is now faced with the loss of employment due to the elimination the AAS degree in forest technology. This suggests inconsistency in institutional direction.

Barna said that some institutions in Michigan have laid off tenure-track and tenured faculty. Those institutions have paid a steep price for this action in terms of recruiting new faculty. To some extent, Michigan Tech has suffered for this as well: there was a period of time when some faculty would not come to the State of Michigan as a result of some of Michigan State's activities along these lines.

Keen said that he would make this point to the Board of Control during the meeting between board members and senate officers immediately prior to the Board's December 14 meeting.

9. ADJOURNMENT

Strong MOVED and Pletka seconded the motion to adjourn. The meeting adjourned at 7:28 p.m.

Respectfully submitted by Craig Waddell
Secretary of the University Senate