

THE UNIVERSITY SENATE OF MICHIGAN TECHNOLOGICAL UNIVERSITY

Minutes of Meeting 397

10 December 2003

Synopsis: The Senate

1. heard that the administration approved Proposals 1-04, 2004-2005 Academic Calendar; 3-04, Minor in Municipal Engineering; 4-04, BS Program in Psychology; and 5-04, Master of Science Degree in Mathematical Sciences.
2. heard an update on the university's budget.
3. approved Proposal 10-04, Request for Independent Review of Systemic Financial Problems at Michigan Tech.

President Bob Keen called University Senate Meeting 397 to order at 5:33 p.m. on Wednesday, 10 December 2003, in Room B45 EERC.

1. ROLL CALL OF SENATORS

Secretary Craig Waddell called roll. Absent were representatives from the Keweenaw Research Center and Auxiliary Enterprises. Liaisons in attendance were Brandon Richards (USG) and Becky Christianson (Staff Council).

2. RECOGNITION OF VISITORS

Visitors included Dave Fischer (University Relations), Jim Moore (School of Forest Resources and Environmental Science), Kent Wray (Provost), Dan Greenlee (Chief Financial Officer), Pam Eveland (Planning and Budgeting), Tim Malette (Financial Aid), Philip Ribeiro (MTU student), Erin Gore (MTU student), Dean Woodbeck (University Relations), William Rice (*Daily Mining Gazette*), Garrett Neese (*Daily Mining Gazette*), Dan Adler (MTU student), Britta VandeHei (*Michigan Tech Lode*), and Bruce Barna (Chemical Engineering).

3. APPROVAL OF AGENDA

Keen presented the agenda and offered two additions (New Business, Proposal 10-04, Request for Independent Review of Systemic Financial Problems at Michigan Tech, and a referendum to be conducted by the senate). There were no additional modifications, and 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 395

Keen presented the minutes from meeting 395 and asked for corrections or amendments. Senator Marilyn Cooper noted a typographical error on page 10440. There were no additional amendments or corrections. There were no objections to approving the minutes as amended.

5. PRESIDENT'S REPORT

Keen said that the following proposals have been transmitted to the administration for approval: 2-04, Honorary Posthumous Degrees; 4-04, BS Program in Psychology; 5-04, Master of Science Degree in Mathematical Sciences; 7-04, Expanded Undergraduate Degree Offerings; 8-04, The Role of Non-Engineering Disciplines at Michigan Tech; and 9-04, Enhancing the Campus and Community, were transmitted to the administration for approval [**Appendices B-G**]

Keen said that the administration has approved Proposals 1-04, 2004-2005 Academic Calendar; 3-04, Minor in Municipal Engineering; 4-04, BS Program in Psychology; and 5-04, Master of Science Degree in Mathematical Sciences. President Tompkins said that his approval

of Proposal 4-04 is subject to enrollment projections being met and funds being available to continue the program. **[Appendices C-F]**

Keen said that the senate needs to elect a new secretary.

Keen introduced Anil Jambekar (School of Business and Economics) as a new senator at-large. Jambekar will serve the remainder of the academic year.

The Task Force on Career Opportunities for Professional Staff will soon have two proposals ready for Senate consideration.

Keen said that he and Senate Curricular Policy Committee Chair Bill Gregg had worked on the C-or-better policy ["Students who earn a CD or D in a prerequisite course should retake the prerequisite course before registering for the advanced course."] of Proposal 7-03 [Amendment of Proposal 24-02, Scholastic Standards Revisions and of Proposal 25-02, Prerequisite Policy]. Keen said that the Department of Mathematical Sciences would request of the provost a variance in this policy. Keen said that the senate would request a study of the effects of such a variance.

Keen said that President Tompkins has appointed David Shonnard (Chemical Engineering) to a three-year term on the Academic Tenure Committee and that the faculty have elected Sue Beske-Diehl (Geological and Mining Engineering and Sciences) to a three-year term on this committee.

Keen said that Jerry Taylor (School of Technology) has agreed to serve on the College of Sciences and Arts Dean Review Committee.

Keen said that Ted Bornhorst (Geological and Mining Engineering and Sciences) has agreed to serve on the Dean of the Graduate School Review Committee. Keen asked the senate's permission to appoint Bornhorst to this committee. He said that the solicitation for nominations had been circulated to senate constituents this morning.

Senator Martha Sloan said that given that the solicitation had just be circulated, it would be appropriate to wait until the next senate meeting to make a decision about this position.

Keen agreed.

Keen said that the faculty have elected the following to serve on the Budget Reduction Planning Committee - Faculty: Martha Sloan, (College of Engineering), Tom Drummer (College of Sciences and Arts), Dean Johnson (School of Business and Economics), Kurt Pregitzer (School of Forest Resources and Environmental Science), John Lukowski (School of Technology), Bill Bulleit (At-large), Neil Hutzler (At-large), and Don Beck (At-large).

Keen called for questions. There were none.

6. UNIVERSITY BUDGET UPDATE

Provost Kent Wray said that two budget issues were causing Michigan Tech distress. One is Governor Jennifer Granholm's executive order, reducing Michigan Tech's state appropriation. The other is a shortfall in tuition revenue.

Wray said that in June, the administration had presented to the Board of Control a budget, based on the recommendations of the President's Budget Reduction Advisory Committee (BRAC), that appeared to be balanced. During the first week of fall semester classes, Wray received daily reports on enrollments, and on-campus and full-time enrollments were up compared to the previous year.

Wray said that in previous years, he had not had to monitor student credit hours because Michigan Tech's tuition had been assessed at a flat rate for students taking 12-18 credit hours. However, since Michigan Tech has changed its method of charging tuition to a credit-hour rate, Wray requested a credit-hour report based on the day after the initial add-drop period ended. The credit-hour numbers reported to Wray indicated that undergraduate credit hours were approximately the same as those for the previous two years, approximately 77,000 hours. He said that graduate credit hours were up, but that they are only a fraction of the undergraduate credit hours. Wray said that total credit hours for this year were about 76 credit hours less than the total hours for last year out of 82,000 total credit hours.

Wray said that the budget had been designed with a hedge against a student-credit-hour decline, since students might elect to take fewer credit hours with the pre-credit-hour tuition system. Since student credit hours appeared to be stable, it appeared that Michigan Tech might have a \$900,000 cushion in tuition revenue. About this time, the administration began to hear from the state government that state revenues being collected were less than had been projected for the current fiscal year. Consequently, Governor Granholm began the process of reducing appropriations to higher education by way of an executive order.

Wray said that in meetings with members of the state legislature and with members of the governor's cabinet, MTU Vice President for Government Relations Dale Tahtinen was led to believe that if the governor issued this executive order, state appropriations to higher education would be reduced by approximately 3 percent or less. Wray said that on November 11, Tahtinen reported to him that the 3 percent figure still looked sound. Two days later, however, Senator Goschka, Chair of the Michigan Senate Subcommittee on Higher Education Appropriations, told the [Michigan public universities] Presidents Council meeting in Lansing that the senate might recommend an 8-10 percent reduction in state appropriations for higher education.

Wray said that about two weeks later, Governor Granholm's staff began indicating that the governor was planning to recommend a 6-8 percent reduction in state appropriations for higher education. Wray said that he began the budget-planning process for the next fiscal year in October by creating some committees that would report to the Budget Advisory Group (BAG). Each of these committees has the same name--Budget Reduction Planning Committee--but there's a hyphenated word on the end of each committee's name: one is for vice presidents, one for deans, one for staff members, and one for horizontal cuts. When those committees were populated, Wray realized that the faculty were not well represented, so he created a committee for faculty.

Wray said that the charge to these committees was to work on how Michigan Tech might address a potential 7 percent reduction in next year's state appropriation. This percentage was derived from the BRAC report. However, given the larger percentage in reductions being discussed in state government, Wray asked the committees to also consider how Michigan Tech might address a 6-10 percent reduction.

Wray said that on November 14, the administration discovered a \$5 million to \$5.5 million variation between the tuition projected for fall 2004 and the tuition actually collected. He said that initially, there appeared to be at least two reasons for this variation. First, it appeared that there might have been some mis-billings because of the change from flat tuition to credit hours, and the engineering and computer science majors were assessed a tuition surcharge. However, as the administration began to examine the problem more closely, they discovered that, for all practical purposes, the billings were correct. There was about \$55,000 difference in what was projected and what was collected. One reason for this difference was that there were about 34 fewer engineering and computer science majors this fall than predicted last spring. Also, the geology majors in the College of Engineering were erroneously assessed the \$400 engineering fee, and that fee was returned to them. Other than those two changes, the billings were correct.

Wray said that in November of 2002, he had asked a committee that reported to the Budget Advisory Group (BAG) to examine how Michigan Tech might adopt differential tuition. The concern was that as Michigan Tech raised its tuition across the board each year by a certain percentage, some of the majors were becoming quite expensive. The differential tuition objective was to assess a higher tuition for students enrolled in majors that are more expensive to teach and a lower tuition for students enrolled in majors that are less expensive to teach. The Differential Tuition Committee worked on this for about three months or more. About the time the Differential Tuition Committee was completing its work, Governor Granholm submitted her fiscal year 2004 budget to the state legislature. This budget called for about a 6.74 percent reduction in state appropriations for higher education in addition to the two earlier, mid-year reductions, which totaled 3.5 percent. This led to the creation of the President's Budget Reduction Advisory Committee (BRAC).

Wray said that the Differential Tuition Committee was enlisted to support the BRAC, looking at a number of scenarios that might help Michigan Tech to meet the difference between 6.74 percent reduction in state appropriations and the balanced budget that Michigan Tech was hoping to achieve. The Differential Tuition Committee ran about two dozen scenarios. Eventually, the BRAC recommended to President Tompkins and President Tompkins recommended to the Board of Control what the tuition increase would be and how tuition would be applied. Wray said that in developing the result from this in the subsequent budget, it appears that an error was made in applying the incremental increase resulting from tuition increase to the budget.

Wray said that the conventional practice in higher education is to build the next year's budget based on the current year's budget. This is the rationale for incremental budgeting. Hence, the increase was added on to the previous year's budget. In analyzing what has gone wrong, it was discovered that last year's tuition revenues were under what was budgeted last year, but this wasn't readily apparent because it was masked by several things in last year's budget. Consequently, the incremental tuition increase for this fiscal year was added to the budgeted tuition revenue for last year instead of being added to the actual tuition revenue for last year. Wray said that this does not account for the total \$5 million to \$5.5 million shortfall in tuition revenues. Consequently, the administration has begun examining a number of other reasons for the variation. He said that as of tonight, the administration still doesn't know the reasons for the variation.

Wray said that Director of Internal Audit Amy Hughes has been asked to serve as an external evaluator and look at the process to try to discover what the error is and how to avoid this error in the future. He said that he does not know when this evaluation will be completed.

Wray said that his presentation should provide the senate with an idea as to how Michigan Tech arrived in its current financial situation, having to respond to Governor Granholm's executive order and the problem of budgeting for more expenditures than the university has revenues to cover.

Wray said that Governor Granholm's executive order had just become clear this afternoon. The order indicates that each state university's state appropriation will be reduced by 3 percent if that institution doesn't raise tuition for spring semester and holds the tuition increase for next year to a number equal to or less than the Consumer Price Index (CPI). For Michigan Tech, this means a \$1.5 million give back for this fiscal year. Wray said that there are several things that Michigan Tech can do to match this giveback, but that the university has to address the tuition-revenue shortfall, too.

Wray said that in conversations with President Tompkins, members of the Board of Control have indicated willingness to allow Michigan Tech to carry the majority of the \$5 million to \$5.5 million shortfall forward if the university can reduce this deficit by at least \$1 million. The administration would then have to make the appropriate adjustments in next year's budget to avoid additional

shortfalls in tuition revenues. Wray said that the following tools are available to Michigan Tech to meet the \$1.5 million reduction in state appropriation and the \$1 million that the Board of Control wants cut from the deficit caused by the tuition-revenue shortfall: (1) a rebate from Michigan Tech's insurance company; (2) a one-time appropriation from the state, which Michigan Tech received at the start of the current fiscal year; (3) a reduction in expenditures across campus; (4) making monthly rather than annual payments on MPERS; (5) reducing the costs of benefits in ways recommended by the Benefits Liaison Group; and (6) a reduction in employee compensation. Wray said that for the next fiscal year, five committees are working on how to make the necessary budget reductions. He said that he won't know what this reduction will be until Governor Granholm sends her proposed budget to the legislature around the first of February. He said that the five Budget Reduction Committees have been charged with submitting their recommendations to him by the end of January.

Wray asked if there were any questions.

Senator Don Beck asked if the tuition shortfall could be a continuing problem if the governor won't allow the university to increase tuition.

Wray said that the university would have to make additional cuts to accommodate for this. He said that it was like the old Fram filter TV advertisement, "Pay me now, or pay me later": Had the university not made this mistake, then we would have had additional cuts for this year or a greater increase in tuition or some combination of the two.

Senator Larry Davis said that Governor Granholm has said that each state university's state appropriation will be reduced by 3 percent if that institution doesn't raise tuition for spring semester and holds the tuition increase for next year to a number equal to or less than the Consumer Price Index (CPI). He asked if the governor has said what would happen if a university increased tuition by more than the CPI.

Wray said that the governor will take back 5 percent of the appropriation, and if a university meets the two conditions she has defined, that university will receive 2 percent back; otherwise, the state will keep the full 5 percent.

Senator Terry Monson said that in the past, governors have reneged on promises. He asked if there might be a problem with getting the 2 percent back from the state.

Wray said that that was possible. He said that former Governor John Engler had been adamant that if the university met the terms of a previous agreement, everything would be fine. However, when Governor Granholm took office, she viewed things differently. In the current situation, the agreement is with the sitting governor, so the problem of an unfulfilled promise should not recur. The biggest concern is what happens to Michigan's economy between now and the time when the 2 percent return is due. Wray said that if the state's budget-and-revenue-collection situation deteriorates, Governor Granholm might say that she can't afford to give the 2 percent back. However, this afternoon, the governor's budget director told the state legislature that the state's current revenues and projections are beginning to exceed slightly the projections made in May by the Revenue Projection Task Force. Hence, it's possible that Michigan Tech won't see any state appropriation cut next year and will get its 2 percent back.

Senator Dickie Selfe asked if the 3 percent giveback was a mid-year giveback.

Wray said that it was.

D. Selfe said that that said nothing about what the state would do next year.

Wray agreed. He said that the Revenue Projection Task Force is comprised of independent economists who provide this service to both the executive and the legislative branches of Michigan's government. The task force next meets in mid January and will give their best estimate to the governor as she makes final changes to her proposed budget.

Tim Malette asked if Michigan Tech was committed to no tuition increase for spring 2004.

Wray said that this was what President Tompkins plans to present to the Board of Control. He said that Michigan Tech would not ask for a tuition increase for spring 2004. Instead of trying to make massive cuts to accommodate these changes, all of the classes scheduled for spring 2004 will be open; students planning to graduate this spring and summer will be able to do so; and there will be no layoffs.

Monson said that according to Wray's presentation, Michigan Tech would have to come up with \$2.5 million before the end of the fiscal year.

Wray agreed.

Monson said that Wray had listed six items that might contribute to this amount, the last of which was a reduction in employee compensation. He asked how much the other five items would total.

Wray said that this was still fluid, but that the Benefits Liaison Group had provided a prioritized list of action items totaling almost \$1 million, only half of which would be realized this fiscal year because benefits run on a calendar-year basis. Wray said that President Tompkins has elected to implement about \$400,000 worth of these items. Wray said that the savings from making monthly MPERS payments would be about \$300,000. He said that the one-time appropriation from the state was \$359,000. The rebate from Michigan Tech's insurance company should be about \$200,000. The planned reduction in expenditures is \$600,000, which would be realized primarily from not filling vacant positions, reduced general fund travel, and reduced general fund equipment purchases. Wray said that the unpaid days, depending on the number of days, could range from about \$900,000 to \$1.3 million.

Senator Cindy Selfe asked if *furlough* was the proper name for unpaid days.

Wray said that it was not and that he was trying to avoid using that word. He said that in the human resources world, certain words have certain connotations. He said that these would be days for which employees would not be paid.

C. Selfe said that they would be days that people would work but not be paid.

Wray said that people would get compensatory time off. He said that the intention was not to reduce anyone's paycheck by four to six days in one pay period. The reduction would be averaged over all of the pay periods through the end of the fiscal year.

C. Selfe asked if this salary reduction would be across the board.

Wray said that it would be.

C. Selfe said that Wray had mentioned cost reductions proposed by the Benefits Liaison Group. She asked if the reduction in compensation was part of this group's recommendation.

Wray said that it was.

C. Selfe asked if any other reductions in benefits were being planned.

Senator Larry Davis said that there would be about \$900,000 to \$1.3 million in salary reduction and another \$400,000 decrease in other benefits.

C. Selfe asked what these other benefits were.

Wray said that they were health benefits.

C. Selfe asked if there would be a reduction in health benefits.

Wray said that there would be a reduction in the cost of health benefits.

C. Selfe asked if this was the money the university saved because people had tried so hard to stay healthy and cut costs.

Senator Tony Rogers said that there were some changes to the health-care program.

D. Selfe asked if someone could summarize what these changes were.

Rogers said that he thought this would be a part of Chief Financial Officer Dan Greenlee's presentation.

Greenlee said that he thought that Assistant Director of Human Resources Ingrid Cheney was going to be in attendance to discuss these changes. He said that he had a handout describing these changes.

Rogers said that people need to know what these changes are so that they can make plans about their medical spending accounts, TechSelect forms, and so on.

Wray said that now that this had been raised, he would address it so that it would not be forgotten. He said that Michigan Tech employees all went through a voluntary sign-up period for TechSelect in November. Part of the TechSelect form allows Michigan Tech employees to designate a certain amount of their salary that can be used to cover non-covered medical costs with pretax dollars. He said that all Michigan Tech employees will have an opportunity to revise this form if they want to make a change in the flexible payment part. He said that this would have to be completed before January 1 in order to comply with IRS rules.

C. Selfe asked if this meant that in addition to the salary reduction, health benefits would also be reduced.

Rogers said that there would be some increase in the cost to employees for providing health benefits. He said that there would also be some savings in what Michigan Tech pays to deliver those benefits.

Wray said that the part employees pay for health benefits would increase. For example, he said that for most prescriptions, Michigan Tech employees pay \$5 to \$15; this will increase to up to \$25 per prescription.

Rogers said that some of the employee co-payments would also increase.

Greenlee said that he had a handout detailing some of these increases. He distributed this handout.

Bruce Barna said that he was having trouble understanding the reasons for the \$5.5 million shortfall in tuition revenues. He said that Michigan Tech had made major changes to its price [tuition] structure this summer. He asked if instead of multiplying students times credit hours

times dollars per credit hour, the university had instead computed an incremental revenue associated with these changes and added this to last year's budget.

Wray said that he was not certain of the exact process. He said that a model was developed based on categories of credit hours. Under the old system, Michigan Tech had credit hours by lower division, upper division, in-state, out-of-state, and graduate. Under the new system, there were different categories. There were the in-state and out-of-state categories as before, but there were also categories based on majors.

Barna asked what the total tuition revenue was and what the total tuition revenue shortfall was last year. He asked if people who were looking for the causes of the deficit last year had failed to identify the tuition shortfall.

Wray said that he was not certain that he could provide the exact number for the increase in tuition over last year, but that it was about \$2.5 million this fall. He asked Greenlee if he knew what the tuition revenue shortfall had been last year.

Greenlee said that it had been about \$2.5 million.

Barna asked if anyone knew this last year.

Greenlee said that he knew this and had reported it to the Board of Control.

Wray said that for some reason, this wasn't apparent to the group that was developing this model. Barna asked what part of the total tuition revenue this \$2.5 million shortfall represented.

Greenlee said that the total tuition revenue last year was about \$48 million.

Greenlee said that he was updating his projections tonight and that the missing tuition revenue this year would be approximately \$7 million.

C. Selfe asked if this meant that \$7 million was missing from the two years combined.

Greenlee said that last year, the university was under projected tuition revenues by about \$2.5 million. He said that this year, his first projection was \$5.5 million and that that would probably grow by about \$1.5 million because of shortfalls in spring and summer tuition.

C. Selfe asked Greenlee if this floored him. She asked if he was the one in charge of money.

Greenlee said that he was. He said that this would be a challenge to the university's cash flow.

C. Selfe said that this would be more than a challenge to cash flow. She said that the response to this problem would leave some Michigan Tech staff members who are earning \$17,000 or \$18,000 per year with no dental benefits under the standard healthcare plan and with pay furloughs. She said that this is not a challenge, it is a livelihood.

Greenlee agreed.

Senator Susan Amato-Henderson said that she had missed the answer to Barna's question about the reason for the shortfall.

Wray said that the administration does not yet know the reason for the shortfall.

Amato-Henderson asked if it was tuition based.

Wray said that it was. He said that the projected shortfall is based on tuition collected so far this year extrapolated through the end of the year versus what was budgeted for the year.

Amato-Henderson asked Greenlee what the current projected tuition revenue was for this year.

Greenlee said that it was about \$51.5 million.

Amato-Henderson said that the \$7 million shortfall represented about a 12-15 percent error. She asked if a 12-15 percent error in predicting tuition revenues was normal.

Greenlee said that it was not.

Amato-Henderson asked if what was missing was the reason for the error.

Greenlee said that it was.

Amato-Henderson asked Wray if he had any ideas as to the reason for this error other than the projected revenues being based on last year's model rather than on the actual tuition revenues.

Wray said that he believed that this accounts for part of the shortfall.

Amato-Henderson asked if Wray knew what part of the shortfall was accounted for by this reason.

Wray said that this accounted for about \$1.8 million of the \$7 million shortfall. He said that this is why he has asked Amy Hughes to examine this. He said that he doesn't want this to happen again; hence, we need to know why it happened and how it happened.

Senator Madhu Vable said that each time there is a deficit, a different reason is given for it. He asked what is wrong with the system that keeps producing these deficits.

Wray said that he didn't know and that that was why he was trying to find this out.

Vable said that Michigan Tech keeps hiring personnel and saying that it is the personnel's fault, but there seems to be a chronic problem that has existed for a long time. He said that from what he hears from people who follow revenues and expenditures, most of Michigan Tech's revenues are pretty much fixed, and most of Michigan Tech's expenditures are pretty much fixed in September. Given this, he asked why Michigan Tech can't have a budget that makes sense and that everyone can follow.

Wray said that he didn't know the answer to this question and that he was as frustrated as Vable. Wray said that he stood in front of the Board of Control in June and told them that he was delivering them a balanced budget, but it turns out that it is not.

Vable asked if, given the past history, Wray believed that he would be able to find the answer to this question.

Wray said that he believes that part of the problem is that Michigan Tech changed the way in which it budgets because the university formerly charged tuition by flat rate and now charges tuition by credit hours. He said that he suspects that a mistake was made in this conversion, but until he gets the report from Amy Hughes, he doesn't know the reason for the shortfall.

Senator Marilyn Cooper said that in the list of things that would be cut, she had not heard anything about cuts in the administration, such as cuts in compensation for higher administrators who are responsible for these errors.

Wray said that at this moment, he couldn't fix blame.

Cooper said that the higher administration is responsible for making the budget work.

Wray said that he will be taking unpaid days like everyone else.

C. Selfe said that so would a secretary earning \$17,000.

Cooper said that she didn't see why this couldn't be made up just by the administration.

Monson said that he believes that the secretaries are unionized; hence, the university can't cut their pay without negotiating with the union.

C. Selfe said that the cuts would affect only faculty, administrators, and professional staff.

Wray said that there is only so much that the university has left to work with to try to solve its financial problems. He said that this decision was not made easily.

C. Selfe asked if President Tompkins was in town tonight.

Wray said that he was.

C. Selfe asked if President Tompkins had just decided not to come to the senate meeting.

Wray said that President Tompkins was not in attendance and that he had not been invited to come. He said that President Tompkins had sent two of his vice presidents.

C. Selfe said that it was good of Wray and Greenlee to come in this difficult situation. She said that the person who is responsible might come, too.

Rogers asked if he was correct that unpaid workdays would disproportionately affect people on nine-month contracts versus people on twelve-month contracts.

Greenlee said that this was correct.

Rogers said that the point is that the burden will be born more by the faculty than by administrators.

Senator Don Beck said that he thought the university should rethink the dental plan cut, especially on the standard and deductible healthcare plans. He said that potential saving should be weighed against the need for dental coverage.

Wray said that several members of the Benefits Liaison Group were present and that they had heard Beck's comment.

Rogers said that it was a difficult choice to decide between medical and dental benefits.

Davis said that there were two issues to be considered: first, what happened, who is responsible, and what are the consequences; and second, dealing with the problem immediately. He said that he would not address the first issue. On the second issue, he said that \$1 million equals X number of jobs. Davis said that Michigan Tech would have a \$7 million to \$8 million shortfall in tuition revenues this fiscal year; consequently, the university faces the difficult decision of either reducing benefits or eliminating jobs. He said that the Benefits Liaison Group had done a good job under the circumstances.

Senator Ron Roblee said that Michigan Tech has always been run as a nonprofit organization. However, in difficult financial times, we must think about what makes money and what loses money. The thought process that drives the university has been if it's what we want to do, then let's do it. He said that Michigan Tech might have to change the way in which it does things. Instead of thinking about a university of choice or how we are going to increase the stature of Michigan Tech, we have to start thinking about activities that pay and activities that lose.

Wray said that this was an interesting observation. He said that former University of Iowa President Howard Bowen once said that a university will spend all of the money that it can get. Wray said that this was because a university will always try to do its very best at everything it undertakes, and to do this costs money.

D. Selfe asked if the six areas of budget reduction Wray had listed were to respond to the 3 percent reduction in state appropriations and \$1 million of the \$5 million to \$8 million in tuition revenue shortfall.

Wray said that they were.

D. Selfe said that this didn't address the anticipated reduction in state appropriations for the next fiscal year.

Wray agreed.

D. Selfe said that he was concerned that the university doesn't seem to have a plan for this anticipated reduction.

Wray said that he does have some committees that are helping to decide how the university will address the budget problems for next year. He said that these committees working with the Budget Advisory Group would be a more rational approach than was the approach represented by the President's Budget Reduction Advisory Committee (BRAC).

Monson said that the discussion had focused on costs. He asked what the university was doing on the revenue side of things, such as enrollment.

Wray said that he had a five-part enrollment-improvement plan, which began to show results this fall.

Monson said that the enrollment numbers had not improved much in the past year.

Wray agreed. Wray said that the number of applications this year is up considerably over the previous year. He said that the number of students admitted and the number of deposits are both up. He said that students still have to enroll, but that at least these first two steps are showing progress.

C. Selfe said that the two issues that Davis described were being conflated because the situation seems so personal and *is* personal, and also because people are willing to make sacrifices, such as paying increased costs of healthcare benefits, if they have faith that the administration is going to fix the problem. She said that she had no reason to have such faith. She said that she has been at Michigan Tech for 22 years, and the financial situation just keeps getting worse. C. Selfe said that she does not believe that the administration has the wherewithal to guide Michigan Tech in a fiscally sound manner. She said that the administration does not even have enough respect for the people whose salaries are going to be cut to even show up at this senate meeting. She said this was astounding.

Wray said that he shared Selfe's frustration. He said that he didn't like this any more than she did. Wray said that he had thought that the university had a balanced budget. He said that the problem needs to be identified and fixed.

Cooper said that Wray had talked about the process of deciding on budget reductions for next year, but that he had not said much about how the cuts for this year were decided upon. She said that she has received many budget-reduction suggestions from people.

Wray said that the list of six items he had presented was developed by himself, President Tompkins, CFO Greenlee, and others in the budgeting and finance part of the university. He said that the Budget Reduction Planning Committees are in the process of identifying additional cuts that could be applied either to the reduction in state appropriation or to the shortfall in tuition revenues. He said that he currently had only one committee's report.

Cooper asked how people could send suggestions to these committees.

Wray said that he needed to figure out how to do this. He said that he was reluctant to have suggestions sent to him because he is not able to read all of the mail that he receives now. He asked if he could think about this and respond in a day or two.

Senator Martha Sloan, a member of the faculty Budget Reduction Planning Committee, said that suggestions could be sent to the faculty Budget Reduction Planning Committee.

Cooper asked if this committee was going to work on budget issues for the current fiscal year as well as for the next fiscal year.

Sloan said that it was.

Wray said that he didn't want to burden any of the committees with these kinds of suggestions until he was clear that this was the way that this should be done.

Sloan said that the faculty Budget Reduction Planning Committee wanted all of the suggestions it could get.

Wray said that he was trying to find a reasonable and rational way to do this. He said that he didn't want Sloan's mailbox to get loaded up with 200 messages every day.

C. Selfe said that she would rather have that than a salary cut.

Wray said that he was not arguing, he was just trying to let people do their business.

Amato-Henderson said that she would ask a question for Senator Bill Gregg because his voice was hoarse. She said that part of the frustration people were feeling was because rumors are abundant, and there has been no official word about the exact size of the tuition revenue shortfall or the cause of this shortfall. She said that one rumor was that there was an error in out-of-state billing. She asked if this had contributed to the shortfall.

Wray said yes and no. He said that as things were identified as possible contributors to the problem, one or more of the people who are working on this--including Director of Planning and Budgeting Pam Eveland, Director of Student Business Services Margo O'Brien, and Controller Mike Hendricks--evaluates this to see if it is in fact a contributor. He said that one of the problems that he and President Tompkins have in trying to publish central information about the university's financial situation is that the information changes every day. For example, the governor's agreement with the state legislature has changed three or four times in the past five days.

Amato-Henderson said that the *Daily Mining Gazette* keeps people posted on these changes; whereas, on campus, people are not receiving any official information about where errors are and what the errors are. She said that tonight was the first time that she had officially heard anyone use the word "error." She said that this lack of information from people in authority was contributing to the frustration on campus.

Wray said that a problem in trying to communicate such information was that what was being examined as a potential error today might prove not to be an error by tomorrow. He said that there was currently no reliable, concrete information to share.

Monson said that there is quite a bit of information that is reliable and concrete. He said that it would make sense to share what is reliable and to indicate that other things are still under investigation. He said that there was a lot of mumbling and unhappiness across campus.

Amato-Henderson asked if Wray is not sure what caused the problem, how he knows that the problem is real.

Wray asked Greenlee to answer this question.

Greenlee said that tuition and fees are projected in the budget at \$58 million; \$54.5 is tuition, and the rest is fees. Fall tuition collection is \$23.4 million. He said that considering spring and summer, the total tuition and fees revenue shortfall will be about \$7 million.

Amato-Henderson asked if there were any predictions as to how long it would take to identify the error that caused this shortfall.

Wray asked Amato-Henderson if she had ever tried to find a bug in a computer program.

D. Selfe said that Internal Auditor Amy Hughes was a wonderful person, but that she would need all of the resources she asks for to identify the causes of this shortfall as quickly as possible.

Wray said that as Hughes is doing her job, Eveland, O'Brien, and Hendricks are also still examining this problem.

Senator Anil Jambekar said that in all of the university's financial issues, some portions are unchanging and other portions are changing. He said that the only thing that is changing is Governor Granholm's decision about what the giveback in state allocations will be and, potentially, the projection errors that the university is making. He asked if the university was making projections and then managing by wishful thinking.

Greenlee said that this was not the case.

Jambekar said that this was a rumor that was circulating.

Vable said that he wanted to follow up on Amato-Henderson's question about how administrators are sure that there is a problem if they are not sure what has caused the problem. He asked if the problem was one of a basic deficit or one of cash flow, which might be resolved when more revenues are collected.

Greenlee said that the university does not currently have a cash-flow problem; however, Governor Granholm has reduced Michigan Tech's state appropriation by 6.5 percent over last year. Last year, Michigan Tech began with \$55 million in state appropriation; the governor then took back 3.5 percent of that amount, about \$2 million. This year, the governor took away another 6.5 percent, about \$4 million. Greenlee said that if Michigan Tech continues to deficit spend, it will have cash-flow problems. He said that currently, the general fund has a negative

cash balance of about \$10 million; however, system-wide, the university still has cash because there is still cash in the other funds to operate with. He said that the R&I [Retirement and Insurance] Fund is separate and is put into a Scudder Money Market Fund and not used for cash flow. System-wide in its other funds, Michigan Tech has about \$13 million in the bank today.

Greenlee said that cash projections get complicated because several construction projects are currently underway. He said that the university is not spending general fund money on these construction projects because the general fund is in a negative cash position; it is borrowing from the plant fund, the expendable restricted fund, and the designated fund.

Greenlee said that among the things that impact Michigan Tech's cash flow are the university's construction projects. He said that the CILIT [Center for Integrated Learning and Information Technology] consumes about \$1.5 million to \$2 million per month. Although the state reimburses Michigan Tech for these expenditures, the university continuously carries some of this construction balance.

Greenlee said that the university's operating cash will get slim this summer, prior to students paying fall tuition. He estimates that the university will be borrowing on its \$10 million line of credit by that time.

Keen said that there were two other items of business on the agenda and only 35 minutes left in the meeting.

C. Selfe asked what the remaining items were.

Keen said that they were an emergency proposal [10-04] produced by the Senate Executive Committee and circulated previously [9 December 2003] to the senators and a referendum item that Senator Tony Rogers asked to include on the agenda. He said that it was up to the senate how long to continue the current discussion and that he would ask for a motion to adjourn at 7:30.

Vable MOVED that the senate move on to the next item on the agenda.

Keen said that he had offered a suggestion and that the senate could discuss it without an actual motion.

Roblee said that he thought Greenlee had some overheads that he wanted to show the senate. He said that if these overheads included information that had not yet been presented, he would like to see them.

Greenlee said that he would revise his projections as time goes on, but his overheads show his current projections for the general fund to the end of the current fiscal year. Greenlee said that he was predicting the net deficit, not the cumulative deficit, for this fiscal year to be about \$6.5 million; that will be in addition to the \$9.4 million cumulative deficit that the university already has.

C. Selfe said that she didn't think the senate needed to see overheads on this.

Senator Chris Williams asked if the administration knew on what date the state's final reduction in appropriations would be announced and by what date the reductions in salary and benefits would take effect.

Wray said that Governor Granholm is expected to issue her executive order on this point next Friday or Monday. He said that the order has passed the senate, and the house of

representatives has heard and will vote on it either tonight or Friday. He said that proposed reductions in salary and benefits would be subject to what the Board of Control does on Friday.

Williams asked if, in this case, there was any point to people making suggestions.

Wray said that there was.

Senator Jacek Borysow asked if he was correct that the salary reduction for give-away days would require about 33 percent less of the president and provost than of the faculty.

Wray said that on a percentage basis, that was correct.

C. Selfe asked if the administration would get a lower reduction in salary percentage wise than the faculty.

Wray said that the way the reduction is applied, the 12-month staff would be spread over a longer period.

C. Selfe said that the problem does not lie with faculty and staff. She said that if the problem lies with upper administrators who are not catching these errors, she believes that they should take a bigger percentage hit than faculty or staff.

Borysow said that, for him, this is not an issue of who is responsible; it is an issue of leadership.

C. Selfe agreed. She said that the model should be set, the lead should be taken by the president of the university, who should take the biggest cut.

Davis said that the R&I [Retirement and Insurance] Fund is currently invested in a money market fund.

Greenlee said that that was correct.

Davis said that this has cost the university about \$1.8 million as opposed to having the R&I Fund in equities this year.

Greenlee said that the money market fund was currently returning about 6.8 percent. He said that about a week ago, he had calculated that if this fund were still invested in the stock market, the return would be about 8.2 percent.

Davis said that, basically, Michigan Tech was doing what investors are routinely told not to do: engaging in market timing. As a result, the university lost about \$1.8 million.

Greenlee said that he had been directed by the Board of Control to put the R&I Fund into cash.

Davis asked Greenlee if he had informed the Board of Control of the consequences of their actions.

Greenlee said that he had, but that he had not done so in public.

Senator Jim Pickens said that the faculty on the Investments Committee "went ballistic" when they found out that the BOC had withdrawn all but 1 percent of the R&I Fund money from a balanced portfolio and moved it into cash. He said that those faculty have been trying to get a hearing with the BOC Finance Committee ever since then. He said that this change had been made in the fall and that the stock was sold at its lowest value.

C. Selfe asked if this was within the Board's purview.

Pickens said that the Board can do whatever they choose to do, but that faculty on the Investments Committee would like to explain to them that in the long term, a balanced portfolio will do better than money market funds.

Roblee said that a balanced portfolio probably would have done better in this case; on the other hand, if the market had gone down, people would have complained about that, too.

Pickens said that the \$7 million in the R&I Fund had transferred either \$2.9 million or \$3.9 million back to the general fund over the last eight or nine years. He said that this had been a major contribution to the general fund. He said that if the R&I Funds had not been transferred to a money market account, the university's financial situation would be much better.

Davis said that it infuriates him that the Board did this. Since 1932, there have been about 68 moving, 10-year periods. In only two of these periods have money markets outperformed stocks. He said that in 1929, the year the stock market crashed, stocks outperformed bonds. He said that he would take a 98 percent probability of making more money any day; what the Board did was just ludicrous.

Monson said that this was another issue and that the senate had other business to address.

Keen thanked Wray and Greenlee for their presentations.

Senator Bahne Cornilsen asked Greenlee if he had some numbers that he could pass out.

Greenlee said that the information is available on the budget link on Michigan Tech's Web site and that the Senate Finance Committee has copies of year-to-date on the general fund and also the total university and the projections. He said that he would revise upward the projections for the loss in tuition revenues.

7. NEW BUSINESS

Keen said that he had spent a lot of time the previous day writing email messages on rumor control, particularly with respect to the furlough suggestion and the financial exigency question. He said that the senate had seen some of the results of his efforts in the previous day's *Daily Mining Gazette*. Keen said that the senate president is the first person that the president of the university calls when there is a decision to declare a financial exigency. Keen said that he had tried to make this clear to the *Gazette* reporter. He said that he had no idea as to the origin of the suggestion on WLUC TV the night before last that Michigan Tech was considering declaring a financial exigency. Keen said that he was not sure where the idea of furlough came from in the news report, but he knew that there were strong difficulties with this. However, he did take those two points that were apparently rumors and sent them to President Tompkins, Provost Wray, and CFO Greenlee and said that Michigan Tech employees deserve better than to learn about such items in the local newspaper. President Tompkins asked for guidance on how to inform Michigan Tech employees of such things; Keen has not yet replied to this request.

Monson said that the information in the newspaper came from a breakfast that President Tompkins had on Monday morning with community leaders, which was attended by representatives of the newspaper.

D. Selfe asked if these things had come out of the president's mouth.

Monson said that they had.

C. Selfe said that President Tompkins had informed the community of these things before informing the university.

Keen said that the senate should move on; he said that the issue of poor communication had been raised and that he wanted to describe his own efforts to solve this problem.

A. Proposal 10-04, Request for Independent Review of Systemic Financial Problems at Michigan Tech[Appendix G]

Keen said that the next item on the agenda was emergency proposal 10-04, Request for Independent Review of Systemic Financial Problems at Michigan Tech, which has been transmitted to the senate from the Senate Executive Committee. He said that all senators should have already received a copy of this proposal and that additional copies were available. He said that, as he had explained in the email message that accompanied the proposal, the Senate Executive Committee spent about an hour and a half composing the proposal [at its December 8 meeting] and spent additional time revising the proposal via email exchanges on the morning of December 9. Keen said that Proposal 10-04 represented the consensus view of the Executive Committee, although there was some disagreement about the precise wording. He asked if there were any questions on the background of the proposal. There were none.

Keen called for a motion to take up Proposal 10-04 as an emergency proposal. He said that the proposal would be voted on through secret ballot.

Senator Marilyn Cooper MOVED and Senator Jim Pickens seconded the motion to approve Proposal 10-04 as an emergency proposal.

Keen called for discussion on the motion to take up Proposal 10-04 as an emergency proposal. There was none.

Bruce Barna said that Senator Tony Rogers's referendum might have some bearing on the current proposal. He asked if it would be possible to share the referendum with the senate at this point.

Keen said that this was a reasonable request. He asked if there were any objections. There were none. Keen asked Rogers to briefly explain to the senate what the referendum proposal was about.

Rogers said that as an at-large senator, he had received a number of requests from faculty across campus to put forward a referendum with the following wording: "As a faculty member, I no longer have any confidence in the leadership of Curtis J. Tompkins or in his ability to effectively or prudently manage the human and financial resources of the University." Rogers said that his home department, Chemical Engineering, had voted without dissent to put forward this referendum. Rogers recommended that the senate conduct this referendum and that the voting unit be the academic faculty.

D. Selfe asked why voting should be confined to the academic faculty.

Rogers said that staff are more vulnerable than faculty. He said that the proper voting unit was open to debate.

Keen said that the senate should not debate this at this point since this was only a preview of the next item on the agenda.

C. Selfe asked if the senate could adopt both Proposal 10-04 and the referendum.

Keen said that the senate could do both.

Monson asked if the proposal could be voted on as a sense of the senate so that it could be reported at Friday's meeting of the Board of Control.

Keen said that this could be done.

Vable said that approving the referendum would itself be a sense of the senate.

Keen said that he disagreed. He said that it would be possible for the senate to seek the opinion of its constituents on the referendum without agreeing with the referendum motion itself.

The motion to take up Proposal 10-04 as an emergency proposal PASSED on a secret ballot, 28 to 4.

Keen said that the senate could vote on Proposal 10-04 if the senators wanted to do so. He opened the floor for discussion of Proposal 10-04.

Monson said that he had two questions that were raised by faculty in the School of Business and Economics. The first question was how costly would it be to conduct an independent review of the systemic financial problems of the university. Monson said that one of his constituents asked if there might be more cost-effective means of reviewing the university's financial problems, such as perhaps a review by the Senate Finance Committee. The second question was that to some extent, the Board of Control may be responsible for the current situation; hence, should the Board be asked to investigate itself or to have itself investigated?

Barna said that several years ago the AAUP [American Association of University Professors] conducted a fairly thorough financial analysis of Michigan Tech. The cost was less than \$10,000. He said that the Michigan Tech Chapter of AAUP had discussed with the national AAUP office the possibility of conducting another such audit, but unless there is a significant increase in membership in the Michigan Tech Chapter, the AAUP will not be willing to pay the bill for such an audit, but there is a possibility that such an audit could be contracted.

Keen called for further discussion. He said that if Proposal 10-04 passed, he would make it the exclusive subject of his presentation to the Board on Friday.

Vable said that he believed that the Undergraduate Student Government is considering a similar proposal today.

There was no further discussion.

The motion to approve Proposal 10-04 PASSED on a secret ballot, 31 to 2.

C. Selfe asked if it was correct that if the faculty and professional staff were unionized, their salaries would not be subject to reduction.

Keen said that that was correct.

C. Selfe asked when the Michigan Tech Chapter of the AAUP would next conduct a membership drive.

Barna said the chapter was planning a card campaign for the spring.

C. Selfe asked if this campaign could be conducted sooner.

Keen asked if the standard union contracts prohibit layoffs of people under contract in order to meet necessary budgets.

D. Selfe said that such layoffs could only be made under conditions of financial exigency. He said that because Northern Michigan University is unionized, they had been long negotiating their budget problems and already have a plan in place.

Monson said that the union has not yet signed a contract with Northern Michigan University this fall; the faculty have been working without a contract since June 30.

B. Referendum [Appendix H]

Keen said that, following senate rules, the referendum would be introduced now and assigned a number later as a senate proposal. He said that after the introduction, there would be a secret ballot to see if the senate wanted to take this up as an emergency measure.

Barna asked if the text of the referendum might be voted on as a sense of the senate.

Keen said that that would be an appropriate amendment to the motion to approve the referendum.

Barna asked if this could be done without a vote on an emergency measure.

Keen said that it could.

Senator Tony Rogers said that he viewed the referendum as a companion to Proposal 10-04. He said that Proposal 10-04 addresses the process of financial planning and budgeting. The proposed referendum addresses the other fundamental issue: the leadership that needs to be in place to implement any meaningful change.

Rogers said that the referendum allows faculty to express their agreement or disagreement with the following statement: "As a faculty member, I no longer have any confidence in the leadership of Curtis J. Tompkins or in his ability to effectively or prudently manage the human and financial resources of the University." Rogers said that a lot of faculty had expressed an interest in being able to make such a statement.

Monson said that the only problem that he had with the proposed referendum was that President Tompkins was not present to defend himself.

C. Selfe said that when a vote of no confidence was proposed last spring, the senate invited President Tompkins to defend himself. At that time, President Tompkins told the senate that the problem was fixed. He said the same thing when he met with the senate this fall, and in the *Daily Mining Gazette*, he said, "we are out of the valley of the shadow." She said that we are in the ditch. She said the president has said many things.

Monson agreed that President Tompkins has a tendency to do that.

Rogers said that he fears for the future of the institution unless the senate does something.

C. Selfe said that President Tompkins had the opportunity to come tonight.

Monson agreed. Monson asked if a motion was in order.

Keen said that it was.

Monson MOVED and C. Selfe seconded the motion to approve the referendum as an emergency measure. Keen asked if there was any discussion.

C. Selfe asked if the motion could be amended.

Keen said that it could be. He asked if the senate wanted professional staff as well as faculty to vote on this motion.

Roblee said that the full senate should vote on this because this issue affects all senate constituents. Several other senators agreed.

Keen asked if there were any objections to the suggestion that the full senate should vote on this motion. There were none.

C. Selfe asked if there was any law that said that the senate had to adjourn at 7:30.

Keen said that there was no such law but that he would ask for a motion to adjourn at 7:30. He said that the senate did not have to support such a motion.

Pickens asked if a motion to adjourn was debatable and if senators could vote against such a motion.

Keen said that a motion to adjourn was not debatable, but that senators could vote against such a motion.

The motion to approve the referendum as an emergency measure PASSED on a secret ballot, 32 to 1.

Rogers asked if the statement of no confidence in President Tompkins could be presented as both a sense of the senate and a referendum.

Keen said that it could be but that a sense of the senate is transmitted to the administration; whereas a referendum is an internal measure. He said a sense of the senate would express support for the referendum.

For the sense of the senate, Monson asked if the text of the referendum could be adopted, changing "As a faculty member, I no longer have" to "The Senate no longer has."

Keen said that it could be.

Monson asked what would happen to such a sense of the senate.

Keen said that it would be transmitted to the administration if it is transmitted as a proposal.

Roblee asked if there was any way to have such a sense of the senate transmitted to the Board of Control.

Several senators said that Board members might learn of such a sense of the senate through the media.

Keen said that he would follow the senate's direction on this question. He said that such a sense of the senate could be transmitted to the Board of Control's office, but where it goes from there is up to the Board office. Keen said that if the senate indicates that he should present such a sense of the senate to the Board of Control, he will follow the senate's direction.

Roblee asked if this meant that Keen would present this to the Board verbally at their meeting on Friday.

Keen said that it did.

Senator Martha Sloan said that if the senate agrees to include both faculty and professional staff in the referendum, the wording of the referendum should be changed from "As a faculty member, I no longer have" to "As a constituent of the university senate, I no longer have."

D. Selfe proposed extending the debate for 10 minutes.

Cooper said that the argument that the professional staff is vulnerable and, therefore, should not participate in this referendum is flawed because the vote would be by secret ballot.

Rogers said that he didn't oppose including the professional staff.

Cooper asked how the professional staff could be vulnerable if the referendum was held by secret ballot.

Rogers said that some people still felt vulnerable. D. Selfe agreed.

C. Selfe said that she would like to offer a friendly amendment to change in the first line of the text of the referendum "As a faculty member" to read "As a member of a university senate constituency."

Keen said that that was a significant change and, hence, not appropriate as a friendly amendment. He said that this would require a formal amendment.

Senator Cindy Selfe MOVED and Senator Chris William seconded the motion to amend in the first line of the text of the referendum "As a faculty member" to read "As a member of a university senate constituency."

Waddell said that if the referendum was from the senate, it would be to the senate constituency unless the senate confined it to some subset thereof. Hence, the first phrase could be eliminated, and the text could begin with "I no longer have any confidence."

C. Selfe agreed and revised her motion accordingly.

Monson said that he believed that the referendum would be stronger as originally proposed.

Williams asked why Monson believed this.

Monson said that the Board might listen to faculty more than to professional staff.

Barna said that he believed that no-confidence referenda are normally the purview of faculty, primarily because they have tenure and there are fewer chances for repercussions, such as threatening behavior or a variety of other intimidating activities. He said that in the current climate, if this referendum goes to a ballot, the stops will be pulled out, and there will be a variety of implied threats that he believes faculty are in a better position to weather.

Cooper said that she would like to hear from the professional staff on this issue because she does not want to judge for them.

Keen said that he would first take a question from Vable.

Vable asked if the concern was that a smaller percent of ballots would be returned if professional staff were included in the referendum.

Rogers said that this was not the case. He said that he believes that tenured faculty are protected.

Keen said that just to be clear, he would ask for a motion to adjourn.

Senator Jambekar MOVED and Tim Malette seconded the motion to adjourn.

The motion to adjourn FAILED without support.

Keen referred the senate to Cooper's question.

Williams said that if she lost her job because she spoke her mind and said what she felt was most important for Michigan Tech, so be it--she would lose her job. At least she would have the opportunity to speak her mind just like everyone else. She said that she was a part of this community and that she has committed many hours of service to Michigan Tech. She should be able to speak her mind.

D. Selfe said that all of the feedback that he had received via email today was in favor of Proposal 10-04. He said that he was confident that if his constituents had known that this referendum would be on the agenda, then they would have supported it, too.

Senator Ellen Seidel said that the library staff would also want to be part of this referendum.

Keen called for further discussion of the amendment. There was none.

The motion to amend the first line of the text of the referendum by eliminating the phrase "As a faculty member" PASSED on a voice vote with objection.

Amato-Henderson said that she wasn't sure that President Tompkins was solely to blame for the university's financial problems. She asked if it would be more effective to revise the referendum to say "the leadership."

Several senators said that it would not be.

C. Selfe said that the only person who hasn't stood up to take responsibility or at least appeared before the senate is the president.

Amato-Henderson said that she was thinking of the Board of Control.

Barna said that two years ago, President Tompkins said that Michigan Tech's financial problems were caused by the people who were working for him and that he had replaced those people and that he now has a capable team in place. Barna said that President Tompkins has had 13 years to assemble a capable team, and not getting it right in this period of time suggests a leadership problem.

Pickens said that last spring, the senate had considered a vote of no confidence. He said that the senate wanted this vote in the worst possible way and went about it in the worst possible way: by rushing it through. He said that before sending this referendum out, he would like a chance to consult with his constituents and to allow time for the administration to respond. Pickens said that there was one week left in the semester. Hence, he proposed tabling the referendum and conducting a special meeting in one week to address only this item.

Keen said that the proper motion would be a motion to defer a vote on this item until a special meeting could be called next week. Keen said that this motion would be in order later in the discussion.

Keen said the senate was back to the main question of considering whether or not to approve the referendum.

Cooper asked when the referendum would be held. She asked if it was possible to complete the referendum before Christmas break.

Rogers said that the referendum could be done before Christmas break if the process was initiated tonight but not if the process was delayed for a week as Pickens suggested.

Monson said that the ballot could be distributed tomorrow.

Amato-Henderson asked if a potential delay was the rationale for the suggested sense of the senate vote.

Rogers said that that was his reasoning.

Vable said that the last time the senate considered a vote of no confidence, it reversed itself the following week. He said that there was merit to Pickens's point and that the Board of Control might give greater consideration to a referendum that was developed in consultation with the senate's constituents. He said that if there was a poor response rate, the referendum would lack credibility.

Williams said that since she posted Proposal 10-04 yesterday, 74 percent of her constituents had responded with comments or opinions. She said that it was good to get constituents' opinions on such matters.

D. Selfe said that he had heard unflattering things said about the senate after it reversed itself on the proposed vote of no confidence last spring. He said that he thought waiting was a mistake and that he believed that people wanted an opportunity to speak out in this way.

Pickens said that he needed to talk with his constituents and that the senate would need a fairly overwhelming vote on the referendum to be successful. He said that if the referendum was conducted in the heat of the moment, it could be marginalized by the Board of Control.

C. Selfe said that circulating ballots tomorrow would not preclude consulting with constituents before the vote. She said that senate constituents should have a chance to speak by way of the referendum. She said that last spring, constituents did not get a chance to speak because the senate reversed itself.

Pickens said that last spring, the senate initiated a vote of no confidence unilaterally and withdrew the vote unilaterally.

C. Selfe said that the referendum would give constituents a chance to speak for themselves.

Keen said that he needed to correct the record. He said that the senate did not withdraw the vote of no confidence unilaterally. He said that the debate that led to the withdrawal of the vote was dominated by senators reporting that their constituents did not support a vote of no confidence.

Monson said that his only concern about sending the ballot out immediately was that whatever happens at the Board of Control meeting on Friday will have an impact on voting. For example, if people hear about reductions in salaries and benefits, they will be more likely to vote no confidence. He said that he was concerned that this meeting could bias the results of the referendum.

C. Selfe said that it should.

Borysow said that the administration didn't even offer a fair cut in salaries; percentage wise, the administration will take a smaller cut than will faculty.

Bruch asked if it would be possible to get a sense of the senate on the referendum this week and send the ballots out to constituents next week.

Keen said that this was possible.

Beck said that a sense of the senate vote would be weaker than a referendum. Several other senators agreed.

C. Selfe said that a sense of the senate vote would not give constituents a chance to speak their minds to the Board of Control.

Monson MOVED to call the question.

Keen said that Pickens's motion was in order at this point. He asked if debate had finished.

Monson asked if there was a second to his motion.

Keen said that Pickens needed to formally make his motion.

Pickens MOVED and Bruch seconded the motion to treat the referendum as an emergency proposal but defer a vote on the referendum until a special meeting could be called in one week.

Keen said that a motion to delay was not debatable.

Pickens called for a secret ballot on this motion.

D. Selfe said that the referendum would die if there was not a quorum at a special meeting next week.

Pickens said that contrary to what Keen had said, only a very few senators came back last spring with comments from their constituents about the proposed vote of no confidence. He said that only 4-5 senators had met with their constituents. Pickens said that on issues such as this, he calls a faculty meeting that excludes the dean and the associate dean.

Roblee asked what there was to discuss with constituents. He said that the senate is operating on the basis of a lack of facts and that that wouldn't change over the next week.

Pickens said that senators could get some feeling for what the level of support is for the referendum. He said that if the referendum had a poor result, the Board would ignore it.

D. Selfe said that the Board would also ignore the senate if the senate does nothing.

Pickens said that that was not what his motion called for.

Rogers said that the senate shouldn't let its assessment of what the vote will be drive its decision about whether or when to conduct the referendum. He said that the senate's constituents want a voice. Even if the referendum doesn't get the percentage of support that the senate would like, those constituents who vote would still appreciate the opportunity to register their opinions.

The motion to treat the referendum as an emergency proposal but defer a vote on the referendum until a special meeting can be called in one week FAILED on a secret ballot, 22 to 11.

Keen said that the motion to approve the amended referendum was still in order. Keen called for further discussion.

Monson MOVED to call the question.

C. Selfe asked Monson not to do this.

Keen said that if a motion to call the question was made, the senate would have to vote on that motion. He said that if there was no further discussion, it wouldn't be necessary to call the question.

Monson retracted his motion.

Roblee asked Keen to clarify the motion.

Keen said that if there was no further debate, the senate would vote on the motion. He said that the motion is to submit this referendum to the entire senate constituency. He said that the sense of the senate is that if the motion passes, the ballots should be circulated tomorrow.

Roblee asked when the ballots would be collected.

Keen asked if the senate wished to determine this before voting.

Several senators indicated that they did.

Keen asked what the senate preferred to establish as the ballot-due date for this referendum.

Rogers suggested that this date be Thursday of the following week.

Pickens called for a secret ballot.

Amato-Henderson indicated that she would ask a question for Senator Bill Gregg because his voice was hoarse. She asked why the balloting should take a full week.

Rogers said that this would give people more time to vote.

Keen asked if there were any further questions.

C. Selfe asked what happened to the sense of the senate statement on this issue.

Keen said that if this referendum is approved, he will report to the Board of Control that a referendum has gone out and that the senate supports the referendum.

C. Selfe asked if Keen would give a vote count with this report.

Keen said that he would.

The motion to approve the referendum PASSED on a secret ballot, 29 to 4.

8. ADJOURNMENT

Monson MOVED and C. Selfe seconded the motion to adjourn. The meeting adjourned at 7:58 p.m.

Respectfully submitted by Craig Waddell
Secretary of the University Senate