

**THE UNIVERSITY SENATE OF MICHIGAN
TECHNOLOGICAL UNIVERSITY
(PRESIDENTIAL ADVISORY COMMITTEE)**

Minutes of Meeting 413
27 October 2004

Synopsis:

- (1) President Mroz appointed a Presidential Advisory Committee, comprised of those Senators as of 15 October 2004. That newly appointed committee then unanimously re-elected all officers, committee chairs, and committee members from the Senate to continue service in that capacity on the Presidential Advisory Committee and to operate under the rules of the constitution in effect at that time except for the union exclusion in Article II.
- (2) Jim Pickens (Investment Committee) presented Proposal 8-05, Reinvestment of the R&I Account Reserve Funds in a Balanced Portfolio of Stocks and Bonds.
- (3) The Presidential Advisory Committee defeated Proposals 5-05 and 5-06 regarding the Plan C Master's degree.
- (4) The Presidential Advisory Committee passed Proposal 7-05, The Role of Non-Engineering Disciplines at Michigan Tech

1. CALL TO ORDER AND ROLL CALL

President Monson called University Senate Meeting 413 (Presidential Senate Committee) to order at 5:32 pm on Wednesday, 27 October 2004, in Room B45 EERC.

Secretary Glime called roll. Absent were at-large Senators Larry Sutter and Cindy Selfe and representatives from Army/Air Force ROTC, Materials Science & Engineering, Mathematical Sciences, ME-EM, Physics, Keweenaw Research Center, Auxiliary Enterprises, Finance and Advancement, and Human Resources and Facilities Management. Liaison in attendance was David Forel (GSC).

2. RECOGNITION OF VISITORS

Guests included Glen Mroz (Interim President), Kent Wray (Provost), Marcia Goodrich (*Tech Topics*), Marilyn Vogler (Grad School), Ellen Horsch (Administration), Jim Pickens (SFRES), Mike Heavener (student), Eric Thomas (student), Nathan Korson (student), and Eric Eisenbeisz (student).

3. APPROVAL OF AGENDA

President Monson pointed out that item 8A, proposal 8-05, had the wrong title and should be Reinvestment of the R&I Account Reserve Funds in a Balanced Portfolio of Stocks and Bonds. President Monson requested that this item be moved before item 7 so Jim Pickens could make his presentation and leave. [Appendix A. Note: Only official senate and library archival copies of the minutes will contain a full complement of appendices.] Seidel MOVED and D. Selfe seconded the motion to approve the agenda as modified. The motion to approve PASSED on voice vote.

4. APPROVAL OF MINUTES FROM MEETING 412

Pollins MOVED and Turnquist seconded the motion to approve the minutes of Meeting 412. The motion PASSED on voice vote with no dissent.

5 COMMITTEE BUSINESS/REPORTS

A. President's Report

1. Senate officers anticipate that a replacement for Amie Ledgerwood will be found within the next two weeks. Amie has agreed to help in the interim.
2. Senate officers and the Senate Executive Committee met with President Mroz and Provost Wray several times during the past two weeks to discuss alternative methods for the Senate to conduct its business until the Senate Constitution can be changed or a new Constitution can be written.
 - a. The University counsel is of the opinion that paragraph 6 of Article II of the Senate constitution does not violate the Public Employment Relations Act since faculty are not a protected class (by race, color, national origin, sex, or religion). This view contrasts with that offered by AAUP counsel that paragraph 6 violates PERA since it tends to discourage membership in a labor organization.
 - b. Rather than engage in legal wrangling, the Senate officers and the Senate Executive Committee felt that President Mroz's approach of having the Senate act as a presidentially appointed committee was a reasonable approach for the Senate to continue operations until such time that a new senate constitution is approved.
 - c. Yesterday, the Executive Committee agreed that it will rewrite the constitution in a timely manner in order to have it presented to the Senate's constituents in late November or early December and be placed on the agenda of the Board of Control for approval at its 10 December meeting. This rewriting will focus mainly upon the constituency issue found in Article II.
 - d. Once the new constitution is approved, the presidential committee will be dissolved and the Senate will be reconstituted.

6. PRESIDENT MROZ: APPOINTMENT OF AN INTERIM SENATE

President Mroz reported that he had met with the Senate officers several times and then with the Executive Committee. He asked the "Senate" to act as a committee to serve as a presidential advisory committee. **[Appendix B]** As such he charged the committee with creating a constitution that included the former constituency and to consider as few changes as possible. His objective is to get people (faculty) back in quickly. He advised that trying to make it perfect isn't the most important consideration at the moment. He asked that all put aside their mistrust and animosity and work as colleagues as the Senate always has. He hoped that the new committee would organize immediately.

D. Selfe asked if Mroz was requesting that we reconstitute the Senate in the same form. Mroz responded that the decision is up to the "Senate" but that he would encourage us to do so.

Bruch asked if Mroz expects us to conduct a comprehensive review and rewrite of the constitution by December. Mroz responded that if there are obvious things, that are not going to cause a lot of consternation, we should fix them, but the most important objective is redefining the constituency. He had asked one past Senate president for an opinion and was told that we could take it to the constituency for a 50% majority vote because the original Senate Constitution required only a 50% majority for ratification. A second past president, however, said that since this is a committee, the committee could bring the Constitution forward; if there are additional changes after the Senate is reconstituted, it would require the 2/3 vote.

Mroz stated that he was in the Senate when it went from faculty only to a university senate and he had always appreciated the quality of the decisions of the University Senate. He warned that any decision on changing that Constitution today might be based on emotion.

Wood asked if the vote on this "new" constitution must go to the constituents. Monson stated that he thought it should. Gorman asked why it must if the faculty are not constituents. Bruch asked if the Senate is gone. Monson responded that it still exists but it can't easily get a quorum. Polzien countered that the Senate could indeed get a quorum of existing senators. Monson responded that every department would have to elect non-tenure-track faculty to open positions because these people are still constituents.

D. Selfe inquired if there is a proposal on the floor. Monson responded that there was no proposal; the University President had requested the pre-certification members of the Senate to be an advisory committee to him.

Amato-Henderson MOVED that Monson be appointed "president" of the committee. Beck suggested we should do all the positions at one time.

Beck MOVED and Turnquist seconded the motion to appoint the three current officers to serve as officers of the Presidential Advisory Committee, that committees and chairs of committees remain the same as those elected to Senate positions, that constituents remain the same as those prior to 13 October 2004, and that this committee operate under the rules of the constitution in effect at that time except for the union exclusion in Article II.

Turnquist asked if other changes could be made later and Monson responded that they could.

D. Selfe asked if his understanding was correct that this committee was going to act as the Senate has all along and that the only change to be made to the constitution was that of reconstituting the constituency, which would require a simple majority of those voting among the original constituency. He questioned if we have sufficient time now to prepare the constituency for the vote before the December Board meeting.

Monson responded that we will present the new Constitution at the next Presidential Advisory Committee meeting.

The motion to retain the current Senate positions on the Presidential Advisory Committee PASSED on voice vote with no opposition.

Waddell MOVED and Flynn seconded the motion that the Executive Committee of the Presidential Advisory Committee will write the new constitution for the new Senate. This Constitution would require a 50% majority vote of the Presidential Advisory Committee and a 50% majority of the votes cast by the new constituents. This motion PASSED on voice vote with no opposition.

7. REPORT FROM JIM PICKENS, INVESTMENT COMMITTEE

Pickens presented Proposal 8-05 **[Appendix C]**, Reinvestment of the R&I Account Reserve Funds in a Balanced Portfolio of Stocks and Bonds, and reported that we are required by law to have a reserve to cover liability expenses resulting if MTU should go into Chapter 13 and be liquidated. The choices for maintaining these funds are to put them in a bank account or to invest them. This money can only be used to cover accrued vacation and already used unpaid medical expenses. We currently have about \$7,000,000 in reserves.

Prior to 1994, these funds were simply kept in bank accounts. From 1994 until 2003 they were invested in stocks and bonds via mutual funds, returning \$3,900,000 in earnings to the general fund. Starting in the late 1990's the earnings were retained in the fund until a 20% reserve above liabilities was accumulated. This provides a buffer against stock market declines. The portfolio was liquidated and converted to cash equivalents in 2003. Jim Gale, Dean Johnson, and Jim Pickens worked over the following year to have the funds reinvested into a balanced portfolio. In June of this year, the Board of Control Finance Committee agreed to reinvest the funds into a balanced portfolio. They also asked that the faculty involved seek support from the university community working through the Senate. The rationale for investing in a balanced portfolio is that stocks earn 7-9% above inflation historically, while bond and cash yields are much lower. This proposal requests that the R&I funds be reinvested in a balanced portfolio with no more than 80% in common stock funds; that the portfolio asset allocation be rebalanced each January; that earnings be retained in the fund until a safety reserve of 20% above liabilities is achieved; that any excess above 120% of liabilities be transferred to the General Fund early in the fiscal year and treated as one-time funds in the annual budget allocation process; that investment decisions for the portfolio be done by the Investments Committee; that the tenured and tenure track faculty members of the Investments Committee report annually to the university community via the Senate on portfolio performance.

Pickens added that the university must "be whole" on 1 July of each year. This date led to the practice of moving the earnings of the fund to the General Fund at the end of June, removing it from the University budget and effectively hiding its use from the University community. This proposal requests full disclosure by moving the transfer date to early in the academic year.

Pollins asked why only tenure and tenure-track faculty and not others were to report to the University community. Pickens responded that the staff are not protected by tenure but would be welcome to contribute if they chose to.

Monson stated that the Presidential Advisory Committee would take up the proposal at the next meeting.

7. OLD BUSINESS

A. Proposal 5-05, Change in Course-work Only Master's Requirements [See minutes, page 11267, for a copy of this proposal]

Pollins MOVED and Flaspohler seconded the motion to approve Proposal 5-05. Flaspohler asked what benefit this proposal has for the university. Monson stated that the School of Business is proposing a plan C Master's and that an oral exam is not typical for the program.

Vogler (Grad School) stated that generally the departments that offer a plan C degree supported the proposal and those who do not tended to oppose it. Those supporting it argue that the test is ineffective in measuring accomplishment and is not a satisfying experience.

Janners asked how distance education has affected driving of the proposal. Vogler responded that the distance education program has no coursework-only degree. However, there are provisional plan C programs through community colleges where it is very impractical for students to be on campus. Eliminating the oral exam would make it easier to put this program together.

Janners stated that the question is whether the degree is given by the university or the department. Vogler responded that there are already other differences among programs; one department requires 32 credits instead of the required 30.

Gorman reported that the Curricular Policy Committee thought this proposal was a bad idea. Janners added that the committee brought the proposal forward because the grad school had supported it.

Monson stated that business programs usually do not require any exam. Someone added that engineering M.S degrees are not standard. Sloan added that departments want to build their M.S. programs. Having more students would permit offering more courses and would be more efficient, so it would improve both the M.S. and Ph.D. programs. She added that she was not even offered the option of anything but coursework for her own two M.S. degrees.

D. Selfe stated that the Humanities Department offers all types of degrees. These choices allow students to focus on what they plan to do with the degree. This proposal puts the responsibility in the department's lap.

Flaspohler stated that the oral exam is one time it is most difficult for a student to conceal mastery of the material. Vitton stated that Shell Oil wouldn't recruit from schools with no thesis option.

Flynn stated that humanities students in plan C must write a coursework paper that is sometimes as comprehensive as a thesis.

Amato-Henderson stated that it is important to be able to communicate and that this oral exam may be the only opportunity to demonstrate that ability. Vogler agreed that it provides an opportunity to speak clearly and publicly, but that often the exam is not a coherent discussion, but is an uncomfortable situation for all. A student may do well in coursework but do poorly on an oral exam.

Wood stated that many engineers with good academic records have poor verbal skills but that each department should decide on their own requirements. He asked what our competition does.

Williams asked if we ever fail a student on a plan C exam.

Vogler reminded us that we would still require an oral defense for plans A & B.

Glime asked how the diploma and transcript distinguish the various types of M.S. degrees. Vogler responded that they do not.

Flaspohler stated that this proposal seems to be indicating a direction we want to go. Johnson stated that this would ultimately impact distance learning. Vogler stated that at present all oral exams must be on campus. D. Selfe stated that he could see no reason that the distance learning exam must be on campus. Therefore, we should get rid of that requirement. Amato-Henderson agreed, stating that the on-campus rule is archaic.

Monson called for a secret ballot. Proposal 5-05 FAILED with 14 no and 6 yes votes.

B. Proposal 6-05, External Member of Plan C Masters Examination Committee [See minutes, page 11268, for a copy of this proposal]

Janners MOVED and Williams seconded the motion to adopt Proposal 7-05. If this motion passes, it will reduce the required committee size for a Plan C Master's to three.

Flynn asked for the rationale for this proposal. Vogler (Grad School) responded that the external member often has no idea of the coursework a student has taken.

Flynn responded that the external member is often appointed by the Graduate School and should insure that procedures are followed and fair.

D. Selfe stated that his observations are that the purpose is to add a different perspective and that the external member is expected to know something about the content.

Vogler stated that the external person sees that the procedure is followed and represents the Graduate School. The work required of the faculty member might be too much with little gain.

Janners stated that this proposal seems to lower the expectations of the faculty and the students.

Flaspohler stated that a student must be able to communicate to the lay person, in this case represented by the outside member.

The motion FAILED on voice vote with no assenting votes.

C. Proposal 7-05, The Role of Non-Engineering Disciplines at Michigan Tech-Revisions to Proposal 8-04 [See minutes, page 11269, for a copy of this proposal]

The original wording of the 2000 Strategic Plan states "Engineering, science and technology, and the business of technology, will remain the focus of our University. We recognize that success in this focus requires vital programs that contribute to the cultural development, social skills and well-rounded education of our students."

The new wording to the second sentence states that "We recognize that other disciplines and degree programs are necessary for the University's long-term viability and that they make significant contributions to the University's educational and research missions in a world where science, technology, humanistic and social issues are inextricably linked."

Bruch MOVED and Turnquist seconded the motion to approve Proposal 7-05. Monson ruled that this motion, although presented as requiring only academic units as voting units, should be voted on by the full Senate because it affected the whole university. The motion PASSED on voice vote with no opposition.

8. ADJOURNMENT

Bruch MOVED and Turnquist seconded the motion to adjourn. The meeting adjourned at 7:11 PM.

Respectfully Submitted by Janice M. Glime

Secretary of the University Senate/Presidential Advisory Committee