THE UNIVERSITY SENATE OF MICHIGAN TECHNOLOGICAL UNIVERSITY

Minutes of Meeting 383

26 March 2003

Synopsis: The Senate

1. heard that Blair Orr was elected to the Faculty Distinguished Service Award Committee.
2. elected Kathy Halvorsen to the Faculty Distinguished Service Award Committee.

President Bob Keen called University Senate Meeting 383 to order at 5:33 p.m. on Wednesday, 26 March 2003, in Room B45 EERC.

1. ROLL CALL OF SENATORS
Secretary Craig Waddell called roll. Absent were representatives from Electrical and Computer Engineering, ME-EM, and the Keweenaw Research Center. Liaisons in attendance were Karl Haapala (GSC), Alex Helmboldt (USG), and Becky Christianson (Staff Council).

2. RECOGNITION OF VISITORS
Visitors included Kent Wray (Provost), Christa Walck (Conflict of Interest Coordinator), Ginny Schaller (Copper Country United Way), Ted Soldan (Fine Arts), Alice Soldan (Biological Sciences), Pam Eveland (Budget and Planning Office), and Marcia Goodrich (Tech Topics).

3. APPROVAL OF AGENDA
Keen presented the agenda for meeting 383 and proposed inserting between the current items 6.A and 6.B comments on the budgeting process by Provost Wray. There were no additional 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 MEETING 381
Keen presented the minutes from meeting 381 and asked for corrections or amendments. There were none. There were no objections to approving the minutes as presented.

5. PRESIDENT'S REPORT
Keen said that Provost Wray had sent a memo to the senate indicating that Michigan Tech's varsity football program had been eliminated. [Appendix B]

Keen reported that the faculty had elected Blair Orr to serve a three-year term on the Faculty Distinguished Service Award Committee.

Keen said that some departments had scheduled evening exams that conflict with regularly scheduled evening courses. He said that there is a problem with the current policy on evening exams in that students sometimes fail to report to their instructors conflicts with proposed evening exams. He said that the current evening exam policy will most likely be reviewed by the senate's Instructional Policy Committee.

The Senate will meet informally with President Tompkins on Wednesday, May 7, from 3-5 p.m. in Ballroom B of the MUB.

The Tenure and Promotion Policy has been returned from the university attorney and has been reviewed by the provost and by Debbie Lassila (the associate director of Human Resources). It
is currently under review by Tom Snyder from the University Tenure Committee. This policy should soon be reviewed by the full Tenure Committee and then by the University Senate.

Keen said that senate officers had met as usual with BOC members prior to the Board's March 14 meeting. This meeting was attended by Keen, Senate Vice President Becky Christianson, BOC Chair David Brule, BOC Vice Chair Rodger Kershner, and BOC Member Mike Henricksen. Keen said that due to a teaching conflict, Senate Secretary Craig Waddell had been unable to attend. Keen said that he and Christianson asked BOC members their perceptions of the morale of Michigan Tech employees. The BOC members were under the impression that employee morale was good; Keen said that he and Christianson corrected this impression.

Keen said that the BOC is considering its own conflict of interest policy, and Michigan Tech's attorney is reviewing the COI policy for the University of Michigan's Board of Regents [available at www.umich.edu/~regents/bylaws/bylaws01.html#14] as a possible model for Michigan Tech's BOC. The BOC members believe that this is a good time to consider such a policy because the possible conflicts of interests created by former BOC Vice Chair Bronce Henderson's involvement with the Michigan Tech Enterprise Park have been terminated.

Keen said that he and Christianson had asked the BOC members present at the meeting if they were aware prior to their renewal of President Tompkins's contract that the Michigan Tech administration is subject to a quadrennial evaluations by all Michigan Tech employees. The BOC members present were not aware of this fact. Keen said that the senate needs to help educate new BOC members about the nature of the university. Keen said that the BOC was under a legal obligation to renew President Tompkins's contract this year. However, BOC Vice Chair Rodger Kershner assured Keen and Christianson that the president of Michigan Tech serves at the pleasure of the BOC.

The BOC members present at the meeting expressed some reservations about the quadrennial evaluation of university administrators by Michigan Tech employees. Employee comments may be submitted anonymously. BOC Chair Brule said that unless people are willing to stand behind their comments, people reading these comments tend to discount them.

Keen said that during his formal remarks at the BOC's March 14 meeting, he concentrated on the proposed 14-week semester. He emphasized that through the University Senate Constitution, which codifies shared governance, the BOC had given the faculty responsibility for a number of academic functions, including grading, tenure and promotion, academic freedom, and the academic calendar. He said that Professor John Crittenden had also spoken in favor of the proposal. The BOC tabled the proposal.

Keen said that, as he reported at the last senate meeting, he and Senate Finance Committee Co-Chair Larry Davis met with Provost Wray to encourage open communication with faculty and staff about the university's current financial problems. In response, the provost meet on Thursday, March 20 with the faculty and staff component (the three senate officers and the two co-chairs of the Senate Finance Committee, Bruce Barna and Larry Davis) of the Reconfiguration Committee, which is defined by Michigan Tech's Financial Emergency Procedures. That portion of the Reconfiguration Committee may continue to meet and may meet as well with other members of the university community. Keen asked the senate to designate which members of the six-member Senate Finance Committee should serve in this capacity in future meetings.

Senator Cindy Selfe asked who were the senior members of the Senate Finance Committee.

Keen said that Barna was the senior member, having served for six years on this committee.

Selfe nominated Barna.
Keen said that he was looking for a sense of the senate, not necessarily a vote. He said that in addition to Barna and Davis, the other members of the Senate Finance Committee were Don Beck, Jim Pickens, Anand Kulkarni, and Tim Malette.

Several senators suggested that the two co-chairs of the committee would be the appropriate representatives. Keen agreed. There were no objections to this suggestion.

Davis was not in attendance. Keen asked Barna if he would serve in this capacity. Barna said that he would.

Keen said that he had tried to facilitate communication about the university's financial problems among the various members of the university community. He said that a significant communication problem occurred when President Tompkins attempted to impress upon the Michigan State Legislature the gravity of the university's financial situation. The president's comments to the legislature were quoted in the Detroit News and described the prospect of "massive layoffs." This has created great alarm and consternation within the Michigan Tech community; however, this is what the legislature needed to hear. A similar situation occurred with the president's letter to alumni announcing the elimination of Michigan Tech's varsity football program; this letter also referred to layoffs of faculty and staff.

Keen said that President Tompkins and Provost Wray have developed procedures for improving communication within the Michigan Tech community.

Keen said that Senators Craig Waddell and Cindy Selfe are serving on a Communications Task Force, which is chaired by Vice Presidents Dale Tahtinen and Fred Hensley. The purpose of this task force is to encourage students, alumni, and friends of the university to communicate to the state legislature their concerns about the proposed budget cuts.

Keen asked if there were any questions.

Given the communication problems that Keen described and the need to educate new BOC members about the nature of the university, Senator Bruce Pletka suggested that Keen ask the BOC to meet with Michigan Tech faculty and staff to discuss the university's financial problems.

Keen said that at its last meeting, the BOC had difficulty making a quorum. One BOC member was attending her father's funeral, one may have been in bankruptcy court, and one either could not or did not attend. He said that he would try to make the arrangement that Pletka had requested.

Pletka said that he believed that it had been at least 8-10 years since any BOC member has met with faculty or staff. He said that many years ago, the BOC held roundtable discussions with faculty and staff.

Keen said that these meetings ended partly because these discussions tended to focus on faculty fringe benefits, and the BOC eventually heard enough of this.

Senator Cindy Selfe MOVED that University Senate President Bob Keen request that the Board of Control meet with the University Senate and other Michigan Tech faculty and staff to discuss the university's budgetary difficulties. Senator Tony Rogers seconded the motion.

Keen said that rather than going through an official vote, he would rather pass this request along informally to BOC Chair David Brule when he meets with him on April 10.

Selfe said that that wasn’t soon enough.

Keen said that he would be happy to communicate this request to the BOC.
Keen asked if there was further discussion of the motion.

Selfe said that she had made the motion not because she didn't believe that Keen would convey this request to the BOC but because she believes that the senate needs to exert leadership and go on record saying officially what the senate thinks should be done.

Senator Jim Pickens read the following excerpt from a letter to alumni about the elimination of Michigan Tech's varsity football program that President Tompkins had posted on Michigan Tech's Web site today: "We expect the proposed budget reductions to be permanent. Unfortunately, we will see elimination of academic programs, layoffs of faculty and staff, and radical reorganization of the entire university." Pickens said that this pretty well describes the definition of a financial crisis.

Senator Tony Rogers said that the prospect of layoffs of tenured faculty triggers the definition of a financial emergency.

Pickens said that the letter didn't mention tenured faculty.

Senator Don Beck said that the senate should not have to wait until the BOC comes to campus. He asked if the senate had an adequate budget to send Keen to visit BOC Chair Brule.

Keen said that Brule was on campus frequently. He asked if there was further discussion of the motion.

Senator Debra Bruch called the question.

The motion PASSED on a voice vote without dissent.

6. COMMITTEE REPORTS
   A. Elections Committee
   Keen reported that Kathy Halvorsen (Social Sciences) is a nominee for the Faculty Distinguished Service Award Committee. Keen opened the floor for additional nominees. There were none. There were no objections to electing Halvorsen by acclamation.

   B. Comments on the Budgeting Process -- Provost Kent Wray
   Provost Kent Wray said that over the past two weeks, he had had several discussions with Keen about the university's budgeting process. Also, as Keen mentioned in his report, Wray meet on Thursday, March 20 with the faculty and staff component of the Reconfiguration Committee. Subsequent to these meetings, Wray spent approximately five hours meeting with President Tompkins and conveyed to the president the suggestion that the administration have more open communication with faculty and staff about the university's current financial problems. He said that he would present the senate with a timeline for planning and actions that will precede the BOC's approval of Michigan Tech's FY 2004 budget.

   Wray said that the Budget Advisory Group (BAG), which advises the provost, has been working hard since the beginning of the Spring Semester with two subcommittees and the committee as a whole. The Differential Tuition Subcommittee has been especially hard working. This subcommittee has been examining a variety of ways in which to change the way in which Michigan Tech charges tuition, especially how tuition might be changed to accommodate the anticipated reduction in state appropriations. This subcommittee finished its work on Thursday, March 20.

   The BAG's second major effort has been reviewing all of the new budget requests that the various units submitted in February. This review should be completed on March 31.
Wray displayed a timeline indicating that the Michigan House Subcommittee on Higher Education Appropriations began its hearings process on March 19. President Tompkins was one of the five Michigan university presidents who testified before this committee. The subcommittee's last hearing will be held on April 9, after which time the subcommittee will submit its recommendations to the full Appropriations Committee, probably on about April 16. The Michigan Senate's Subcommittee on Higher Education Appropriations begins its hearings on April 23, concludes these hearings on May 14, and submits its recommendations to the full Senate Appropriations Committee about one week later. Wray said that if the two appropriations committees disagree in their recommendations, the matter will be submitted to the Conference Committee, which is composed of representatives from both appropriations committees. The purpose of this committee is to reach consensus on what the Michigan Legislature will submit to Michigan Governor Jennifer Granholm. Wray said that this process should be completed by about June 11.

Director of Planning and Budgeting Pam Eveland said that this timeline will be available on Michigan Tech's Web site tomorrow.

Wray said that a group called the President's Budget Reduction Advisory Committee (BRAC) would convene on Wednesday, April 2. This committee will be composed essentially of the membership of the Reconfiguration Committee defined in Senate Proposals 15-02 and 16-02, with some slight modifications. The BOC Finance Committee meets on April 14, and on April 2, Wray and Eveland will present to the BRAC all of the unit-recommend budget-reduction plans, the report from the BAG's Differential Tuition Subcommittee, and the BAG's report on the new-budget-item requests. The BRAC will then begin discussions and will be provided with whatever other information they need. On April 16, the BRAC will conduct an open forum to present its preliminary recommendations to the Michigan Tech community and to receive public comments. Comments will continue to be received until April 30, at which time the BRAC will present a report to President Tompkins. On May 1, the BRAC will present its recommendations at a public forum. There will then be a three-week public-response period. The BRAC will also present its report to the BOC during the Board's May 9 meeting. The BRAC will then make its final report public on June 3, after considering feedback from the BOC and the public. The BOC will meet on June 25 to address Michigan Tech's 2004 budget.

Wray asked for questions.

Senator Bruce Barna said that the schedule Wray had described was highly condensed. He asked if there was any reason why this process wasn't begun earlier.

Wray said that until he knew what Governor Granholm was going to propose for a budget, he didn't know what kind of budget-reduction proposals to ask for from the deans and vice presidents. Also, until the BAG's Differential Tuition Subcommittee completed its work, it wasn't clear what new revenues might be generated.

Senator John Pilling commended the administration for eliminating the football program and said that he hoped that they would also eliminate the rest of the varsity athletic programs. He said that if early retirements programs are considered, they should be made available to everyone at the university.

Senator Cindy Selfe said that faculty get upset when important decisions on budgets are made during the summer months when many faculty are away from the university engaged in research.

Wray said that if Governor Granholm had followed the traditional schedule of submitting her budget during the first week of February, the timetable he had described could have begun a month earlier.
Senator Jim Pickens asked who would be on the BRAC.

Wray said that the BRAC would consist of the following members:

Kent Wray, provost, chair
Bruce Barna, University Senate
Becky Christianson, University Senate vice president and chair, Staff Council
Tim Collins, dean of technology
Larry Davis, University Senate
Pam Eveland, director of planning and budgeting
Dan Greenlee, chief financial officer
Fred Hensley, senior vice president for advancement and marketing
Ellen Horsch, director of human resources, ex-officio member
Robert Keen, University Senate president
Keith Lantz, dean of business and economics
Glenn Mroz, dean of forest resources and environmental science
Jim Pickens, University Senate
Bruce Rafert, dean of the graduate school
Dave Reed, vice president for research
Max Seel, dean of sciences and arts
Dale Tahtinen, VP governmental relations
Craig Waddell, University Senate secretary
Bob Warrington, dean of engineering

Ted Soldan asked at what point faculty and staff who would be losing their jobs would be informed of this fact.

Wray that the 10% budget-reduction plans submitted to him by the unit heads included no names with positions designated for elimination; they simply said that X number of faculty and/or staff lines would be eliminated. There was also no indication as to whether these were vacant or soon-to-be vacant lines. He said that people should know which faculty and staff are targeted for layoffs by the time of the BRAC's public presentation on April 16. Wray said that he knew from discussions with the deans and vice presidents that they are targeting as many vacant positions as possible to make these cuts. He said that president Tompkins had know this when he made his comments to the state legislature about "massive layoffs," but he needed to impress on the House Subcommittee on Higher Education Appropriations that a 10% cut in appropriations would have a serious effect on Michigan Tech.

Senator Don Beck said that the provost should find out as soon as possible whether any of the proposed faculty layoffs involve tenured faculty because there are legal implications associated with laying off tenured faculty.

Wray agreed. He said that he would have this information by April 2.

Keen said that the legal implications are that if tenured faculty are laid off, the president and the BOC will be obliged to declare a financial emergency.

Beck said that the unit heads should be aware of this when they propose their plans.

Keen said that only the BOC can untenure a tenured faculty member.

Senator Erik Nordberg said that the elimination of tenured faculty is clearly the last resort in addressing Michigan Tech's financial problems. The first resort seems to be the elimination of open lines. Between these two situations are a lot of support, research, and professional staff.
He said that the BRAC is light on representation from these groups. He encouraged the provost to consider this.

Senator Debra Bruch said that the unit heads have been instructed to develop 10% budget reduction plans. She said that in at least one situation, a staff member will lose his position so that an unfilled position can be filled. She also said that she has the impression that people who are ready to retire are waiting for a buyout.

Wray said that in requesting the 10% budget reduction plans, he had asked unit heads to develop these plans consistent with the goals of their unit's strategic plan. Hence, if an open position is being filled while a filled position is being vacated, it is most likely because this is what is required to meet the goals of the unit's strategic plan. With respect to Bruch's second comment, Wray said that he had asked the Benefits Liaison Group to develop a plan to encourage early retirements. President Tompkins and the deans reviewed this plan and decided that it was not in Michigan Tech's best interest.

Senator Dickie Selfe asked why the plan was rejected.

Wray said that it was partly because there was little control over who might accept this plan; hence, the university could lose key faculty and staff in positions that could not then be refilled. Also, a similar program that was initiated at Michigan Tech in the past turned out not to be in the university's financial best interest because eventually the people who retired early were replaced and yet the university still had to make payments to the retirees.

Wray asked if there was one more question.

Senator Bruce Barna said that one of the marks of good leadership is the ability to plan in the face of uncertainty. He said that Michigan Tech did not have to wait for the state's input to know that we had to take dramatic action. The university has a $7.6 million budget deficit, and no matter what the state does, this deficit is not going away. We had a whole year during which we could have developed a recovery plan. To compress this process into a three-month period is a disservice to the university community. He said that if we can't do this ourselves, we should hire the person who planned Northern Michigan University's financial plan because NMU presented its plan the day after the state announced the Governor's proposed budget.

Wray said that without getting into a debate, he didn't agree with Barna's assessment.

Keen thanked Wray for his presentation and called the discussion to a close.

**C. Aspects of the University Budget -- Pam Eveland**

Director of Planning and Budgeting Pam Eveland presented a chart that had been distributed on campus by Dean of the College of Sciences and Arts Max Seel. The chart indicated the between 1994 and 2002, nonacademic expenditures at Michigan Tech had increased significantly more than academic expenditures. Eveland said that Seel's data were derived from the compendium assembled for the Strategic Planning Working Group. She said that expenses in the compendium were divided into those for academic units and those for administrative units. There are more possible categories of expenditures, and sometimes academic units have administrative expenditures. Eveland said that the real comparison should be how much is spent on instruction versus how much is spent by deans' offices and in the Administration Building.

Eveland said that she had Michigan Tech's Office of Institutional Analysis split out academic expenses, administrative expenses, and other nonacademic expenses for 1994 through 2002, using the same data Seel had used. She presented a chart showing the result.
Senator Cindy Selfe asked how these data compared with data for other universities.

Eveland said that her chart only addressed trends at Michigan Tech. She said that by dividing expenditures into academic and nonacademic, Seel's chart implied that spending in the academic units has not grown at the same rate as spending in administrative units.

Beck said that nonacademic does not imply only administrative. It includes buildings, loans, interest, electric bills, and so on.

Eveland said that after Seel released his chart, she received many angry e-mails about administrative expenses.

Senator Erik Nordberg asked why Eveland's chart differed from Seel's chart.

Eveland said that Seel's chart combines under nonacademic several categories of expenses that her chart separates.

Eveland said that in the academic category, her chart includes instruction and academic support. This category could also include research, but unsupported research is not included in General Fund expenditures. From 1994-2002, the academic support line is fairly flat.

Eveland next discussed the administrative and other nonacademic categories graphed on her chart. These categories included student financial aid support. She said that every time there is a significant tuition increase, this line should rise. Another line graphed utility expenses. Eveland said that prior to her arrival at Michigan Tech, utilities had been underbudgeted; hence, every year, utility expenses were part of the university's deficit. The purpose of the recent utility-fee increase for students was to balance the utility budget. Eveland said that changes in the way Michigan Tech purchases natural gas will save the university money next year.

Eveland said that another significant accounting change during this time period has been that the Michigan Public School Employees Retirement System (MPSERS) has been taken out of the fringe benefit rate and included in the university-wide budget.

Eveland presented another chart showing total academic and administrative Full-Time Equivalents (FTEs). The chart showed approximately 650 FTEs in each of these categories.

Senator Jacek Borysow asked if deans and department chairs were counted as academic or administrative FTEs.

Eveland said that department chairs count as academic FTEs, and deans count as administrative FTEs.

Wray said that when deans teach a course, their FTEs should be split between academic and administrative.

Eveland agreed, but she said that this is not currently done.

Beck asked how the administrative work that department chairs do in the summer was categorized.

Eveland said that she would have to check on this.

Senator John Pilling said that Eveland's graphs were misleading because the scales are linear; they should be drawn on logarithmic scales so that they would show percentage increases. He said that Eveland's charts showed large changes in large numbers, but these are actually relatively small increases and decreases. For example, a $5 million increase in student support
represents an increase of almost 100%; whereas a $5 million increase in faculty support is relatively insignificant.

Eveland agreed and said that she would in the future develop charts illustrating percentage changes.

Eveland presented another table showing faculty and staff FTE changes over the previous 12 years. The most growth has occurred in the College of Sciences and Arts and in the College of Engineering. The College of Engineering has had larger staff growth, partly due to the establishment of research centers. The College of Sciences and Arts has had the largest faculty growth. The largest faculty increases have been in Engineering Fundamentals, Computer Science, Education, Civil and Environmental Engineering, Chemical Engineering, and Social Sciences. The largest staff increases have been in Civil and Environmental Engineering and Mechanical Engineering. The largest decreases in faculty have been in Mechanical Engineering, Materials Sciences, and Biomedical Engineering. The largest decrease in staff was in the Institute of Materials Processing.

Eveland next presented a chart showing staff changes in nonacademic areas over the same 12-year period. These units peaked in 1998-1999; they had yearly decreases in staff from 1999-2001 and then began to grow again. Increases occurred in Auxiliary Services, Vice Provost for Instruction, Vice President for Research, and Vice President for Advancement. The increase in the provost's area is all in Enrollment Management. The increase in the Vice Provost for Instruction's area includes 5+ FTEs in Educational Opportunity, almost 3 FTEs in Extended University Programs, 2 FTEs in the Center for International Education, and a decrease in staff in the Vice Provost for Instruction's office (with the departure of the former Vice Provost for Instruction Steve Bowen).

Eveland said that since position review has been instituted, the School of Forest Resources and Environmental Sciences has increased its staff by 20.55 FTEs, but that not all of this staff is on General Fund, some are research staff.

Keen thanked Eveland for her presentation and called for questions.

Senator Cindy Selfe said that we need to compare this Michigan Tech data with data from the university's benchmark institutions. She said that she had no way of knowing whether it was normal for a university to have as many nonacademic FTEs as academic FTEs.

Eveland said that she would do this.

Senator Jim Pickens asked where the university stood on its budget for the current fiscal year.

Eveland said that the university is on target with the budget that was adopted last July 1; however, only part of the decreases for this year are in the budget; the deans and directors have been notified as to what those decreases will be, but Eveland hasn't yet taken the funds out of the budgets. She said that the university administration was not planning to incur more debt simply because of the budget reductions assigned by Governor Granholm.

Pickens said that he had thought that Eveland was going to spend at least part of her presentation describing to the senate the university's current budget situation. He said that according to data on Michigan Tech's Web site, to date, the university has only spent 42% of its utilities budget but is several million dollars behind in anticipated tuition revenues.

Eveland said that tuition is behind projections because summer tuition has not yet been collected; tuition revenues for fall and spring are over budget.
Pickens said that the university is $4.2 million below budget on tuition. He said that past summers had generated only $2 million in tuition, so this still leaves the university $2 million below budget on tuition.

Eveland said that financial aid was currently $1 million ahead of budget. She said that she would have to check what was on the university's Web site, but that the university is not $4 million behind budget on tuition. Keen thanked Eveland and closed the discussion.

7. UNFINISHED BUSINESS

A. Proposal 9-03, Recommendation on Copper Country United Way [Appendix C]

Keen said that at Senate meeting 381 (26 February 2003), the senate had tabled the discussion of an amendment to Proposal 9-03, Recommendation on Copper Country United Way until the senate could hear a report from the Copper County United Way on possible changes in the agency's allocation process. He introduced CCUW Director Virginia Schaller and asked her to report on the CCUW's Board meeting of the previous night.

Schaller said that the CCUW Board had voted to switch to a post-campaign allocation process. Under this process, the CCUW will wait for campaign results before making any funding decisions. She said that in the past, the Board's recommended funding amounts listed in the CCUW brochure were based on the amount of money that the Board estimated would be collected during its annual campaign. These recommended amounts did not distinguish between designated and undesignated contributions. This has been the source of the current confusion and contention. By this method, if the Board recommended that an agency receive $10,000 and contributors designated $2,000 for that agency, the remaining $8,000 would come from undesignated contributions. Hence, in effect, agencies would receive the amounts recommended by the Board in advance of the campaign, regardless of contributor designations.

Schaller said that with the new post-campaign allocation process, designated contributions will not be considered by the Board. That money will be kept separate. In the end, each agency will get a percentage of the undesignated contributions, then, on top of this, each agency will receive the full amount of contributions designated for that agency by contributors. Also, the percentage of any negative contribution [contributions that a contributor has specified not be assigned to agency X] that would otherwise go to an agency receiving a negative designation will be subtracted from the allocation approved by the Board and redistributed to the other agencies.

Senator Cindy Selfe asked if this meant the if she contributed to the United Way and specified that she did not want her contribution to go to agency X, it would not go there.

Schaller said that this was correct. She said that a positive designation is more effective than a negative designation because with a positive designation, 100% of the contribution will go to the designated agency.

Senator Erik Nordberg asked if this change in CCUW allocation procedure met the spirit of Proposal 9-03 as amended.

Schaller said that it did.

Keen agreed and asked what the senate would like to do with the amended proposal.

Senator John Pilling MOVED and Senator Dana Johnson seconded the motion to table Proposal 9-03 indefinitely.

Keen called for discussion of the motion.
Nordberg asked if the proposal should be tabled for a specific period of time so that the senate could subsequently review the effects of the CCUW's new allocation process.

Keen suggested that the senate table the issue for one year rather than tabling this proposal indefinitely. The proposal would be tabled indefinitely by the motion on the floor and would eventually expire due to the expiration time period on senate proposals.

Senator Bruce Barna called the question.

The motion to table PASSED on a voice vote without dissent.

**B. Proposal 2-03, Conflict of Interest Procedures [See minutes, page 10070, for a copy of this proposal.]**

Keen reminded the senate that at the previous senate meeting, objections had been raised to the wording of Proposal 2-03. Hence, Keen sent an email message to senators and alternates asking them to send Senator Dave Hand their comments on difficulties with the Conflict of Interest Procedures. The only response to this request was one message suggesting shortening the proposal.

Keen said that Hand and COI Coordinator Christa Walck had worked hard to revise the proposal based on the feedback that was offered at the previous senate meeting. Keen invited Walck to address the senate.

Walck said that among the key issues raised at the previous senate meeting was the issue of privacy. Senators had expressed concerns about how much personal information the proposed COI procedure would require Michigan Tech employees to disclose. She said that after reviewing the documentary history of COI discussions at Michigan Tech, she believed that Michigan Tech employees should be required to disclose enough information to assure there are no COIs. She said that the following of categories of information must be disclosed:

- All consulting or other professional services (Category II or III) related to your area of professional expertise at MTU
- Self-authored textbooks, royalties, etc. (III)
- Supervision of relatives (III)
- Use of university resources (III)
- Significant financial interests (>$10K/year) in outside activity related to MTU responsibilities (Category IV)
- Entrepreneurial activities related to your professional expertise (Category IV)
- Purchasing from vendors with which you have a financial relationship (Category V)
- Business Relationships with Subordinates (V)

Walck said that a second key issue raised at the previous senate meeting had to do with the concept of conflict of commitment. Several senators asked, "If I'm doing my job, why does my supervisor need to know about my outside activities?" Walck said that maybe the supervisor doesn't need to know about this. However, if there is any doubt, it's best to disclose this information either to the supervisor or to the COI Coordinator. She said that she has added a clear statement about confidentiality to the procedures.
Walck said that other questions raised at the previous senate meeting were "How do I determine if I have a 'significant financial interest' (> $10,000 per year)?" and "Where do I draw the line with equity interests?" She suggested that Michigan Tech employees follow NSF guidelines, which are now included in Michigan Tech's COI Procedures.

Another question was "What about conflicts of interest that are not financial in nature?" Walck said that Proposal 2-03 states in its opening section that "gains…may include other forms of benefit such as power or political advantage." She said that the specific forms of power and political advantage covered in the COI procedures include supervision of relatives, use of university resources, purchasing, and business relationships with subordinates (including students). Walck said that other forms of power and political advantage can be dealt with through departmental and university grievance procedures or through the Affirmative Action Office.

Walck next presented the specific changes in language in Proposal 2-03. She said that throughout most of the document, consulting and other outside professional activities are limited to one day per week up to a maximum of 38 days per academic year. She suggested that the same terms apply in Category II. She said that the previous wording "faculty and researchers" could be taken to exclude professional staff who were not research staff. Hence, the COI Committee changed this wording to "faculty and professional staff."

Walck said that the text describing Category III should specify that any Category III consulting that overlaps with or takes place in the context of proposals [that is, sponsored research] will be reviewed by the COI Coordinator because those are the kinds of conflicts that the university and NSF are primarily concerned about. This will replace the language about the $10,000 trigger for disclosure. This $10,000 trigger still applies, however, to Category IV conflicts.

Walck next discussed changes to Section 4.6 Small Businesses Not Related to Professional Activities at MTU. She said that Proposal 2-03 now says that Michigan Tech employees are not required to disclose such businesses, but that it is in their best interest to do so, in writing either to their supervisor or to the COI Coordinator before engaging in such activities. Supervisors or the COI Coordinator may require special oversight; the supervisor's decision may be appealed to the Coordinator, and the Coordinator's decision may be appealed to the COI Committee.

Walck said that the above change required the elimination of the discussion about how much money employees earned from such activities and the elimination of Section 4.6.2.3, which discussed the amount of time employees could engage in these activities.

Walck said that the remainder of the section discussing small businesses not related to professional activities at MTU needed to remain because this material addresses such issues as employees being absent from work in order to run outside businesses, not competing with Michigan Tech, and so on.

Walck said that under Category IV conflicts, she had included the full NSF language describing what "significant financial interests" are. She pointed out that the $10,000 trigger defined by NSF includes earnings by spouse and dependent children.

Finally, Walck said that Proposal 2-03 already includes a guarantee of confidentiality to whistleblowers. She suggested extending this guarantee by including a statement indicating that "all communications with the COI Coordinator will normally be kept confidential. Members will have an opportunity to work with the Coordinator to identify and eliminate their conflict of interest." Walck said that if an employee and the COI Coordinator are able to identify and eliminate a conflict of interest, the employee's supervisor need never know what conflict might have arisen. However, the Coordinator must contact an employee's immediate supervisor about any unremedied COI.
Senator Bill Gregg asked Walck to return to her overheads on small businesses.

Walck asked Gregg which overhead on small businesses he wanted to see.

Senator John Pilling said that he thought the problematic section was Section 4.6.2.4, which says that small businesses run by Michigan Tech employees shall not compete with Michigan Tech. He said that there are many cases in which someone wants contracted research done at a fixed price, and by the time the university's overhead is assessed, the research project is not financially feasible. For example, if a Michigan Tech employee accepted a $15,000 research project, and the university took $5,000 in overhead, it might be impossible to complete the project. Hence, many such jobs are done privately, which would be a conflict of interest by the terms of Section 4.6.2.4.

Walck said that this section applies not only to small businesses but also to consulting. She said that this is a fundamental principle of conflict of interest.

Pilling said that virtually everyone's consulting work competes with Michigan Tech.

Walck said that work done privately by Michigan Tech employees would be considered a conflict of interest if the work could be written as a sponsored research proposal and if it is something that the university actually wants to do.

Pilling said that virtually all consulting work done by Michigan Tech employees could be written as sponsored research proposals. He asked who decides what the university does and does not want to do because all the university is really interested in is the research overhead return.

Walck said that the university turns away some kinds of research because, for example, it might involve hiring a lot of people on a short-term basis.

Senator Susan Martin asked if simply disclosing intention to conduct such research privately would eliminate the conflict of interest.

Walck said that it might.

Senator Steve Seidel said that Walck's presentation had laid out much more clearly the concerns about privacy. He asked how the policy addresses outside work that involves an employee's professional expertise but does not compete with Michigan Tech, such as a computer scientist developing a Web site for a religious or political group.

Walck said that any gratis community service does not have to be disclosed.

Senator Bruce Barna asked if any changes had been made in Proposal 2-03 as a result of concerns raised at the previous senate meeting about the discussion of conflicts of commitment.

Walck said that Michigan Tech employees are not required to disclose outside activities if they believe that these activities will not conflict with the successful completion of their contractual obligations to Michigan Tech. However, employees on 12-month contracts must realize that they will have limited time in which to manage private businesses. She said that Section 4.6.3.1 has been amended from "must disclose" to "should disclose."

Senator Bill Gregg said that that was good, but that this language should also be changed in Section 4.6.1.1 and in Section 4.6.1.2.

Keen said that the items Walck had presented are proposed as an amendment to Proposal 2-03. This version of the proposal will be available on the senate's Web site so that by the next senate meeting, senators and their constituents should have had time to review and respond to
both this revised proposal and the earlier proposal. He said that the senate could vote on this at its next meeting.

Senator Cindy Selfe thanked Walck for responding so well to the concerns about Proposal 2-03 that senators had raised at the previous senate meeting.

9. ADJOURNMENT
Senator Bruch MOVED and Senator Oberto seconded the motion to adjourn. The meeting adjourned at 7:32 p.m.

Respectfully submitted by Craig Waddell
Secretary of the University Senate