30 The University Senate
of Michigan Technological University

Minutes of Meeting 507
20 April 2011

Synopsis:
The Senate
- Proposal 39-11 passed
- Proposal 40-11 passed
- Proposal 42-11 through 46-11 passed
- Proposal 47-11 passed

1. Call to order and roll call. President Rudy Luck called the University Senate Meeting 507 to order at 5:36 pm on Wednesday, April 20, 2011. The Senate Secretary Marty Thompson called roll. Absent were representatives of Army/Air Force ROTC, Cognitive and Learning Sciences, Electrical and Computer Engineering, Materials Science and Engineering, Mathematical Sciences, Auxiliaries and Cultural Enrichment, Admissions, Advancement, IT and Senator Koszykowski.

2. Recognition of visitors. Guests included Max Seel (Provost), Glenn Mroz (President), Dan Greenlee (CFO), Eli Kattunen (USG), Bruce Seely (College of Sciences and Arts) and Jim Frendeway (School of Technology).

3. Approval of agenda. Luck asked if there were any changes; there being none Luck declared the agenda stood approved.

4. Approval of minutes from Meeting 505. Luck asked if there were any changes; there being none Luck declared the minutes stood approved.

5. Presentation: “Presidential Address to the Senate” presented by President Glenn Mroz
Mroz, President of Michigan Tech, thanked the Administrative Policy Committee for performing the presidential survey. He started by discussing the concern over moving some of the administrative offices off-campus. Mroz discussed the details of the UPPCO building acquisition and usage. He noted that the survey comments were helpful to get a sense of what the different groups of people at Tech were concerned with. Mroz noted that the employee suggestions will be reviewed and addressed, emphasizing that the comments are taken seriously. He then discussed the Michigan State budget and the impact on Tech. Mroz met with the governor and discussed the decrease in appropriations to higher education and reimbursement associated with tuition restraint. He suspects the tuition restraint language will get softened or removed when the different bills are discussed in the legislature. He discussed a few specific issues coming from the state, including; commercialization, protecting the rights of Christians and the makeup of the state legislature. Mroz said he will bring a budget forward at the next Board of Control meeting. He noted the hiring initiatives from several companies and has impressed upon representatives from these companies the importance of supporting higher education in the state of Michigan. Mroz concluded by noting that Norman Augustine, will be commencement speaker. Luck thanked Mroz.

6. Presentation: “Results of the President’s Evaluation” presented by Dr. Gerry Caneba
Caneba, Administrative Policy Committee, noted the executive team survey was tied to the presidential evaluation, and was performed to satisfy Proposal 500.1. He proceeded to present the survey timeline and noted that 518 respondents or 34% of all surveys sent out were completed (previous year was 18%). Caneba described the survey layout, including performance, issues, executive team performance and additional questions suggested by President Mroz. He noted that the senate executive committee decided to excise questions 26 through 33 pertaining to individual executive team members. Caneba then presented the results of the survey going over the scores and most prominent comment for each question. Brefle asked about the term majority in referring to the comments, whether this referred to a majority of respondents or a majority of the comments received. Caneba affirmed the latter. Brefle felt this may not reflect the overall sentiment as content people are less likely to make a comment. Caneba noted that the committee based their data on the comments they received and felt it represented the university as a whole. He summarized the survey and comments and mentioned the fate of the survey results. Luck thanked Caneba.

7. Presentation: “Michigan Tech Finances” presented by CFO Daniel Greenlee
Greenlee, Chief Financial Officer, provided a financial review based on the 2nd quarter and projected for the remainder of the year. The general and current fund FY11 Income Statement Budget and Projections were discussed. He noted the differences between the projections and actual budget items. Greenlee specifically noted the difference of roughly $2 million in tuition and fees, which was due to students taking an average of 14.1 credit hours, whereas projections were made based on 14.3 credit hours per semester. Greenlee defined the meaning of the terms Current Fund which includes, five different funds; the General fund, Retirement & Insurance fund, Designated fund, Auxiliary Activities and Expendable Restricted fund, versus the General fund which includes 2/3 of revenue and, most faculty and administration salaries. He noted that 60% of indirect F&A (about $6.7 million) goes back into designated research incentives fund. Grant and contract revenue is up about $1.8 million, which also includes $7 million in Pell grants. Greenlee noted that salaries and fringe benefits costs are down. He discussed each item comparing the actual and projected values for the general and current funds. The biggest transfers out are $6.7 million for research, $3 million for retirement and insurance/MPSER, $1 million insurance and athletic money. Debt service will cost Tech $4.3 million this year. The state appropriation is categorized as non-operating revenue as there is considered to be no transfer back to the state of goods or services. Misc revenues include gain on securities. He defined the source of the securities and the

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method which they are used. Luck asked what this was in invested in. Greenlee noted investments are in 20% short-term money market fund and 80% is in the stock market, which itself is 25% Wilshire 3500 Fund and 75% is in the S&P500. The $9.8 million is to ensure medical billings and vacation accrual is covered. Scarlett noted this was assuming the stock market does not crash. Greenlee affirmed this and noted the loss of $7.2 million of state appropriations. Barkdoll noted this showed a negative balance sheet. Greenlee noted the 0.1% variance on the $250 million budget is close but any negative is not good. Barkdoll asked about the decrease in state appropriations. Greenlee said this needs to be offset. Plummer asked about the difference in projections in tuition and fees. Greenlee noted the difference reflects fees going into the auxiliaries income statement. Plummer noted there were fees that differ between funds. Greenlee said the bulk of the tuition goes into the general fund. Barkdoll asked how much debt Tech is currently holding. Greenlee said $80 million in bond issues, noting that $50 of the $80 million in debt went towards residence halls. Seel noted the Great Lakes Research Center added $6.8 million. Mroz noted the Dow building is a part of the debt. Greenlee noted the average rate is about 4% for the 30 year bonds. Mroz noted it was not operating debt. Mullins asked what accounted for the other percent of the total of $100 million in liabilities. Greenlee said included in the remaining $20 million were sick leave, health care and short term items. He said the unrestricted fund balance is $12 million. Mullins asked if that reflects cash on hand. Greenlee noted that the credit line was not included in the cash flow statement. He correlated the shape of the cash flow curve as a function of calendar date noting fall and spring tuition. Tech spends $800K per day. Greenlee concluded by noting that the cash flow statement shows an average of $20 million right now, whereas in 2001 it was $5 million. Luck thanked Greenlee.

8. Presentation: “Tuition” by Dr. Michael Mullins

Mullins, Finance Committee, started by showing a graph comparing tuition revenues and state appropriations over a 22 year span. Mroz noted the increase in students on campus which drove up tuition revenues and the loss of the Promise grant. Mullins said that we are running towards the high end of other in-state institutions. Mroz noted Indian tuition waivers contributed to this observation. Mullins noted the trends in state and tuition revenue percentages. He noted annual tuition going from $13,007 to $13,900 if a 7% tuition increase is implemented. He noted the sensitivity in the number of student credit hours being taken to the total tuition revenue. He compared the out of state tuition at Tech with the in-state tuition at the less technically challenging University of Arizona. Mullins noted the additional staff, administrators, and faculty as the source of the cost increase rather than raises. He noted the retirement obligations of $4.7 and $7.2 million for MPSER and TIAA-CREF, respectively. Mroz noted 1996 was the last year MPSER was offered and 2036 is he last year Tech is obligated to MPSER. Mullins noted the total liability increase from $14 to $100 million from 1990 to 2010. Greenlee noted $4.3 million in bond payments this year. Mullins noted institutional support is currently $2237 per student, reflecting a total cost increase from 2006 to 2011 from $12 million to $20 million, which is the highest in the state. IT is a rapidly increasing cost that might be impacting tuition rates. He compared internal versus external research expenditures. Greenlee said MTRI started contributing to research expenditures as of 2006. Mullins noted external research increased with addition of MTRI. Internal research expenditures consist of indirect cost return, faculty salaries, and recirculating research dollars. Mullins asked if the undergraduate tuition is subsidizing the graduate program and if we have overextended our ability to maintain the physical plant. He noted the dramatic increase in space of approximately 1 million square feet with little increase in students, some increase in faculty and a modest increase in research expenditures.

9. Report from the Senate President

Luck thanked all the senators for their contributions this year, especially the senate assistant. Proposal 38-11 was approved with friendly amendments. Barkdoll, Research Policy Committee, said the committee approved the changes. Luck called for a vote of the amended proposal; it passed unanimously on a voice vote. He noted the provost requested revisions to the faculty handbook, including the revision process itself. Luck also noted the variance between the faculty handbook policy and the senate proposals they reference. He also noted a senate and university web policy, which differ. Luck cited several examples of discrepancies between policies in the handbook and senate or university proposals and policies.

10. Report from Senate Standing Committees

Onder, Elections Committee, noted there will be senator-at-large elections in the fall, rather than the spring due to a lack of nominations. He noted Laurie Panian will be replacing Cody Kangas. Onder moved that the nominations for Athletic Council be sent to the president; Hamlin seconded the motion; it passed unanimously on a voice vote. Onder moved for approval of a Conflict-of-Interest committee member; Hamlin seconded the motion; it passed unanimously on a voice vote. Onder moved for approval of Mullins for Faculty Distinguished Awards committee; Hamlin seconded the motion; it passed unanimously on a voice vote. Onder moved for approval of Peng for Sabbatical Leave committee; Storer seconded the motion; it passed unanimously on a voice vote. Onder moved for approval of Charlesworth for Public Safety Oversight committee; Hamlin seconded the motion; it passed unanimously on a voice vote. Onder showed two nominees for Misconduct in Research committee. Nora Allred won by a clicker vote.

11. Old Business

Proposal 39-11 “Master’s of Science in Geospatial Technology”

Luck asked for comments; there being none he called for a vote; the proposal passed unanimously on a voice vote.

Proposal 40-11 “Departmental Name Change from Department of Exercise Science, Health and Physical Education to Department of Kinesiology and Integrative Physiology”

Luck asked for comments; there being none he called for a vote; the proposal passed unanimously on a voice vote.

Proposal 42-11 through 46-11 “Proposals to Eliminate Degree Programs”

Luck asked if any comments regarding the elimination of the following degree programs:

42-11: "Proposal to Eliminate Degree Program: M.S. in General Engineering"
43-11: "Proposal to Eliminate Degree Program: M.S. in Engineering Physics"
44-11: "Proposal to Eliminate Degree Program: Ph.D. in Engineering Mechanics"
45-11: "Proposal to Eliminate Degree Program: M.S. in Business Administration"
46-11: "Proposal to Eliminate Degree Program: Ph.D. in Applied Physics"

There being no discussion he called for a vote; the proposal **passed** unanimously on a voice vote.

Proposal 47-11 "Degree Name Change from B.S. in Health & Physical Education-Fitness & Sports Management Concentration to B.S. in Sports and Fitness Management"
Luck asked for comments; there being none he called for a vote; the proposal **passed** unanimously on a voice vote.

**12. New Business**
There was no new business

**13. Adjournment.** Hamlin moved to adjourn; President Luck adjourned the meeting at 7:28pm.

Respectfully submitted
by Marty Thompson
Secretary of the University Senate