

SAGINAW VALLEY STATE COLLEGE

BOARD OF CONTROL

MINUTES

AUGUST 9, 1982

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BOARD OF CONTROL
SAGINAW VALLEY STATE COLLEGEREGULAR MONTHLY MEETING
Board Room--Wickes Hall
August 9, 1982

Present: Arbury
Braun
Curtiss
Darin
Gilmore
Kendall
Saltzman
Williams

Others

Present: Beal
Colvin
Dickey
Frahm
Gilbert
Lee
Muladore
Ryder
Saft
Sharp
Woodcock
Yien
Press (2)

I. CALL TO ORDER

Chairman Kendall called the meeting to order at 9:37 a.m. and observed that all eight members of the Board were present.

II. PROCEDURAL ITEMS

1. Approval of Minutes of Regular Monthly Meeting held on June 14, 1982

Chairman Kendall stated that the Minutes of the last Regular Monthly Meeting held on June 14, 1982 were mailed and asked if there were any corrections or additions.

Dr. Ryder indicated that Dr. Yien had a comment to make.

Dr. Yien advised that he had a small correction to make regarding the Minutes of the June 14, 1982 meeting. He referred the Board members to Page 121, about the middle of the page and noted that in his response to Dr. Williams' question about the role of the Board of Control in relation to tenure denial, he had made a mistake by saying that the Board of Control had the final decision-making regarding tenure. He pointed out that according to the contract of 1981 through 1984, the Reappointment and Tenure Commission had the final say of tenure appeal...its decision was binding and final.

Dr. Ryder observed that the Board had the final say insofar as the Board approved the contract, so in effect, ahead of any decision-making in that arena, the Board decided that it accepted that as the approach. He pointed out that the Professional Practices Committee, which was composed of six faculty and three administrators, with Dr. Yien chairing it, was the committee that made the recommendation on tenure...Dr. Yien then made the recommendation to him, and he then made the recommendation to the Board. If the Professional Practices Committee had denied tenure, and he supported it by not recommending a person for tenure, then the individual could appeal it to the Reappointment and Tenure Commission, composed of two faculty, appointed by the faculty, and two administrators, appointed by the Board.

These four commission members, Dr. Ryder noted, might appoint another individual, either an outside arbitrator or an individual within the institution. The commission could deliberate alone or with an arbitrator, who came in and basically chaired the group...any decision would be that of the commission and not

a single arbitrator.

Dr. Ryder concluded that this was the procedure that the Board of Control agreed to when it approved the contract, and then when the Reappointment and Tenure Commission made its decision, it was final insofar as the college was concerned. The individual could always appeal to the courts...that would be the next step. He stressed that the administration felt that this procedure represented at least sufficient due process so that in the event it got into the courts, there would be no problem at all...that was the legal advice SVSC had, and he thought it was correct.

Mr. Curtiss stated that he had a couple of items to clarify.

He referred to Page 118 and indicated he just wanted to be sure that he understood the reserve on the athletic facility correctly...Mr. Woodcock was reported as saying "SVSC would collect \$67,500 and that its debt service requirement was \$96,000." He asked if he were correct then in assuming that SVSC was currently assessing or collecting \$30,000 a year less than its debt service.

Mr. Woodcock responded in the affirmative, indicating that there were two other aspects of that...one was that there was a cash balance in the reserve accounts and SVSC had that invested, so it did get investment income on that. He observed he didn't have that analysis with him, but it had been running \$8,000 to \$12,000 approximately...those monies were earmarked for payments, plus the amount in the reserve account was being utilized. Within a three-year period of time, he said, depending upon what happened to credit hour production, if that credit hour production did not increase such that the amount collected would take care of the payment, then SVSC would have to make an adjustment in the amount

of the General Service fee that was earmarked for making these payments.

Mr. Curtiss asked what SVSC was levying currently per credit hour for the athletic facility.

Mr. Woodcock explained that that was part of the \$3.00 General Service fee and currently SVSC was allocating 90¢ of that toward the athletic facility...it was not specifically identified...but was part of the General Service fee.

Just for his own background, Mr. Curtiss asked how the balance of the \$3.00 was allocated.

Mr. Woodcock responded that it was allocated to the First Aid facility, parking, Student Government fee and publications, with the balance going into the General Fund...there was a small balance and that was used for what was termed "General Registration fee."

Mr. Curtiss noted that the other point he would like to raise was one that should have been raised at the June meeting, and if the other Board members did not object, he would like to raise it just briefly, and that was, in the event that this Board didn't have a unanimous vote on a particular issue (he noticed in the May Minutes that it was recorded the number of "ayes" and "nays" with no names) they had had cases in the past on sensitive issues where the votes were recorded by names, and those individuals who did not support a particular act... in other words opposed it in voting "no" were potentially relieved of some legal liability...he was wondering if it was the policy of this Board not to record the names of the negative votes, or if there were a procedure by which the Board members could be assured that that would be done.

Dr. Gilbert advised that the policy called for the votes to be recorded by

a roll call.

Mr. Curtiss asked if it were necessary to have a roll call for each vote, or could they just record the "nays" in the event of a split vote...if there were a question about it, certainly they could have a roll call...he hated to get into a situation where they called the roll for every vote.

Mrs. Arbury asked about the recording of abstentions also.

Mr. Curtiss indicated he thought abstentions should be recorded by name as well. The question he had raised, Mr. Curtiss stressed, was a small point, but he thought the Board should have a policy.

Mr. Braun agreed with Mr. Curtiss...he thought the policy ought to be followed... both abstentions and negative votes ought to be recorded by name, because it was a rather common way to go on record that could have some potential legal consequences. In this day and age, he pointed out, it was significant in litigation that involved Board members of non-profit as well as profits, to find what stand particular individuals might have taken at the time when an issue came up.

Dr. Gilbert read the policy "Voice votes will be recorded by "yeas," "nays" and "abstentions." It did not state whether it should be by name, nor did it say that they couldn't use names.

Since the policy wasn't explicit, Dr. Ryder asked what the procedure would be to change it.

Dr. Gilbert responded that they would have to get a notice out within 30 days, he thought.

Chairman Kendall asked if Mr. Curtiss would be satisfied if they agreed to find out what the procedure was to change the policy...reactivate the Ad Hoc

Committee, if necessary, and do whatever was necessary to change the policy.

Mr. Curtiss responded that first of all, he didn't care whether they changed the May Minutes or not. Secondly, he didn't think a subcommittee and a meeting was necessary. If there were objection to recording the vote by name in the event it was not unanimous, perhaps that could be mentioned here...if there wasn't any objection to that, then he thought Dr. Gilbert could probably make a recommendation.

Dr. Ryder suggested and Chairman Kendall concurred that this could be put on the Agenda for the next Regular Board meeting. Dr. Gilbert was asked to prepare a recommendation for the October meeting.

Hearing no further discussion on corrections or additions to the Minutes, Chairman Kendall declared the Minutes approved as corrected.

2. Approval of Minutes of Special Meeting held on June 23, 1982

Chairman Kendall noted that the Minutes of the Special Meeting held on June 23, 1982 had been mailed also and asked if there were any corrections or additions.

Hearing none, he declared the Minutes approved as mailed.

3. Official Representative of Faculty Association

Chairman Kendall asked if there were an official representative of the Faculty Association present. Dr. Ryder advised that the Faculty Association was not represented today.

4. Communications and Requests to Appear before the Board

Chairman Kendall asked if there had been any communications and requests to appear before the Board.

Dr. Ryder indicated there had been none.

5. Remarks by the President

Dr. Ryder indicated he would like to have two introductions made at this time. He called upon Dr. Yien for the first.

Dr. Yien advised that since the last Board meeting there had been a change in leadership in the School of Education...the former Dean, Dr. Harold W. Peterson, requested to be assigned to full-time teaching, so immediately a search started and concluded about a week ago. He then announced that they had a new Dean in the room with them and indicated he was pleased to introduce Dr. Guy M. Lee, Jr. as the next Dean of the School of Education, who for the fiscal year 1982-83 would also be responsible for Affirmative Action.

Dr. Ryder explained the procedure Personnel followed in the filling of all positions, first advertising exclusively within the institution, and then outside. He stated that he was extremely pleased that SVSC was able to appoint somebody from within. He pointed out that Dr. Lee served in the School of Education prior to joining the administration...from 1970 to 1972 as Director of Student Teaching, and from 1972 to 1975 as Associate Dean. In his role in Affirmative Action, Dr. Ryder noted, Dr. Lee had done a very fine job in completing SVSC's Affirmative Action Plan recently adopted by the Board. While some of the responsibilities Dr. Lee had in Affirmative Action would be assigned to Personnel to carry out, such as some of the paperwork, etc., Dr. Lee would have overall supervision for the balance of the 1982-83 year. Normally, this wouldn't be appropriate, from the point of view that you didn't want a line officer, who had decision-making powers with respect to employment, also serving in the role as Director of Affirmative Action, Dr. Ryder stressed, but indicated he thought this would work out well for one year and then

they would have an easy change-over...he thought it was going to benefit the institution.

Dr. Ryder noted that Dr. Peterson had been Dean of the School of Education for 12 years during which it had prospered...SVSC had added faculty and served a good many students, and overall had a strong program as other programs across the state had dwindled in terms of enrollment, etc. SVSC, he said, had made a special effort to stay small and bring in quality people in that development.

Dr. Ryder called upon Mr. Woodcock for the second introduction.

Mr. Woodcock stated that it was his pleasure to introduce Mr. James G. Muladore, who, effective July 1, 1982, became the college's Controller. He pointed out that Jim had been Budget Director and Systems Coordinator prior to his new appointment, and that for a period of time he would still retain those responsibilities.

Dr. Ryder added that Jim replaced Al Orr, the former Controller, who had left the institution.

Mrs. Saltzman questioned the status of the Library Director vacancy.

Dr. Yien indicated that was an oversight on his part...he should have mentioned that Dr. Michael M. Lee left SVSC about three weeks ago, and for the next two years, Mrs. Dorothy R. Horwath would be serving as Interim Director of the Library and Learning Resources. Dr. Yien advised that there had been no search conducted, because the Library development timing was kind of slow because of the state economy and also the forthcoming IF No. 2, and that it was his opinion that until IF No. 2 became available, SVSC could get along with the existing Library personnel for a period of two years at least. He concluded that this

was his recommendation to President Ryder, and the recommendation was accepted to go with an Interim Director.

Dr. Yien observed that Dr. Michael M. Lee had gone to Central Missouri State College, having about 18,000 students, and that his title was Dean of Library and Learning Resources.

III. ACTION ITEMS

6. Recommendation for Modifications in the 1981-83 Contract between SVSC and the SVSC Secretarial and Clerical Association

Chairman Kendall noted that the Amendment pertaining to this Agenda item had been included in the Board packets and indicated a motion was in order to approve.

BM-632 It was moved and supported that the modifications in the 1981-83 contract between SVSC and the SVSC Secretarial and Clerical Association (see Attachment) be approved.

Chairman Kendall asked if there were any discussion. Hearing none, he called for a vote.

Motion unanimously carried.

7. Recommendation for Approval of the Establishment of a Line of Credit with Michigan National Bank

Chairman Kendall referred to the resolution provided in the Board packets and called for a motion to adopt.

RES-555 It was moved and supported that the attached resolution be adopted.

Chairman Kendall asked if there were any discussion.

Dr. Ryder called attention to a misspelled word "moneys" in the third line of the first paragraph and asked that it be changed to "monies."

AMENDMENT TO THE SVSC/SVSC SECRETARIAL/CLERICAL ASSOCIATION
AGREEMENT 1981-83

Saginaw Valley State College and the Saginaw Valley State College Secretarial and Clerical Association have agreed to amend their 1981-83 contract as follows:

1. All members of the bargaining unit who are current participants in the TIAA-CREF Retirement Program shall have their College contribution reduced from 10% to 5% from July 1, 1982 through June 30, 1983. Excluded from this reduction are the six employees who were identified as potential early retirees during the course of the negotiations. Additionally, there will be a one-year freeze on entrance in the TIAA-CREF Retirement Program for current employees not enrolled as of June 30, 1982.

2. All members of the bargaining unit whose retirement is reduced during 1982-83 shall have their TIAA-CREF contribution increased, based on earnings, according to the formula which follows:

1983-84 - 12% *
1984-85 - 12% *
1985-86 - 11% *

*Unless negotiated at a different rate in subsequent contracts.

Those staff members excluded from the TIAA-CREF reduction outlined in Paragraph 1 above shall not be eligible for the restoration increases described in this paragraph.

3. Beginning January 1, 1982, all members of the bargaining unit who voluntarily withdraw from either of the SVSC medical/health insurance programs shall receive a payment of \$250.00 after six consecutive months without such coverage. Payments shall be made on July 2, 1982, December 3, 1982, and June 3, 1983.

4. Article 5.06.5 (Release Time for Union Business) shall be amended to read: "Up to eight (8) days release time with pay shall be provided to the Union for the purposes of educational leave, such as conferences, seminars and the Annual Assembly. . ." Such amendment shall be in effect from July 1, 1982 through June 30, 1983.

FOR THE COLLEGE

Lawrence K. Fitzpatrick

FOR THE ASSOCIATION

Alvin J. Wagner

RESOLUTION OF THE BOARD OF CONTROL
OF SAGINAW VALLEY STATE COLLEGE
AUTHORIZING THE BORROWING OF FUNDS
TO MEET TEMPORARY CASH FLOW DEFICITS

WHEREAS, the Board of Control of Saginaw Valley State College (the "Board"), in the exercise of its constitutional duties has determined that it is necessary and expedient to provide for the borrowing of ~~monies~~ ^{monies} in amounts not to exceed \$750,000 at any time outstanding on terms set forth herein and in the Agreement (hereinafter defined) for the purpose of providing necessary funds to meet temporary cash flow deficits; and

WHEREAS, there has been submitted for consideration of this Board a proposed Loan Agreement whereby the sum of up to \$750,000 may be borrowed from Michigan National Bank, a national banking association (the "Bank") on a "line-of-credit" basis;

NOW, THEREFORE, BE IT RESOLVED that the Board enter into the Loan Agreement providing that the Board may borrow for such purposes the sum of not to exceed \$750,000 from the Bank upon the terms and conditions more fully set forth in the Loan Agreement (herein referred to as the "Agreement"), and in evidence thereof issue and deliver its note therefor as described in the Agreement (the "Note"). Advances under the Agreement shall be made at the request of the Board's authorized agents, and shall be repayable at any time by the Board, but not later than June 30, 1983. Interest shall accrue on the sums outstanding, computed on a 360 day year at the interest rate equal to 75% of the Prime Rate, as defined in the Agreement, (subject to increase in case interest on the Note is or becomes subject to federal income tax) and shall be payable monthly, all as provided in the Agreement. Principal and interest due under the Agreement and Note are payable from and secured by a first lien on the general tuition and matriculation fees established from time to time by the College and collected from the students attending the College ("Student Fees"). The first lien on the Student Fees established by this Resolution and the Agreement shall be on a parity basis with the first lien thereon established pursuant to a certain Trust Agreement, dated as of December 15, 1969, between the Board and Ann Arbor Trust Company as security for the Board's Saginaw Valley State College Athletic Facilities Bonds, and any future borrowings made on a parity with the above under the terms of the Agreement and said Trust Agreement; and

BE IT FURTHER RESOLVED that the President of Saginaw Valley State College, or the Vice President for Business Affairs of Saginaw Valley State College be and each of them are hereby authorized, empowered, and directed in the name of the Board and as its corporate act and deed to execute and enter into the Agreement and a Note in the amount of \$750,000 to the Bank substantially in the form as that submitted herewith and to cause to be impressed thereon the seal of the Board and to request the Bank to make advances under the Agreement and Note in amounts not to exceed at any time outstanding \$750,000, and to execute and deliver any documents or certificates in connection therewith; and

BE IT FURTHER RESOLVED that the said officers be and each of them are hereby authorized, empowered, and directed for and in the name of the Board and as its corporate act and deed to make, consent to, and agree to any changes in the terms and conditions of said Agreement and said Note which they may deem necessary, expedient, and proper prior to or at the time of execution of the said Agreement and Note, but no such amendment shall change the provisions therein for the maximum amount to be borrowed, the interest rate to be paid thereon, the payments required to be made, or the security pledged; provided, however, nothing herein contained shall be construed as limiting the right of said officers to alter or change the date of issue of said Note, or the date of payment of interest; and

BE IT FURTHER RESOLVED that the said officers, in the execution of said Agreement and Note, shall not pledge the credit of or create any liability on the part of the State of Michigan, the Board, or any member or officer of the Board, or any of their successors, other than to pledge the Student Fees as herein provided; and said Agreement and Note are not intended and shall not create any indebtedness of the State of Michigan or the Board within the meaning of any State constitutional debt limitation or restriction; and

BE IT FURTHER RESOLVED that all resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Mrs. Arbury reported that twice in the Board Policies Manual the word "remuneration" was misspelled as "renumeration." Dr. Gilbert indicated that could be corrected. Mrs. Arbury suggested that each of those people who had copies of the manual to correct their own rather than the college going to the expense of providing new pages. Dr. Ryder agreed but indicated if there were any reruns, the corrected pages would be used.

Dr. Ryder observed that while they were talking about the Board Policies Manual, he would like to say that they had done a search...he didn't know whether they could call it a thorough search or not, but they had tried to find out whether any other colleges and universities in the state or nation had a set of Board Operating Policies. Some of them had the regular By-Laws, as the SVSC Board had, with certain things in them that this Board now had in its Operating Policies manual, but not anything nearly as comprehensive, and they couldn't find anything. As a result of the Board subcommittee's effort, along with Dr. Gilbert particularly, Dr. Ryder noted, this Board adopted what he thought was an excellent set of policies.

When the North Central team was here...the two gentlemen...Warren Armstrong from New Mexico, and Alan Guskin from Illinois, he had shown them a copy of the Board Operating Policies and since then, SVSC had received a request for 12 copies for the University of New Mexico Board of Regents that covered all the state institutions, and they were sent out. He stressed that they hadn't really advertised the manual, but that Dr. Armstrong was so pleased with it, he wanted to have copies for everybody.

Dr. Williams suggested SVSC had better put a price on them.

Dr. Ryder indicated that it had...a charge was made...SVSC didn't make any money, but the printing and mailing costs were included in the charge.

Chairman Kendall asked if there were any discussion concerning the resolution.

Mr. Curtiss noted that he had distributed to most of the members of the Board today a copy of Friday's lead editorial in the Wall Street Journal (see Attachment) which pointed out that Michigan might have difficulty in selling its \$500 million worth of notes in the fall...he believed that the \$80 million deferral for higher education was to come out of that or a subsequent note issue. Frankly, he said, the notes might not be salable, and the Department of Management and Budget was looking for fallback positions, some of which were spelled out in that editorial.

The point he would like to make, Mr. Curtiss stressed, was that while he intended to vote in favor of this resolution, he would do so with a considerable amount of concern because it was, in effect, potentially creating a much more severe problem than it was resolving. He pointed out that Michigan had gone through a period that it established the Economic Stabilization Fund with the state's General Fund, General Purpose budget. It set up a reserve for "down" years and within a year or two, got into a string of three "down" years. It rapidly spent the Stabilization Fund, and the net effect of that was that it did not address the need to adequately balance the budgets soon enough, and as a result, was going to be coming into a bigger crunch in terms of adjusting expenditures to revenues than it otherwise might have. Not only was the extent of the problem magnified, but the time to deal with it was compressed.

REVIEW & OUTLOOK

Michigan on the Brink

The current recession has produced surprisingly few major state and local government fiscal crises, but the state of Michigan may be on the verge of making up that lack. The rest of the nation may have a bad economic cold, but the home of the auto industry has double pneumonia. State revenues are falling far below projections, the balance sheet is running a high fever and state officials are already sweating out a crucial short-term borrowing scheduled for next month.

Sometime in September, the people in Lansing must raise around \$500 million to maintain their cash flow in the new fiscal year starting October 1. Depending on credit ratings, automobile sales and other indicators, the notes may or may not be salable in the municipal market. The state treasurer's office is working long shifts exploring fall-back positions. It may try to float commercial paper backed by a major bank, reschedule the school aid payments for which the loan is earmarked, or, in an ultimate resort, borrow from state employee pension funds, a legal but exceedingly questionable option.

Enough ingenuity is at work to make it unlikely the state will be trapped in a fiscal panic to rival New York City in 1975. We do not, repeat not, see the signs of near-term default or bankruptcy. But we do see a worrisome amount of the budget manipulation that New York made famous. The state has run down its cash reserves so sharply over the past three years in papering over budget deficits that it is extremely vulnerable to any interruption in its financing.

State officials talk a lot about the budget cuts and tax increases they've imposed to cope with their financial severities. They say a lot about their bookkeeping shuffles, which, as documented by the Citizens' Research League of Michigan, rank in magnitude with the first two strategies. The state has accrued revenues, inflating its income, while recording its liabilities on a cash basis, thus understating its outlays. It has been massaging actuarial assumptions to reduce its pension fund contributions. It has been shifting expenses from its "General

Even the background of the upcoming note issue is a symptom. By changing its fiscal year in the late '70s, the state created a "magic window" for accelerating aid payments to school boards and local governments while delaying the need to book the costs on its own budget. But no matter how good the balance looks on paper, you still have to have cash to pay the bills. And the state has drained down so much of its cash reserves that it has ended every month but one since April 1980 with a cash deficit, and its annual cash shortfalls for the last two fiscal years have exceeded \$600 million.

To their credit, state officials acknowledge the problem. A cigarette tax increase of 10 cents a pack legislated in May is earmarked for rebuilding cash reserve accounts. According to state figures, the cash balance deficit will have lessened appreciably at the end of September.

But the legerdemain has inflicted damage above and beyond the hurt from the economy. In the 1980 round of the recession, it allowed the government to maintain a standard of living it couldn't afford. (The much-touted Economic Stabilization Fund had the same effect, postponing the need to discipline the budget and making the eventual adjustment even more wrenching.) State officials defend themselves on the grounds that everyone expected an economic recovery, and indeed that they had one for the first half of 1981. It makes sense to level out the revenue peaks and valleys, explicitly or otherwise, if the trend of growth is constantly upward.

But the state is only just beginning to contemplate the possibility that upward progress is no longer guaranteed. If the American auto industry has lost its monopoly on the domestic market, Michigan may no longer be able to take its industrial base for granted. All the givens may change—high wage scales, high government services, high taxes may all begin to damage its competitive position. The state may have to make the kind of economic transition that New York City has been painfully and not al-

Fund-General Purpose" account to
other budget funds, and then using the
"GF-GP" decline as evidence of its
budget discipline.

together successfully carrying out.
Honesty in facing the balance sheet is
the first requirement for coping with
this new world.

Mr. Curtiss pointed out that they, by authorizing this resolution, and he saw little choice, were putting themselves in the same situation...not only did they have to deal with how to pay back up to three-quarters of a million dollars, but they might very well be faced with having to do it much more rapidly than would be prudent.

Mr. Curtiss stated that he wished he had an adequate alternative, and he didn't, other than to make an adjustment now more significant than they had to the realities of the Michigan situation...he was not prepared to suggest that, but he sure hoped the state could sell the notes so that it could pay SVSC back at all.

Mr. Curtiss stressed that he also was concerned that the state might be continuing to over-estimate the speed with which the economy might recover, and he was concerned that the 1982-83 budget might create some problems for SVSC also. They ought to be well-aware of what they were doing. This was not a handy-dandy long-term solution to a problem by any stretch of the imagination.

Mr. Curtiss concluded that he would hope that since this was basically a Line of Credit that they would try to keep that borrowing to an absolute minimum throughout the authorized period.

Dr. Ryder asked Mr. Woodcock if he had any comments to make.

Mr. Woodcock indicated he might just mention that the intention was to keep the amount of borrowing to an absolute minimum...this had been discussed. It was written in that letter, he noted, that SVSC might make prepayments, so it would only borrow to meet its particular needs. He stressed that they did not expect to have to borrow until some time in October or November at the earliest because of other cash flows that SVSC had.

Mr. Woodcock explained that because of the specific nature of this being very specialized, SVSC had worked with Miller, Canfield in preparing these documents. The resolution which had the misspelling, he noted, was prepared by them. In addition, he said, SVSC had had various negotiations with Michigan National, and what was submitted to the Board today were the final documents.

Mr. Curtiss indicated he would like to make one additional comment, and that was that they had had some discussion at the committee level regarding this whole process...Mr. Woodcock had just made an important point, and that was that they didn't anticipate having to draw from the Line of Credit until perhaps October or November. By then, he observed, they also would have a better handle on whether or not Michigan was able to sell the notes from which the \$951,829 was presumably to be repaid.

While the Board members today, Mr. Curtiss stressed, were committing themselves to authorizing the administration to establish the Line of Credit and draw against it, he thought they ought to continue to monitor the situation with the state closely enough that if in October and November it had not improved, that the Board members be prepared to reconsider whether they wanted to authorize this administration to draw out the whole \$750,000. In other words, maybe they would have to start taking other corrective internal action rather than just going ahead and drawing down the line during the period where they had authorized the Line of Credit be established.

Dr. Williams observed that the alternatives Mr. Curtiss was talking about were to somehow reduce expenditures.

Mr. Curtiss agreed, but stressed that the time to do it was not next June...it might be October, and what he was saying was that they should reserve the right to

monitor that closely with the administration, and that they ought to talk about it regularly.

Mrs. Saltzman indicated she thought that should be in the Minutes that they wanted regular reporting.

Mr. Woodcock noted this could be done during Regular Board meetings, however Dr. Ryder indicated that they could also report during the Committee meetings...the administration had no problem whatsoever with that position.

Dr. Ryder pointed out that it was clear, as a result of the way things were in this state now, there was a possibility of there being another cut before October first...there was a question of \$100 million and whether the state was going to have it or not. What this would mean for SVSC, they didn't know for sure...he hoped nothing...but on the other hand, that could influence things.

They should know by the time of the next Regular Board meeting on October 11 three things that were quite important (1) SVSC's enrollment and income from enrollment...(2) the State's budget, which had not yet been passed...(3) Whether the State could sell the notes.

Given those three things, Dr. Ryder observed, that would make a difference in what the administration recommended to the Board on October 11. In other words, if the assessment were that all was sour, then the administration was going to have to recommend things to the Board that dealt with reducing costs and increasing income...that's all the choice it had.

Mrs. Saltzman questioned the effect on enrollment of SVSC not getting NDSL funds because of its default rate. There was discussion and explanation of SVSC's situation with Dr. Ryder concluding there would be little or no effect on its enrollment.

Mr. Curtiss questioned Mr. Woodcock as to what other institutions had established Lines of Credit. Mr. Woodcock responded that he had not done a survey, but he did know there were three that had...Ferris State, Grand Valley and Wayne State.

Dr. Gilmore asked if SVSC had a promise in writing from the legislature with respect to the State repaying the holdback of \$951,829. Dr. Ryder indicated not, but that they were supposed to pass a separate Appropriation Bill for the holdback.

Mr. Curtiss noted that what normally would happen would be that SVSC would establish the Line of Credit, borrow against it, the legislature would pay back part of the \$80 million, and then reduce funding for the next year, and SVSC would be able to pay back half of its Line of Credit from revenues it had generated, and so it would extend the half next year, but increase it a little bit in case it needed it, and before they knew it, they would be in trouble. He stressed he really was concerned that this be a one-time deal and that they didn't try to utilize a Line of Credit for financing operations past this year.

Dr. Gilmore asked if what Mr. Curtiss was saying was that SVSC should borrow another \$80,000 for the payments. Mr. Curtiss responded that they ought to borrow enough to pay the interest on the Line of Credit, at least.

Dr. Ryder Indicated that he couldn't agree more with Mr. Curtiss...they had to face up to the facts of the situation and the people of this state had to decide the priorities and pay for them or eliminate them...whatever it was, in services, welfare, higher education or anything else.

Mr. Curtiss concluded that he hoped this worked as planned...he would be

delighted if it did.

Dr. Williams noted that he didn't see anywhere that SVSC was paying any fees for this Line of Credit. Mr. Woodcock indicated that there was no such fee...the cost to SVSC would be the interest on the borrowed money.

Mr. Curtiss asked what the rate adjustment was if it were determined that the interest was taxable to the lender. Mr. Woodcock explained that if it were taxable to the lender, then SVSC would be paying the composite prime rate...if the compensating balances were at least 15%...if under 15%, there was another 1/2% premium on that. Mr. Curtiss asked if it were one-half of the prime if the compensating balances were more than 15% and if the borrowing were non-taxable to the lender. Mr. Woodcock responded that if it were found to be non-taxable, then it was 75% of prime, and prime was on a composite basis.

Dr. Gilmore asked if there were some sort of compensation or generosity here, or if SVSC were a prime borrower of Michigan National.

Mr. Woodcock explained that in working with his fellow business officers and in counseling with Miller, Canfield, it was felt that because of the problems of the State of Michigan, it would be quite difficult probably for many institutions to be able to borrow and that their best chance of being able to establish a Line of Credit was going to be with an institution's established banks...SVSC's primary banking institution was Michigan National. He noted that upon discussion previously with the BFI subcommittee, before SVSC ever started this, a decision was made that if SVSC could arrange what appeared to be favorable terms with Michigan National, that it should not go out to try to get a Line of Credit through another bank. He recalled that he had had discussions with two other banks in the area to see

if there were interest...neither one of those banks then came back to him...both had said there would be interest and that they would get back to him, but they never did. Mr. Woodcock concluded that SVSC basically continued its negotiations with Michigan National and felt that the arrangements that they had reached were reasonable.

Chairman Kendall asked if there were any further discussion. Hearing none, he called for a vote.

Motion unanimously carried to adopt RES-555 approving the establishment of a Line of Credit.

8. Recommendation for the Approval of the 1982-83 General Fund Operating Budget

Chairman Kendall indicated that this recommendation was included in the Board packets and called for a motion to adopt.

RES-556 It was moved and supported that the following resolution be adopted:
WHEREAS, on June 14, 1982 the Board of Control approved an Authorization to Continue General Fund Budget Expenditures for 1982-83, under which the College has been operating since July 1, 1982;
NOW, THEREFORE, BE IT RESOLVED, That the attached General Fund Budget Summary be adopted as the General Fund Operating Budget for Saginaw Valley State College's 1982-83 fiscal year.

Chairman Kendall asked if there were any discussion.

Dr. Ryder suggested that before they discussed the 1982-83 Operating Budget they look at the "Summary of State Appropriations--Saginaw Valley State College--Fiscal Years 1979-80 Through 1982-83" (see Attachment) which he had had prepared. He reviewed each year's Original State Fiscal Year Appropriation, Executive Orders, Final State Fiscal Year Appropriation and Final Institutional Fiscal Year Appropri-

SUMMARY OF STATE APPROPRIATIONS
SAGINAW VALLEY STATE COLLEGE
Fiscal Years 1980-1 Through 1982-3

<u>Fiscal Years</u>	<u>Original SFY Appropriation</u>	<u>Executive Orders</u>		<u>Final SFY Appropriation</u>	<u>Final IFY Appropriation</u>
1979-80	\$6,687,400	\$ 72,447	1980-3	\$6,614,953	\$6,528,600
1980-81	6,335,400	190,062	1980-8	6,145,338	6,346,135
1981-82	7,392,900	221,787	1981-9	6,163,879	6,735,387 ¹
		951,829	1982-4 ¹		
		55,405	1982-6		
		<u>\$1,229,021</u>			

--ANTICIPATED 1982-83--

<u>Source</u>	<u>Amount Appropriation</u>	<u>Anticipated IFY Appropriation</u>
DMB Recommendation 6/7/82	\$7,491,713 ²	\$7,397,712 ³
Restoration Executive Order 1982-4	<u>951,829</u>	
SFY 1982-83 Total	<u><u>\$8,443,542</u></u>	

¹ Assumes that Executive Order 1982-4 will be restored to 1982-83 Appropriation. Therefore, this Executive Order reduction is not reflected in 1981-82 IFY Appropriation.

² Represents a 1.3% increase over the original 1981-82 SFY Appropriation and 5.3% increase over the final 1981-82 SFY Appropriation excluding the anticipated restoration of Executive Order 1982-4.

³ If Executive Order 1982-4 is not restored to the 1982-3 Appropriation, the final 1982-83 IFY Appropriation would be \$6,445,883.

GENERAL FUND BUDGET SUMMARY
SAGINAW VALLEY STATE COLLEGE
FISCAL YEAR 1982-83

REVENUES

State Appropriation		\$ 7,397,712
Tuition and Fees		
Tuition	\$4,363,550	
Fees	<u>221,500</u>	4,585,050
Other Revenues		
Indirect Cost Recovery	\$ 42,000	
Investment Income	125,000	
Departmental/Other Income	83,248	
Non-Recurring Revenues	<u>6,990</u>	<u>257,238</u>
		<u>\$12,240,000</u>

EXPENDITURE ALLOCATIONS

Compensation		\$ 9,598,020
Supplies, Materials & Services		2,992,840
Capital Expenditures		<u>181,918</u>
		<u>12,772,778</u>
Less: Unfilled Position Savings	\$ (450,000)	
Additional Expenditure Savings	<u>(82,778)</u>	<u>(532,778)</u>
		<u>\$12,240,000</u>

ation and Footnotes and concluded that if Footnote 3 came to pass, the Final Institutional Fiscal Year Appropriation for 1982-83 would be \$6,445,883. This, he stressed, would be less than the 1979-80 appropriation of \$6,528,600 in the face of increased enrollment of about 12% in headcount and about 15% in credit hours during that period of time...and they just couldn't equate the percentages together.

The point he was trying to make, Dr. Ryder emphasized, was that SVSC had increased the number of people it was serving substantially over that period of time, and the State had been decreasing its support to SVSC over the same period of time...this didn't even consider inflation. When inflation were brought into the picture, they could see why student fees had to increase as they had, and why SVSC was so limited in the things it could do in the institution with respect to acquisition of equipment and the need to cut back on supplies and expenses and hold back on faculty acquisitions, etc. He concluded he thought this Summary gave the Board members a pretty good picture of the appropriations.

Dr. Ryder asked Mr. Woodcock if he would like to comment about the actual budget proposal.

Mr. Woodcock pointed out that there was a change this year from last year in the Budgetary Summary presentation...this year, they were showing "Unfilled Position Savings" and "Other Anticipated Expenditure Savings" as a reduction from the Gross Expenditure Allocations to arrive at Anticipated Net Expenditures.

Formerly...Mr. Woodcock noted, savings due to not making an expenditure from a budget category, were shown as part of the heading "Revenues and Other Resources." The reason was that if a budgeted area was not fully expended, then those funds

could be expended for other purposes. However, Mr. Woodcock noted, this manner of presentation caused some confusion to persons reviewing the budget documents. Consequently, this year's Budget Summary set forth only actual revenue sources and anticipated expenditure savings and were shown as a reduction from Gross Expenditure Allocations, to arrive at Net Anticipated Expenditures.

Mr. Woodcock reviewed the General Fund Budget Summary in detail and concluded that there had been a lot of belt-tightening which had resulted in a bare-bones budget.

Mr. Woodcock pointed out that the administration had hoped that it would have a positive balance as of June 30, 1982 to carry forward into 1982-83, but as of now, they had incorporated no balance carried forward. He explained that this was due in part to the \$55,000 additional Executive Order and also because the summer revenues, because of switching hours, etc. had not developed the way the administration had anticipated.

Mr. Curtiss asked if he were projecting a balanced budget for 1981-82.

Mr. Woodcock responded that at this point it looked as though they might have a deficit perhaps some place between \$50,000 and \$100,000...which would be the worst possible situation. He referred to the two reasons just given as being responsible for the projected deficit.

Mr. Braun asked where the \$82,778 Additional Expenditure Savings would be coming from.

Mr. Woodcock explained that in addition to the 10% reduction from General Expenditure budgets of last year, which had been shown as reductions for 1982-83 in Supplies, Materials and Contracted Services, the administration felt there

was the possibility, because of the monitoring process it had, to achieve some additional savings...these could not be specifically identified until they went in and reduced those accounts. If the administration had been able to identify the areas, he noted, the accounts would have been reduced and shown, as was the 10% cut in Supplies, Materials and Contracted Services.

Mr. Curtiss observed that although the administration didn't know yet where these additional savings could be made, it was a job that had to be done...this was one way to get the Board to approve an unbalanced budget. He went on further to say that they had gone through this now for a couple of years, and he was satisfied that the administration had made every effort to meet the objectives that were really spelled out here. The \$82,778 was an objective for additional savings that the Board was asking the administration to find somewhere. So, he concluded, it really was a little bit more than an unbalanced budget.

Dr. Ryder agreed and indicated that assuming no further cuts than SVSC knew about, the administration would do it.

Mrs. Saltzman suggested that somewhere along the line she assumed they would be re-examining what SVSC's mission and goal was to admit as many students as it could to serve the college needs of people in the community...she wondered if it weren't costing the college too much money and if it could afford to continue to do it.

Dr. Ryder advised that the enrollment for last fall was just about a 1% increase. Not only that, he stressed, but as Mr. Curtiss had pointed out many times, SVSC controlled the enrollment by limiting the number of sections at the freshman and sophomore level, so that students literally could not attend SVSC.

So, Dr. Ryder stressed, SVSC did limit enrollment, but it was not a total number... it was an indefinite total number by virtue of SVSC's procedure. He added that 75% to 80% of SVSC's students were from the Tri-County area and they had options... they could go to Delta if they couldn't get the course or courses here.

Mrs. Saltzman recalled that Dr. Ryder had said earlier this morning that SVSC had been able to generally run the college even with its increased enrollment...he had given her the impression that SVSC was really bulging...that SVSC was having more students coming in, and now, he was saying that there weren't that many because of limiting enrollment in the lower two years.

Dr. Ryder noted that the bulging was already there...what he was talking about was an increase over that...and in relationship to the number of faculty, etc. SVSC was doing an excellent job. He indicated that right now, he was talking about a possible increase of 2% this fall...assuming SVSC would have a 10% increase at the freshman and sophomore level...that would mean that SVSC would have to employ more people, and that would cost more than what SVSC would be getting in enrollment fee income, which now represented only 42% of the total. Thus, the more students and the more faculty the institution hired, the more it was going to cost, and it did not have the money to do so.

On the other hand, Dr. Ryder pointed out, if those students were in the junior or senior levels, SVSC could accommodate substantially more students in classes in those levels because it had losses in the first two years. A class which had an enrollment of 15 could add another 10 easily, or perhaps 15...so SVSC could almost double enrollment with the same professor and at no additional, or relatively little additional cost.

Mrs. Saltzman indicated this was what she was wondering about...SVSC could afford to add more students in classes at the junior and senior levels, without additional faculty...but it could not do so at the freshman and sophomore levels.

Dr. Ryder observed that Mrs. Saltzman's point was well-taken...SVSC did have to watch this and assure itself that it did not incur more cost...in other words, it really did mean limiting the number of students at SVSC through the means it had used in the past...but, if for any reason, the number of freshman students were to go up 10%, then SVSC, by the number of sections it offered, limited the enrollment...it didn't have the faculty or the dollars to hire the faculty.

Dr. Williams questioned why the Unfilled Position Savings of \$450,000 wasn't reflected in a reduction in the Compensation figure of \$9,598.020. Mr. Woodcock explained the method of record-keeping which necessitated it being done in this manner.

Dr. Williams then indicated he wanted to make clear in his own mind that if the State did not restore Executive Order 1982-4 to SVSC in the amount of \$951,829 that it would result in SVSC having to work with a deficit in this budget year...this budget included the restoration of the \$951,829.

Dr. Ryder indicated this was correct.

Mr. Braun observed that this went back to Mr. Curtiss' point...they had better look at it.

Dr. Williams stressed that if it looked as though that \$951,829 was in jeopardy, they had some soul-searching to do. And quickly, Mr. Curtiss added.

There being no further discussion, Chairman Kendall called for a vote.

Motion unanimously carried to adopt RES-556 approving the 1982-83 General Fund Operating Budget.

9. Recommendation for Approval of Leave without Pay for Dr. Gary L. Thompson, Associate Professor of English, Who Has Been Awarded a Fulbright Scholarship in Poland for 1982-83

Chairman Kendall referred to the resolution included in the Board packets and called for a motion to adopt.

Dr. Ryder suggested that before doing so, he wanted to report that there had been a change in the name of the university where Dr. Thompson would be going... the correction would be the Maria Curie Sklodowska University of Lublin, Poland. If there were no objections, he said, the change in the resolution could be made editorially. No objections were voiced.

RES-557 It was moved and supported that the following resolution be adopted:
WHEREAS, Dr. Gary Thompson, Associate Professor of English, has been awarded a Fulbright Lectureship to teach at the Maris Curie Sklodowska University of Lublin, Poland during the FY 1982-83, and
WHEREAS, Dr. Thompson has requested a leave without pay for the said period;
NOW, THEREFORE, BE IT RESOLVED, That Dr. Thompson be granted the leave effective September 1, 1982 through June 30, 1983.

Chairman Kendall asked if there were any discussion.

Dr. Ryder called upon Dr. Yien for his comments.

Dr. Yien recalled that about two months ago, Dr. Arthur G. Andrewes attended a Board meeting and made a report on his Fulbright scholarship to go to Norway... he was sorry that Dr. Gary L. Thompson, SVSC's second Fulbright scholar, was not available to be present today to receive Board congratulations.

Continuing, Dr. Yien noted that Dr. Andrewes had been granted sabbatical leave for 1982-83 and thus, there was no need for a separate resolution to be brought to the Board. However, Dr. Thompson was not eligible for paid leave,

and therefore, requested a leave of absence without pay for 1982-83. Dr. Yien observed that in a small institution like Saginaw Valley State College it was very rare to have two Fulbright scholars within one year, and the faculty and administration were very pleased to have Dr. Thompson as the second recipient. He concluded that Dr. Thompson's position at SVSC was not going to be filled, and thus, he was helping his colleague, Mr. Woodcock with this unfilled position.

Hearing no further discussion, Chairman Kendall called for a vote.

Motion unanimously carried to adopt RES-557 granting leave of absence without pay for FY 1982-83 for Dr. Thompson.

9A. Board of Control Committee Appointments

Dr. Ryder recalled that there had been discussion when Board committees were appointed in the past about rotating memberships so that each member would have the opportunity to serve on both committees over a period of time. He suggested that Chairman Kendall might wish to deal with the appointments at this time.

Currently, Dr. Ryder noted, Mrs. Arbury, Mr. Curtiss, Mrs. Darin and Dr. Williams were on the Business, Finance and Investments Committee, and Mr. Braun, Dr. Gilmore, Mr. Kendall and Mrs. Saltzman were on the Academic, Personnel and Facilities Planning Committee.

Chairman Kendall observed that as he looked at the composition of the current committees, there were a couple of places they really ought to look at...Mrs. Darin, on the Business, Finance and Investments Committee...and Dr. Gilmore, on the Academic, Personnel and Facilities Planning Committee.

To continue the rotating procedure, Chairman Kendall then appointed Mrs. Darin

to the Academic, Personnel and Facilities Planning Committee, and Dr. Gilmore to the Business, Finance and Investments Committee, with the membership of the two committees remaining the same otherwise.

With the appointments just made, Chairman Kendall said, Mrs. Arbury, Mr. Curtiss, Dr. Gilmore and Dr. Williams would serve on the Business, Finance and Investments Committee...and Mr. Braun, Mrs. Darin, Mr. Kendall and Mrs. Saltzman would serve on the Academic, Personnel and Facilities Planning Committee.

Chairman Kendall called a recess at 10:57 a.m.

The meeting reconvened at 11:12 a.m.

IV. INFORMATION AND DISCUSSION ITEMS

10. Dormitory Housing Status Report

Dr. Ryder called upon Dr. Philip E. Beal, Dean of Students, for this report.

Dr. Beal observed that the picture looked very positive in Housing as it did last year in that they had more students still hoping to get into the dorms than they had space to put them...this gave them a happy problem, he supposed, was the way to express it. About 44 students were on the waiting list still to get into the dorms for this fall...they were still getting contracts in almost daily, so he anticipated that they would be going right up to the last minute in trying to fit people in...they were getting requests for contract releases also, but the number had dropped off because August 1st was the deadline by which students could get their money back on a guaranteed basis. He noted that SVSC would still give the money back if it could replace the individual in the dorm...but, as he had said before, the deadline was past, and he was sure that had depressed the number

of requests for release from contract. Dr. Beal stated that SVSC did have somewhat fewer new students who had applied for residence hall...36 less than a year ago, with 13 more returning students who had requested housing for this coming fall.

Contrary to last year, he stressed, when their waiting list started earlier, they had placed all new students who applied by the deadline...they had been guaranteed a room, and that was a comfortable feeling...when SVSC's literature indicated that "they were reasonably assured of space if they applied by the middle of June" it was nice to assure them that they did, in fact, have a space. It was the students who had applied subsequent to the deadline, Dr. Beal said, who were on the waiting list.

Dr. Williams observed that there was a time when SVSC had several dormitory rooms unoccupied second semester. He asked if this were the problem they got into... people who didn't come back for second semester.

Dr. Beal responded that it was typical that there would be vacancies second semester...there were always a few new contracts in the middle of the year, but not too many, because students had their housing pretty well figured out by that time, and if they were in an apartment, they had to stick with their lease.

Dr. Ryder noted that when they talked about open rooms, typically SVSC didn't have open rooms. What happened was that SVSC ended up with one student in a room who paid an extra fee of \$300 because he wanted a single room...if SVSC had these rooms available, it offered them as singles with an additional cost. This usually happened in the winter term, Dr. Ryder stressed...the total revenue would be down

a little bit because the \$300 didn't represent the same cost that it would be for another student.

So, Dr. Williams concluded, most of the rooms were occupied but some only by singles.

11. Enrollment Status Report

Dr. Ryder called upon Paul H. Saft, Registrar.

Mr. Saft indicated that during the recess he had distributed a one-page report from his office entitled "Fall 1982 Preliminary Enrollment Report" (see Attachment). He observed that the figures on the report were taken as of the end of SVSC's tuition payment deadline which was last Wednesday, and the numbers were compiled on Friday...they were comparable to the same point in processing last year. He reviewed the complete report and then indicated that he had a more detailed report if anybody would like to have the numbers.

Mrs. Saltzman asked about the transfer students.

Mr. Saft responded that right now SVSC had fairly small numbers...the main reason was because of #6...up to this point SVSC had had "open registration" for its returning students..."orientation registration" for new freshman students, and new transfer students, but starting tomorrow, SVSC would have "open registration" for all students and this was where it picked up many more of its transfers...many of its graduate students and more of its returning undergraduate students. He stressed that Tuesday and Wednesday were two major days of registration, and there would be additional days of registration on August 31, September 1 and 2, as well as SVSC's normal "late registration" period of September 7-10.



Saginaw Valley State College

OFFICE OF THE REGISTRAR

August 9, 1982

Fall 1982 Preliminary Enrollment Report

1. Enrollments and admissions lead last year in counts taken following the tuition payment deadline for advanced registration.
2. SVSC is ahead 7% in TOTAL STUDENTS ENROLLED and 10% in TOTAL CREDIT HOURS.
3. Director of Admissions, Richard Thompson, reports a current lead of 4.2% in ADMISSIONS APPLICATIONS over last year.
4. Our current strength is at the UNDERGRADUATE level where we are ahead 10% in STUDENT ENROLLMENT and 12% in CREDIT HOURS.
5. While we are dealing with much smaller numbers, at the GRADUATE level we are behind 13% in STUDENTS ENROLLED and 12% in CREDIT HOURS.
6. Remaining registration dates include:
 - a. August 10, 11 - open plus orientation
 - b. August 31 - open
 - c. September 1, 2 - open plus schedule adjustment
 - d. September 7 - 10 - late registration plus add-drop
7. Official counts will be taken at close of business on Friday, September 10.

A handwritten signature in cursive script that reads "Paul Saft".

Paul H. Saft
Registrar

Mr. Saft advised that in the registration process, they were adding one more feature this year which was not listed on his report. Partially, as a test of SVSC's new computerized registration system, they would be registering students in the Admissions Office as they were admitted during the period of time between August 11 and August 31...so the Registrar's Office and the Admissions Office and the Controller's Office would be working together to register students as they were admitted...it was felt that this would take the pressure off of "open registration" to reduce the heavy time at the end of August and first of September.

Mr. Saft concluded that although the numbers appeared very good at this time, he was cautiously optimistic

Mr. Saft indicated that the traditional courses for freshman students that Dr. Ryder talked about were pretty well filled...so it would be difficult to add more freshman students in some of those courses. Although the numbers looked good right now, he stressed, he wouldn't expect these same numbers at this level at the official count...they were all still hoping that they would be positive numbers.

Dr. Gilmore asked if Midland County showed an increase. Mr. Saft advised that Dick Thompson had reported that Midland applications were down slightly...about 4% right now...Bay County was up 10%...Saginaw County was ahead about 2.5%.

Dr. Ryder asked about the transfer applications breakdown. Mr. Saft responded that, as reported by Dick Thompson, SVSC was ahead by 13.9% in transfer students.

Dr. Williams asked how many transfer applications SVSC had to date. Mr. Saft indicated there were 604 undergraduate transfer applications opposed to 530 at this same point last year.

Dr. Ryder observed that this was very positive...typically, they didn't have transfers applying to as many different institutions because the odds were that they could get in without any problem, whereas freshman students did select two or three institutions, applied to them and then made a decision late to go to one of them. He indicated that the administration was very pleased about the increase in transfer applications. About two years ago, as he recalled, SVSC's transfer applications were down and down across the state. It was hard to figure, he concluded, all of a sudden they were back again and that was very positive.

Mrs. Arbury reported that she had a Midland student complain to her that he had gotten his bill, etc. from SVSC on the afternoon of August 2, and she thought the information was that he had to have his money in by August 3 or postmarked by August 1, and he didn't get it until August 2. She indicated she advised him to hop in the car and just ride over to SVSC.

Mr. Saft noted he was sure the bills were mailed on July 19 and he couldn't see why that one bill was received so late.

Mrs. Darin asked for clarification...did SVSC accept a first-year student when it knew that all the basic courses that every student had to have were filled.

Dr. Ryder responded that basically if they applied early, they got to register early. If they were applying right now as a freshman, because the courses were on the computer, the students could be told about the courses that they could get... this would enhance things tremendously.

Dr. Ryder observed that Mr. Saft hadn't really outlined the advances that SVSC had made with respect to the new computer and the leadership that Mr. Saft had provided in the whole new effort in registration. It had been tremendous, Dr. Ryder said, and he wanted to commend him personally for the contribution he made by taking these steps.

Mrs. Arbury commented that would help them get rid of those long, long lines. Dr. Ryder agreed.

Referring back to Mrs. Darin's question, Dr. Ryder explained that a freshman student could be admitted to SVSC, be able to take two or three courses here and then attend Delta College as a guest student and pick up a course he couldn't get at SVSC...the credits would transfer back to SVSC, and that was all there was to it.

The other way, Dr. Ryder pointed out, would be that the freshman student could be admitted at Delta...he could take more of his courses there and take only one course at SVSC if he wanted to. SVSC had the arrangement with Delta College on the "guest student" basis so that the students could take what they needed.

SVSC, Dr. Ryder stressed, referred students to Delta every year to take courses it couldn't provide because of sections being filled...this had been primarily because of lack of resources...If SVSC had the resources, it wouldn't have to do that.

Mrs. Darin noted that SVSC had changed its summer schedule in order to get the money in prior to the end of the fiscal year. She asked if it were just the times or did Dr. Ryder think that the students cared for that type of two or three-week courses.

Dr. Ryder responded that the administration didn't know the answer to it... it had some suspicions. One, he said, was that the decision was made fairly late in the year so that students who had nailed down summer jobs for certain times had problems with the schedule...he had several students raise questions with him about that. They said, "well, it was not so much the schedule as it was the notice... if they had had six months' notice then they could have dealt with it."

Another thing, Dr. Ryder pointed out, that had something to do with it was the way SVSC scheduled its classes in some cases. Several courses were scheduled over a relatively short period of time, such as five and a half weeks, and some students indicated that it was just too much to take a major math or science course in the period of time...he thought they had a point there.

Dr. Ryder concluded that all of this was being studied and evaluated...the money situation was not the basic reason for the change...that was one element that would seem to fall out, but it was the opportunity of flexibility on the part of the students who ordinarily, because of their schedules at the other institutions ending their terms in June, couldn't participate before until the summer session. The way SVSC changed its schedule, they could.

It didn't appear, Dr. Ryder added, that that happened as well as SVSC had expected...SVSC wanted to look at summer enrollments across the country. He said that he had the suspicion, but couldn't verify it, that it was going to be down, or at least not as high a percentage increase as would have been expected, because of students' fear of the federal cutbacks in student aid and the increasing cost at all institutions in this state, so students did have to earn more money and did

everything they could to earn money during the summer rather than going to school. Dr. Ryder concluded that he could be wrong about that, but that was the hypothesis and they would have to see whether that was true...but he pointed out again, they would be evaluating that schedule and try to determine the rationale for what occurred and go on from there.

Dr. Ryder indicated that was all he had to say and thanked Mr. Saft for his report.

12. Review of Fall Orientation Program and Introduction of Exchange Professor from Kyung Hee University in Seoul, Korea and Japanese Students from Shikoku Women's University in Tokushima, Japan

Dr. Ryder called upon Dr. Yien to comment.

Dr. Yien reported that one of the major thrusts for 1982-83 was to enhance the promotion of international understanding in curriculum...Dr. Ryder had instructed him to include internationalization of curriculum as a part of the fall orientation. The other major item on the orientation agenda, he said, would be planning and student retention.

Dr. Yien recalled that SVSC had had students from Japan for two years...this would be the third year that it had students from Shikoku Women's University. This summer, he noted, SVSC had been very busy. In addition to Japanese students, it had 17 students from Korea who were here for three weeks...unfortunately they left a week or ten days ago, so he didn't think the Board members had a chance to see them. When they were here, they enjoyed every minute.

SVSC also had one Taiwanese student, together with the Japanese students... this summer was the first time it had had students from three nations.

Dr. Yien noted that the Japanese students, the Taiwanese student, their SVSC instructor, Mr. Greg Gray, and SVSC's first exchange professor from Kyung Hee University, Seoul, Korea, were waiting outside to be introduced. He escorted them in and introduced Dr. Myoung Kwang (Peter) Park to each person seated around the table. He stated that Dr. Park was educated in the Philippines and received his Ph.D, in Economics...he had expertise in International Economics...was a Professor of Economics, Chairman of the Department, and also consultant to the Minister of Finance, Republic of Korea, and also an active member of the Advisory Committee to the National Insurance Corporation.

On behalf of the Board, Chairman Kendall welcomed Dr. Park.

Dr. Park indicated he would like to say a few words, which he did as follows:

"Honorable Chairman of the Board, distinguished Board members, President Ryder and Vice President Yien...it is an honor for me to be here this morning and I would like to express my sincere gratitude and humble appreciation to all of you, who in one way or another make my stay here possible, and as Dr. Yien said, I came here as an exchange professor and will stay just the one year from the inter-university cooperation program between our two educational institutions, Kyung Hee University, Seoul, Korea, and Saginaw Valley State College. We arrived, with my wife and my little daughter this last July 17th and we are very happy to let you know that really we are enjoying our life here in the United States. I am going to do my best as an exchange professor, not only for my educational academic objectives, but also for the stimulating of family ties between Kyung Hee University and Saginaw Valley State College, and at the same time, promotion of international understanding and cooperation as well. Let me again express my sincere gratitude and I do believe that God has rich blessings upon your services for the education of the next generation. I thank you.

Dr. Yien introduced Mr. Greg Gray, instructor for the summer in the Japanese and Chinese program, who he asked to introduce the students.

Mr. Gray reported that they had just returned from a trip to Niagara Falls

and Toronto at about 3:30 a.m., noted that the girls were in their classroom attire and did not have their kimonos on...he was getting ready to take them to breakfast this morning and they would have English classes this afternoon, but he did want to introduce them to the Board. Rather than doing the introductions himself, he asked each girl to introduce herself and say a couple of words in English. He indicated there were three girls from Tokushima, Japan and one girl from Taiwan. Individual introductions were as follows:

Emiko Noda, Tokushima, Japan...major: American Language and Literature

Yasuko Gotoda, Tokushima, Japan...major: American Literature and Language

Sami Motoyama, Tokushima, Japan...major: Japanese Language and Literature

Wendy Wang, Saginaw, Michigan...just finished high school in Taiwan...

will enter Saginaw Valley State College fall semester...major: Music

Chairman Kendall, on behalf of the Board, welcomed Mr. Gray and the four foreign students.

Dr. Yien advised SVSC also sent four students to Tokushima Women's University this past spring...they were all safely home now and he would like to present them to the Board sometime in the fall so that the Board members would have a chance to listen to their firsthand experiences.

Too, Dr. Yien reported that he had just learned that Dr. Hong Youl Park, SVSC's exchange professor to Kyung Hee University, Seoul, Korea, for 1981-82, had safely returned to Saginaw over the weekend.

Dr. Ryder recalled that this Board met with Dr. Choue, from Kyung Hee University, and Dr. Park's coming and Dr. Park's going over there for a year, and the

17 Korean students coming to SVSC, were all results from the relationship that SVSC had developed with them...he thought it was very positive for this institution and its students, and for their students as well...the same thing was true, of course, with the girls from Tokushima, which was the sister city of Saginaw, and from Shikoku Women's University where Mrs. Ryder and he visited.

Dr. Ryder noted that SVSC had a similar relationship with the University of Poznan in Poland, and had SVSC students over there during the summers, except for this summer...he was hoping for some amelioration of the conditions in Poland, and when that did occur, SVSC expected to continue its relationship with them. SVSC might have another Polish exchange professor this coming year...he was not sure, but it was possible that the professor who was at SVSC a year ago might be coming back.

13. Sponsored Programs Report

Dr. Ryder noted that the Board members already had this report and called upon Dr. Sharp for his comments.

Dr. Sharp advised that two grant proposals listed as "Grants Pending" had been approved...Veteran's Cost of Instruction Program...and Saginaw, Its Cultural Heritage: Yesterday, Today and Tomorrow.

Dr. Yien reported that word had been received that No. 3. on Page 2...International Studies and Foreign Language Development was not recommended for funding... this should be included in "Grants Denied."

Mrs. Arbury indicated she was sorry about the denial of the B.S.N. Facilitation for R.N.'s and asked if this were kind of a surprise.

Dr. Yien advised that it had been re-submitted, but the expectation was not very high because of the overall federal position on nursing training.

13A. Miller, Canfield, Paddock and Stone Request for an Addition to RES-555

Dr. Ryder indicated that Mr. Woodcock had received a late request from this firm and called upon Mr. Woodcock to comment.

Mr. Woodcock advised that he had received a call from Miller, Canfield, Paddock and Stone requesting another part to the resolution the Board had just adopted. He noted that it was strictly a technicality..."that the prime rate be defined as the same as the New York Consensus Base Rate, which was the term that they used in the two different documents." He asked for a motion by the Board.

BM-633 It was moved and supported that for purposes of RES-555 titled "Recommendation for Approval of the Establishment of a Line of Credit with Michigan National Bank" the term "prime rate" and the term "New York Consensus Base Rate" are defined as being synonymous.

Chairman Kendall asked if there were any discussion. Hearing none, he called for a vote.

Motional unanimously carried.

13B. Photographs of Board of Control Members

Dr. Ryder referred to photographs of Board members on the wall of the Board Room and noted that three were missing...Mr. Braun...Mrs. Darin...and Dr. Williams.

Mrs. Frahm indicated that what her office needed was a good black and white photo, either a 5x7 or 8x10 for the SVSC photographer to copy...the original photo

would be returned to the respective Board member. She noted that the SVSC photographer could take photos in the college studio if the Board members did not have a picture to submit.

13C. Presidents Council

Mrs. Saltzman asked if there were any good, late information from the Presidents Council...she saw that it had hired a couple of extra people and asked if there were agreements on what the institutions would be paying and whether there were going to be a unified voice in lobbying.

Dr. Ryder responded that the Board members received the Minutes of the Presidents Council as they came through. Basically, the Council had eliminated one position, which was an Assistant to Mr. Miller, and replaced that with a person in Public Affairs...that was not lobbying at all, but just to communicate more effectively about the needs of higher education in the state. The cost was a blanket assessment.

13D. Location of Luncheon

Dr. Ryder indicated that since SVSC's food service was not functioning this week and during the short period before fall classes, the luncheon would be held at Bay Valley Inn.

Dr. Ryder reminded the Board members that the committee meetings after lunch would be held in the two conference rooms in Wickes Annex...Board materials could be taken down there before going to lunch.

VI. ADJOURNMENT

There being no further business to transact, Chairman Kendall adjourned the meeting at 11:50 a.m.

August 9, 1982

Respectfully submitted,

John W. Kendall--Chairman

Florence F. Saltzman--Secretary

Opal M. Colvin

Opal M. Colvin--Recording Secretary

JMR
omc