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I. CALL TO ORDER

Chairman Kendall had phoned to advise he would be late, so Vice Chairman Gilmore gaveled the meeting to order at 1:14 p.m. and noted that a quorum was present.

II. PROCEDURAL ITEMS

Vice Chairman Gilmore called attention to a change in the Agenda. Since
this was a Special Meeting, and "Procedural Items" did not apply, the Board
would not address "Section II, Procedural Items Nos. 1, 2, and 3" but instead
would move directly to "Section III, Action Items."

Before moving to Action Items, Dr. Ryder introduced Mr. Paul Ankney,
Chairman pro tem of the Student Senate, who was sitting in for Mr. Jerry Hamling,
President of Student Government. Dr. Ryder noted that Mr. Hamling was in Lansing
today, along with his colleagues around the state, talking to legislators and
others about the problems of student tuition and other such important issues...
he thought he should bring this to the Board's attention. He told Mr. Ankney
they were happy to have him with them at the table today. Mr. Ankney thanked
Dr. Ryder for recognizing him.

III. ACTION ITEMS

4. Recommendation for Approval of 1981-82 General Fund Budget Modification

Dr. Ryder stated that first of all he would like to make a few brief comments
after which he would distribute a document with respect to this Agenda item to
review with the Board.

He observed they had to put in context the budgetary situation for Saginaw
Valley State College, which pretty much applied to other institutions across the
state as well. If they went back, he said, to 1980-81, they would recall that
SVSC had a budget reduction of 6.13% from the budget year, which was a problem
in itself, given the fact that SVSC in the fall of '80-81 had an increase in head
count of 12.0% and in credit hours of about 15.0%...in the winter of '80-81 an
increase of 18.0% in credit hours. So, SVSC had a major increase in students at
the time when it had a very significant reduction in state appropriations.
Continuing, Dr. Ryder noted, in an effort to deal with that short-fall in funds and some anticipated increase in students, SVSC levied a surcharge in the winter term of 1981...then the surcharge was dropped and SVSC then levied, in effect, what amounted to a 34.0% increase from the fall of 1980 to the fall of 1981. That was the largest increase in tuition in the state of Michigan, but it did enable SVSC, going into 1981-82, to have sufficient resources, given the state appropriation of a 16.7% increase.

This increase, he said, seemed very large, but they had to consider the fact that it included support for the mobile units, which was space, and for the other institutions, their percentage of increase did not include space. Even so, if they pulled out the support for mobile units, SVSC was at the top of the appropriation list. Given that, Dr. Ryder noted, things appeared to be in reasonable shape for SVSC...its enrollment ended up slightly less than a 1.0% increase...it certainly didn't lose students. All but about two other institutions did lose students this year.

Then came September, Dr. Ryder stated, and an Executive Order was issued by the Governor, and supported by the Appropriations Committee of the legislature, which resulted in a 3.0% cut out of the State's fiscal year, which was for the fiscal year SVSC was now in, amounting to a cut of $190,000. Very shortly thereafter the new State fiscal year, beginning October 1, the Governor again, recognizing that apparently what was passed for higher education and other units in government late last spring was not going to be in balance, ordered another cut, which again was supported in the legislature. Thus, another 3.0% cut was made on the appropriation that the state made for its fiscal year 1981-82. For SVSC it
amounted to $221,000...and now they were looking at the possibility of yet an additional cut this year...this was not certain, but the oddsmakers were saying there was going to be one. Really, Dr. Ryder stressed, it depended upon what happened to the economy in Michigan...if it could change in a hurry, and a lot of people bought cars throughout the country and throughout the world, things could change, but frankly, the indicators didn't show that that was going to happen to the extent necessary to obviate another cut.

When the first cut of $190,000 came through in September, the first quarter of SVSC's fiscal year, the administration made a recommendation to the Board that they eliminate that $190,000 by a number of budget reductions, including one that was for $40,000 that the administration said would come from other reductions not yet identified...but they had a number of different things in mind, so that cut of $190,000 seemed to be manageable. When you were dealing with a budget of about $12 million, Dr. Ryder pointed out, it was very little compared to the total, so they had no problem dealing with that.

When he said that they had no problem dealing with that, Dr. Ryder observed, he thought he should point out that they were going into this fiscal year with very limited resources and contingency funds, very limited resources in equipment or remodeling and things of that sort...they had done this by taking the position that SVSC was a very viable institution...there was great student demand...the institution's programs were solid, and there was no reason why they should be eliminating or cutting back any more than was absolutely essential, because as SVSC's support level came back, and the economy came back, it would continue to grow. In fact, he said, they expected to grow up to somewhere between 5,000 and
5,500 students by 1985.

Given that background, Dr. Ryder noted, he was going to distribute copies of his document dated today entitled "Addressing Reductions in State Appropriations" (see Attachment) for review.

Basically, he said, he had reviewed the top part of this outline...showing a 3.0% cut in September...another 3.0% cut in October...the cut was $221,000 by the state's fiscal year which overlapped the first quarter of SVSC's fiscal year, so if they applied that across the board, it meant $165,000 that SVSC would have to reduce its budget one way or another in this fiscal year to end up without any deficit.

What he had projected here, he stressed, was that somewhere between November and June of next year...during SVSC's fiscal year...it was likely to receive another cut of 3.0% on its current base, and that would again require another $165,000 cut. On both of those cuts, the difference between $165,000 and $221,000 would be applied to the first quarter of next year. They didn't know about the November/June estimated cut for sure, Dr. Ryder said, all he was saying was that the odds were that it was going to happen.

They already knew about the September and October cuts and they could deal with them clearly. As far as the first one of $190,000 was concerned, they had already reduced the budget by that amount, so they didn't have to deal with that at this time. The problem, he stressed, came with the two amounts of $165,000 each which would add up to $330,000. He could probably give the Board 25 different options to deal with...he was sure that anyone at the table could take pieces of each one of the three listed and add them together and make up a differ-
ADDRESSING REDUCTIONS IN STATE APPROPRIATIONS

SVSC FY 1981-1982

State Appropriation Reductions:

<table>
<thead>
<tr>
<th>Month</th>
<th>Percentage</th>
<th>$221,000 x 3/4</th>
<th>Total</th>
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<tbody>
<tr>
<td>September 1981</td>
<td>3%</td>
<td>$66,300</td>
<td></td>
</tr>
<tr>
<td>October 1981</td>
<td>3%</td>
<td>$66,300</td>
<td></td>
</tr>
<tr>
<td>November-June</td>
<td>(2-4%)</td>
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Board of Control Budget Reductions for FY 1981-1982 effective September 1981 - $190,000

Board of Control Considerations for Further FY 1981-1982 Budget Reductions

Option I Program and/or Personnel Reductions (165,000 +165,000) $330,000

Option II Increase Tuition and Fee Rates Effective Winter Term
46,601 SCH x $7.08 per CH = $330,000 (assumes no loss in CH)

Option III Combination of Factors-
1. No tuition increase until FY 1982-1983
2. Estimated additional savings in utility costs $50,000
3. Adjust amount going to reserve for Gymnasium facility payments $25,000
4. Potential FY 1981-1982 Deficit $255,000

Total $330,000

Actions To Offset FY 1981-1982 Budget Deficit

1) Modification in Spring/Summer Schedule to increase enrollment and revenue production-

2) Even more aggressive recruiting of students utilizing more extensively faculty, administration and students-

3) Require Administration and Staff to take vacations during Summer months-

4) Closing down Pioneer Hall air conditioning during Summer months-

5) Renew rigorous efforts at energy conservation across campus-

6) Reevaluate the level of telephone services for all college operations-

7) Aggressively seek out suggestions from all members of the campus community for economizing-

* $221,000 x 3/4 = $165,000
8. Request all budget managers and all faculty and staff to make special efforts to again hold down expenditures and effect cost savings wherever possible.

9. Delay until at least July 1, 1982, replacing personnel in positions where vacancies have occurred due to attrition unless they were essential to income production, teaching of students, or basic operational controls.
different option, but fundamentally, they had the problem of either reducing expenditures or increasing income, or some combination of those, to end up with a balanced budget.

Turning to the second section of his document "Board of Control Considerations for Further FY 1981-1982 Reductions" Dr. Ryder reviewed the options listed as follows:

Option I--they could eliminate some academic programs...it would take a while to do so, but they would have to look at this as being self-defeating, because eliminating programs, eliminated students, and that was income...so they would be trading one off against another. They could also eliminate some staff positions, but since they were so very thin now, to reduce them would not be logical in terms of maintaining or expecting to maintain the enrollment, the program, or the efficiency of the operation that SVSC had now.

Dr. Ryder concluded that he did not feel this was a viable option and thus, was not recommending it.

Option II--right now, students were paying $44 per credit hour, including a $3 fee and with a $7.08 increase per credit hour, they would be paying $51 per credit hour, compared to Delta College's tuition of $25 per credit hour, in district, and $44.50 per credit hour, out of district. With SVSC's increase in tuition this fall, it was the first time it had been ahead of every other institution, with the exception of the Big Three. Dr. Ryder indicated he thought they had been realistic in raising the tuition to the point where it was now... and would not recommend this option to increase tuition and fee rates effective winter term. He noted that many of those institutions that did not increase
their tuition and fee rates as much as SVSC were going to be raising their rates for winter term.

Option III--this, Dr. Ryder said, was the option he was recommending at this point. With respect to No. 1, there was no doubt in his mind but that he would be recommending an increase in tuition for the fall of 1982-1983...given the circumstances as they existed today, he didn't think there was any other choice. The extent of it, of course, was still to be determined, depending upon a number of other factors.

With respect to No. 2, SVSC was estimating a savings in utility costs right now of $50,000. When SVSC first made its original budget estimates on utilities, it was expected that the cost of Algerian gas, through Consumers Power, would have added to SVSC's costs. However, the use of that gas had not been initiated to date, so costs were lower up to this point. Fortunately, the fall weather so far had not required the heating levels needed in the past, and also, information would be provided the Board today that would show SVSC's gas and electric usage, even though mobile units were added, had dropped over the preceding year, while the cost had gone up. This conservation of energy was due partly as a result of the concern and interest in energy conservation.

With respect to No. 3, according to the administration's analysis, this $25,000 would not be required to meet the reserve requirements for the Gymnasium. Normally a rate of 75¢ per credit hour would go into this fund at the end of the year, but, Dr. Ryder said, he was recommending that they make an adjustment, or change in that so that they wouldn't need to put in that much...it wouldn't hurt SVSC in any way other than to obviously slow down the time period in completing
the payoff of the bonds...the bond payments would be made according to the agreed schedule and the required reserves would be met too...he felt very comfortable about that amount of money being used this other way.

With respect to No. 4, Dr. Ryder noted that this was the one that was most striking to everybody...a potential FY 1981-1982 deficit of $255,000. This was not large, depending upon how they looked at it...SVSC had had budget deficits in the past and was able to eliminate them about two years ago. It was something they could carry in cash flow for a period of time, but it still represented a problem, and if it were worse than that, obviously they would get into much more serious difficulty...it was not a good position to be in because they couldn't earn money on money they didn't have and were spending. However, for the period of time they were talking about, Dr. Ryder stated that it was his recommendation that this Board accept that kind of a potential deficit...he said "potential" because they did not know that an additional cut of $165,000 was going to come through for sure...he thought it would, and if so, they would have a deficit going into the next year which would have to be made up. As he would see it, Dr. Ryder said, they would plan for making up that deficit in the succeeding year, including the difference between $165,000 and $221,000, doubled, which would come in the first quarter.

Turning to the third section of his document "Action to Offset FY 1981-1982 Budget Deficit" Dr. Ryder indicated he wanted to talk about how he thought they could offset some of the $330,000 deficit.

1. Dr. Ryder reviewed Agenda Item No. 6 in detail and stressed that it would shift the resources into this fiscal year, and would enhance the enrollment
in the total Spring/Summer program, particularly with guest students from MSU and other colleges or universities, who previously could not enroll because of semester ending/semester beginning conflicts. This would be revenue producing.

2. Dr. Ryder observed that up to this point, with the cost SVSC had had in the past, he was not sure that if they had done anything more they could have accommodated any more students. He assumed they could accommodate more now and they were just going to have to be more aggressive about it. He praised the Admissions Office for the tremendous job it had done, and given the fact, he stressed, that SVSC didn't have any dormitory space available for this fall, and the fact that its rates had gone up so much, it was an exceptional job to even have an enrollment increase at all. But, he concluded, there were some additional things that could be done and they would work on them.

3. This did not necessarily mean all vacation time, Dr. Ryder said, but a major portion which could be scheduled during the summer months...part of the reason for this related to the next item. The more people there were on the campus during the summer, the more doors in buildings were opened and closed, the higher the air conditioning cost...the reduction in the number of personnel just functioning on campus would be helpful in terms of energy conservation.

4. Because there were windows which could be opened in Pioneer Hall, Dr. Ryder noted, they simply would not have air conditioning on in that building during the summer, which would save some money. No classes would be scheduled in Pioneer Hall, and instead, would be held in Wickes Hall, with utilization of mobile units where smaller spaces could be air conditioned, if enrollment warranted. If heat became excessive, they could even move out the few administrative/
faculty offices... a lot of the faculty wouldn't be there in the summer anyway. So, he concluded, there could be alternatives to operating Pioneer Hall... it was not desirable... they might have problems with the computer terminal room on the second floor, and they might have to change that room for the summer... but it would save money to not have air conditioning in the building.

5. This effort had been very productive anyhow, Dr. Ryder stated... it was not just this last year either, because they had been reducing the use of energy on this campus over a period of years... at the same time, however, the cost of energy had increased tremendously.

6. Dr. Ryder said it was felt that there possibly were some areas where a savings could be effected... it might mean that in situations where there were two phones in a room, where there were two administrators or faculty members, where it was convenient and even desirable to have two phones, where you could have two people on at once... they simply might not be able to afford that in some instances... they would be looking at that as well as at long distance telephone calls in order to limit them to the extent possible. This, Dr. Ryder concluded, might be more efficient in terms of cost savings, but it certainly was not going to enhance SVSC's effectiveness or help in terms of services rendered.

7. SVSC had been doing this, Dr. Ryder said, many ideas had been received and a number of them were in place and being acted upon already.

8. Dr. Ryder indicated they went into last year with that stance and the faculty and staff of the institution did a good job which enabled SVSC to end up with about $150,000 over expenditures which certainly helped as they moved into 1981-82.
9. Dr. Ryder indicated he had mentioned this at the last meeting when they had the budget reduction, of delaying replacements for short periods of time...instead of hiring somebody immediately, perhaps wait a month or something like that, which would effect a cost savings. Now, he was going further and saying that they would delay until at least July 1, 1982 replacing personnel in positions where vacancies occurred due to attrition, unless they were essential to income production, such as Admissions people, faculty, people in basic operating control, fiscal functions, etc. What this meant, Dr. Ryder concluded, was that, although Saginaw Valley State College's internal and external service functions as they are now are limited, they would hold back on replacements with the exception of those that were absolutely essential.

Summarizing the review of his document, Dr. Ryder stressed that throughout the entire year they would be watching, monitoring the revenue generation as well as the expenditures, and keeping the Board posted on where they stood...it was felt that the maximum deficit at the end of the year would be $330,000, and given what he was talking about here, it could be reduced through these means substantially...he didn't know what it would be...he couldn't tell the Board how much.

Now, Dr. Ryder observed, he had to talk a little bit about the next year. How would they go into the next year? They would take whatever deficit they had and plan for reducing that deficit over a period of time, and in the course of that planning, they would be dealing with a lot of 'unknowns' such as...what appropriation would the legislature make next year for this institution...would it be anything more than what it ended up with for this year...and how much? They didn't know about the income generation from student enrollment in the fall of
1982, and they didn't know what other implications would come out of the means they were taking here to offset the deficit, and then, of course, if by the time they had to establish the budget and they knew what the resources were, it might mean that they would have to take more drastic action in terms of personnel and/or programs even though it wasn't warranted from a demand point of view.

Mr. Braun asked to what extent were there limitations either in or on policies or legal limitation in generating a deficit.

Dr. Ryder responded that there were no legal limitations on withstanding a deficit such as there was at the state level.

Mr. Braun then asked if Dr. Ryder could give him a little bit of background on what SVSC had done by way of deficits in the past.

Dr. Ryder called upon Mr. Woodcock for this response. Mr. Woodcock indicated that apparently there was no internal policy on it...as far as the deficits that the institution had carried...it had a deficit from about 1970 up until about two years ago. In about 1978, it reached the maximum which he believed was about $221,000 and that was eliminated two years subsequent to that.

Dr. Williams asked if this amount were accumulative. Mr. Woodcock responded that it was...although it had remained at approximately between $80,000 and $100,000 up until about 1974, it more than doubled around 1974-75 and remained at approximately the same amount until it started to be eliminated in 1978.

Mr. Curtiss noted that SVSC was prohibited by enabling legislation to borrow without legislative approval. However, their position had been that that didn't restrict their ability to borrow from themselves, which basically was what was being proposed here...they couldn't go to the banks and sell tax anticipating
notes, or something like that, without legislative approval. The cash flow, Mr. Curtiss said, had been adequate in the past to handle the deficits on a short term basis, but that did though, provide a maximum limit...when they were out of cash, they were out of cash, and there were no alternatives at that point without legislative approval.

Dr. Ryder pointed out that the separation of the SVSC Foundation and the College had limited the extent of their ability to deal with the cash flow... before they were able to put funds together in terms of dealing with the cash flow problem...they couldn't do that any more, and so they had more limited access to it.

Mr. Curtiss asked Dr. Ryder if he had a prepared resolution to which this discussion should be addressed, or would he like him to make one.

Dr. Ryder responded that basically what would give guidance to the administration would be for the Board to move to accept Option III, or as an alternative, assuming the Board accepted a deficit budget, that they would take this budget reduction...the 75 and 25...right now and would do it administratively. He noted, however, they didn't know about that additional cut...it might not come...if it did come, then they would have to deal with it. He concluded it was kind of a difficult thing to deal with...action by the Board was required...and a resolution or a motion was in order.

Mr. Curtiss indicated he would be glad to offer a resolution...perhaps it would be a complex one which the Board could divide or jump as it saw fit.

Dr. Gilmore, noting that there was no prepared resolution, suggested that Mr. Curtiss present his resolution.
RES-525  Mr. Curtiss moved that the following resolution be adopted:

WHEREAS, Saginaw Valley State College has current budgetary difficulties resulting from several cutbacks and further anticipated cutbacks, and

WHEREAS, Saginaw Valley State College needs to address those budgetary difficulties;

NOW, THEREFORE, BE IT RESOLVED, That in an effort to address its current budgetary difficulties, Saginaw Valley State College take the following actions:

1. That we affirm our intention to maintain tuition and fees at the current level throughout the balance of our fiscal '81-'82.

2. That in view of the fact that we have not had a proliferation of programs at this institution, that any significant programmatic cuts at this point would likely lead to significant revenue reductions, that we go on record as expressing our intention not to make any significant or major programmatic changes during this fiscal year.

3. That in view of the vast improvement that we have been able to develop in recent years with regard to management and financial controls, that we express our confidence in the administration's ability to, as the year progresses, maintain the deficit at an absolute minimum by whatever means are necessary short of those addressed in points No. 1 and No. 2.

4. That we authorize the administration to incur a deficit not to exceed $255,000 with a clear hope that it will be significantly less.

Mrs. Darin supported.

Mr. Curtiss reiterated that if anyone wanted to separate any one part of the resolution, that might be an easy way to do it...by dividing the question, if it were too much to take at one time. He stressed that he certainly would be willing to consider a change, however, he thought all those things needed to be said in terms of how they were going to address the problem.

Dr. Gilmore, referring to Option III, No. 3., asked Dr. Ryder if there were going to be a challenge where they were converting the gymnasium fees generated to the general operations.

Dr. Ryder indicated not...that was the point he was making. When they
established SVSC's fee amount of $3.00 per credit hour, there were no restrictions on how it could be used, assuming they took care of the reserve and bond obligations for the gym, parking obligations and student health services.

Dr. Gilmore, referring to No. 2 in the resolution just offered for adoption by Mr. Curtiss, spoke to the 'unwillingness' to make major program changes throughout the ensuing year. He stressed they should really anticipate that there would be cuts and that the college should really search for places where it could make substantive reductions in its expenditures...it took so long, he said, to drop, modify or do whatever other means they must use to reduce the expense attendant to some courses, so it would seem to him that rather than at the last strangling moment, instead of scratching, worrying, fussing and fretting about finding that place, perhaps they should plan for that spot...maybe even start to drop a course right this year, because a year from now, they were going to get struck again...the important thing was to expect the axe to fall.

Responding to Dr. Gilmore, Mr. Curtiss stated that No. 2 didn't mean that he disagreed with him...he thought they should recognize clearly that his resolution in no way was a solution to the problem...it was a resolution to postpone facing it, and in so doing, and in authorizing the deficit, it would make it more difficult to face the problem ultimately than it might be today. However, in spite of that he had made the resolution and thought Dr. Gilmore's points were good ones that they should be looking ahead to next year, recognizing that if they continued to accumulate a deficit, the ultimate solution was going to be more dramatic.

Mr. Braun stated that he supported what Mr. Curtiss had indicated so very
well, and when the appropriate time came, he would vote to support his resolution. He did observe, however, that he couldn't generate a great deal of enthusiasm, and he suspected Mr. Curtiss shared that too, for intentionally setting up any kind of a deficit...he thought there was all too much of that in the country today...but it appeared that they were caught in some rather drastic times and that probably called for a drastic approach to it. He concluded that the resolution that Mr. Curtiss presented was as good a one as they were going to be able to come up with.

Mr. Curtiss stressed he was confident that they were not going to end up with a $255,000 deficit.

Mrs. Saltzman questioned when they would begin to discuss the next fiscal year's budget...that tied in with programmatic changes, which was what Dr. Gilmore had suggested. She stressed that the earlier they began the discussion, the earlier personnel would be able to make their plans. Looking ahead, she said, unfortunately there were going to be opportunities outside of Michigan, and she was afraid that they were going to lose some good people...it might have to happen for at least another year or two.

Dr. Ryder referred to the Agenda and noted that Item No. 5 "Recommendation for Approval of FY 1982-83 General Fund Budget Request" would be discussed next.

Mrs. Saltzman noted that so many other state colleges had put a cap on enrollment...she knew SVSC's philosophy had been different and she supported it, but the reason for putting a cap on was to save program costs...she was wondering why the other universities and colleges had followed a different approach than SVSC.
Mr. Curtiss indicated "he would sing an old song once again"...he would just like to reiterate that SVSC was capping enrollments and had been for the last 12 years by setting a maximum number of students it would take in each class...if the class were full, a student couldn't get in the class unless they had enough students for another section. The student then had the choice of not coming here or taking his second choice of class, which, if there was an opening, he could get into.

It was the result of capping enrollments class by class, rather than over an umbrella, Mr. Curtiss stressed, that had allowed SVSC to keep its instructional costs among the lower costs in the state, simply because it was one way to fill up the classes that were otherwise not full...at least get students in where there was a demand, but not a full class...he thought that made a lot more sense economically than saying "we are going to take 4,200 students next year" and then try to offer a full range of classes to a given number of bodies...in a commuter institution, that just didn't make any sense. When they did it class by class, it made a lot of sense and it was very effective in capping enrollments, just as limiting the residential student population by housing had proven to be effectively a cap on that segment of the enrollment population.

Dr. Williams indicated that what he had to say had a little bit to do with a cap on enrollment...he would hate to see SVSC lower its standards with respect to its student performance in order to get more numbers to help generate income...incrementally, they could expand their student enrollment and run on the current staff and faculty, and in fact, generate income...but only for a short term. He stressed he didn't want to see SVSC's standards any lower than they were today...
if anything, he would like to see SVSC working towards raising them...he hoped they didn't sacrifice standards for numbers.

Dr. Gilmore asked if everyone were satisfied with the "deficit" aspect of the resolution.

Mr. Curtiss responded that none of them were...he very honestly. ped and expected that the deficit would come in at something under $255,000...he fully expected it to be significantly less than that at the end of the year. He stressed he didn't think they could sit there today, or next week and make the kinds of decisions that were responsible to students at this institution, and at the same time, it would automatically and easily eliminate that deficit...he thought it was something they were going to have to do as they moved through the year. He noted that Dr. Ryder had listed a number of ways to reduce the deficit...he thought the administration might find some more ways before June.

Hearing no further discussion, Vice Chairman Gilmore called for a vote.

Motion unanimously carried to adopt RES-525 with respect to the 1981-82 General Fund Budget modification.

5. Recommendation for Approval of FY 1981-83 General Fund Budget Request

Dr. Ryder distributed copies of "Budget Narrative: 1982-83" and to put it into perspective, he explained that SVSC had already had a hearing with the Governor's Department of Management and Budget, where they talked about SVSC's anticipated submission, the problems of resources in the state, etc. and this Budget Narrative would be the cover letter that went on the submission.

He indicated Mr. Woodcock would be presenting some other material...but following the Governor's evaluation of SVSC's budget request, and recommendation
to the legislature, then the legislature would hold hearings and SVSC would again submit a budget request to them...there could be some variation by that time, depending upon what happened, but in the last year or two, there had been very little variation...then the legislature, of course, would deal with it and finally come up with the appropriation. It passes and then the Governor either signs it or vetoes it.

Dr. Ryder called upon Mr. Woodcock to present the request and give the Board some background and details for the budget request for 1982-83.

Mr. Woodcock distributed copies of "State Appropriation Request Summary--Saginaw Valley State College--Fiscal Year 1982-83" (see Attachment) and along with the "Budget Narrative: 1982-83" (see Attachment) reviewed them as follows:

Mr. Woodcock pointed out that regardless of all the problems, in some respects business had to go on somewhat as normal, which meant that SVSC still needed to project what its needs were as they looked at what their programs and their situation was on campus.

To accompany this one-page Summary, he noted, there were many other schedules, forms and submission documents, but they were going to request the approval of this particular document upon submission.

He pointed out that the state's fiscal year was October 1 to September 30, whereas SVSC's fiscal year was July 1 to June 30...so there was a three-month's overlap from one fiscal year to the other.

Dr. Williams asked if it would help if SVSC were on the same fiscal year basis as the state.

Mr. Woodcock responded that there was a little bit of difference because
4. Funding for the continued development of the SVSC Business and Industrial Development Institute.

5. Funding for transportation and remodeling of an additional mobile unit from The University of Michigan-Dearborn. It would house three classrooms.

6. Assurances concerning state intentions to build Instructional Facility #2 and meet SVSC's operating budget needs as soon as the state economy recovers. These assurances can have a positive influence on the outcome of a North Central Association accreditation visit scheduled for March 1982.
STATE APPROPRIATION REQUEST SUMMARY
SAGINAW VALLEY STATE COLLEGE
STATE FISCAL YEAR
1982-83

State Appropriation-State Fiscal Year 1981-82

$7,392,900

Inflationary Factors:

Utilities
Appendix C 1982-83 $638,800
Appendix C 1981-82 as included in last year's Budget Request and as amended 588,750 50,050
Cost Increases and Replacement of One-Time Resources in the 1981-82 Budget
Subtotal 762,186

Program Revision Requests:

Academic and Administrative Computer: Phase Two $200,000
Replacement Funding for Federal Grants 367,782
Installation and Remodeling of Existing Modular Units 162,322
Business and Industrial Development Institute 117,000
Classroom and Counseling Center Project 85,000
Total Request $9,137,240

1Request for 10.98% increase over State Fiscal Year 1981-82.
2Request for 23.6% increase over State Fiscal Year 1981-82.

JGM: pkz
11/5/81
they got into what was called "Revenue Realization" and also the "Matching Concept"...for example, SVSC started its fall semester at the beginning of September, so it had a month of courses where it had its credit earned, its teaching salaries and how it allocated those...it got into a very horrendous situation. There was one institution, he noted, out of the 15 four-year public institutions in the state of Michigan...Wayne State...which was on an October 1 to September 30 fiscal year. The rest of the colleges and universities were in the same situation as SVSC.

Up until perhaps more recently, the last three or four years, Mr. Woodcock stated, when the state had gotten into difficulty and where it had been calling money back with Executive Orders, SVSC had not had the type of problems that it was beginning to see now. Although it might appear confusing here, it was relatively a simple computation...SVSC understood what it was doing...the state understood what it was doing, but Mr. Woodcock said that he must admit that when they talked to the public, going back and forth between quarters, it probably appeared more confusing than what it really was for those who worked with it day in and day out.

Mr. Woodcock reviewed the State Appropriation Request Summary in detail, calling particular attention to the fact that the $7,392,900 State Appropriation-State Fiscal Year 1981-82 did not reflect either of the two recent reductions by Executive Orders.

There was brief discussion about the Inflationary Factors and Program Revision Requests, after which Vice Chairman Gilmore called for a motion to approve the 1982-83 General Fund Budget Request.
BM-610  It was moved and supported that the Board of Control approve the State Appropriation Request Summary--Saginaw Valley State College--State Fiscal Year 1982-83 as presented.

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

Motion unanimously carried.

6. Recommendation for Approval of Modification in Spring/Summer Schedules

President Ryder noted that he had reviewed the resolution regarding this topic while discussing Item No. 4, and suggested a motion was in order to adopt.

Vice Chairman Gilmore called for a motion.

RES-526  It was moved and supported that the attached resolution be adopted.

Dr. Gilmore asked if there were any discussion.

Mr. Curtiss observed they hadn't asked if the faculty had any particular concerns with the changes...he assumed they had some input.

Dr. Yien recognized Dr. David Weaver, President of the SVSCFA and noted that without his support, and the support of the Executive Committee of the Faculty Association, these changes wouldn't have been possible.

Dr. Weaver acknowledged his strong support of the changes.

Hearing no further discussion, Vice Chairman Gilmore called for a vote.

Motion unanimously carried to adopt RES-526 modifying the Spring/Summer schedules.

7. Recommendation for Approval of Construction of Apartments on Campus for Student Housing through Private Investments

Dr. Gilmore noted copies of a resolution recommending approval of this project were received...but they needed to complete the fourth paragraph before moving its
adoption. Dr. Ryder advised that some time ago the Board established a committee for the purpose of exploring private development on campus, but not authorized to take any action.

What was needed now was to establish a committee which would be able to deliberate to action...the reason being that the legislature, by a concurrent resolution, had authorized SVSC to proceed. Dr. Ryder stressed they should move posthaste to get this project underway...if they were to wait even another month before they were able to take action, it perhaps would prevent them from being able to get the units up and available for fall '82.

If it worked out that final decisions would be made close to the December 14 Regular Meeting of the Board of Control, then the committee would just bring it right into the Board and they would have action there.

What he was really asking for, Dr. Ryder stressed, was the appointment of a committee that would be able to take action.

Mr. Braun indicated he didn't notice any reference in the resolution to the prior "Letter of Agreement" or the outlines that had already been established. He asked if it wouldn't be desirable for it to be included in the resolution.

Dr. Ryder indicated he thought so, however, Dr. Gilbert stated that he felt that not having it in the resolution would give the committee more flexibility and the option to make any modifications...they had talked with the developer about the "Letter of Agreement."

Mr. Braun asked if there were any belief that there would be major deviations to that, and Dr. Gilbert responded that so far as he was concerned there was not.

Mr. Braun indicated he was a newcomer to the Board, but he had studied
BOARD RESOLUTION ON MODIFICATION IN SPRING/SUMMER SCHEDULES

WHEREAS, The College is attracting an increasing number of guest and transfer students during the months of May, June, and July, and

WHEREAS, Modification in Spring/Summer schedules can enhance the opportunity for students and reduce instructional cost, utilities, and custodial workforce, and

WHEREAS, The Faculty Association supports the modification;

NOW, THEREFORE, BE IT RESOLVED, That henceforth the Spring/Summer schedules be modified as follows*:

1. Two five and one-half weeks sessions
2. One ten and one-half weeks session
3. One seven and one-half weeks session

*The sessions proposed for 1982 will be: (1) May 10 through June 15 and June 16 through July 23, 1982; (2) May 10 through July 21, 1982; (3) June 16 through August 7, 1982.
at some detail that prior "Letter of Agreement" which seemed to make considerable sense and seemed to be somewhat in general terms, leaving a fair amount of flexibility. He concluded that he didn't want to tie the hands of the committee any further, but he did have that concern.

Dr. Williams stated that he had a question of procedure...it seemed to be funny for this Board, by resolution, to authorize a committee to execute something. Why shouldn't it authorize the college to enter into a lease agreement with a private developer and authorize the President and any Vice Presidents to execute all necessary documents pertaining thereto. It was a matter of form, he said, as to how they went about it. As far as he was concerned, he didn't care how they got to the agreement...whether they had a committee or whether the administration did it all by itself. He concluded that he would rather have the President responsible for it than a committee that he didn't know anything about.

Dr. Ryder asked if he was saying that it would not have to come back to the Board and Dr. Williams indicated not.

Dr. Ryder than observed that that was possible and recalled the setting up of the other committee by the Board. The position taken at that time was that the Board didn't want that committee to make any final decisions, so the administration thought that when it was getting down to the final wire here, the Board itself would want to be involved in that process, and it could delegate to a committee the authorization to make the final decision in a public action on it.

Dr. Williams noted the Board could delegate it to Dr. Ryder. Dr. Ryder agreed this was possible and he could even use Board members for consultation or whatever.
Dr. Williams indicated he had just expressed his own personal feeling... he would rather make the President of the institution, someone he knew and had familiarity with, responsible for this negotiation and the final document, than he would some committee that might be composed of somebody he knew or might not know. How the President arrived at the final agreement was his own business... if he wanted a committee to help him negotiate, fine, but it would be a committee to help the President, not a Board committee to take final action.

Mr. Braun indicated he agreed with Dr. Williams.

Dr. Gilbert suggested he could withdraw the resolution, however the Board members felt it should be acted upon, once the fourth paragraph was agreed upon.

Various versions were suggested and there was consensus that the following version be used as the fourth paragraph:

"NOW, THEREFORE, BE IT RESOLVED, That the President of Saginaw Valley State College is authorized to proceed with negotiations of this development subject to the general guidelines set forth in the March 2, 1981 'Letter of Intent' between Saginaw Valley State College and The Design Collaborative-Architects Inc., the final agreement being subject to the approval of the Board of Control."

Vice Chairman Gilmore called for a motion.

RES-527 It was moved and supported that the following resolution be adopted:

WHEREAS, The College has no housing for married students, faculty and staff, and
WHEREAS, Residence halls are filled to capacity, and
WHEREAS, The College is unable to finance the construction of residence halls or apartments, and
WHEREAS, The Michigan Legislature, through Senate Concurrent Resolution 283 of 1981, in compliance with Attorney General Opinion No. 5956 of 1981, has approved the leasing of Saginaw Valley State College land to a private developer for the construction of apartments or townhouses;

NOW, THEREFORE, BE IT RESOLVED, That the President of Saginaw Valley State College is authorized to proceed with negotiations..."
of this development subject to the general guidelines set forth in the March 2, 1981 "Letter of Intent" between Saginaw Valley State College and The Design Collaborative-Architects Inc., the final agreement being subject to the approval of the Board.

Vice Chairman Gilmore asked if there were any further discussion.

Mr. Braun reiterated the need for the guidelines in the "Letter of Understanding" to be included in the resolution and stressed that if there were any significant deviations, he thought the Board should be involved.

Dr. Gilmore observed that this project was a departure from the norm... SVSC was leasing state land...there was a responsibility on the part of the college in a sense for a substantial amount of money...the college was not spending any money, nor borrowing any money, but developing was going along with this. He stressed that he sensed more to this particular project than the President alone should assume responsibility for...it was new, it was different...it was housing. He asked that these remarks become a part of the Minutes with respect to the resolution.

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

Motion unanimously carried to adopt RES-527 authorizing the President to proceed with negotiations, following the guidelines set forth in the "Letter of Intent."

Dr. Ryder called attention to the next Agenda item No. 8, noting that he was requesting that the Board move into an Executive Session for the purpose of review of the Clerical Contract prior to taking action, and that in such a motion that it would be indicated that after the Executive Session, the only
thing to be done by the Board before adjournment would be approval or disapproval of the Clerical Contract. By so doing, he said, the press or anyone else who was there would know that they could leave, and the Board wouldn't be doing other things afterwards other than that one thing.

Vice Chairman Gilmore called for a motion.

BM-61

It was moved and supported that the Board of Control move into Executive Session for the purpose of reviewing the Clerical Contract, after which the Board would reconvene for the sole purpose of action on Agenda Item No. 8, and then adjournment.

Dr. Gilmore called for a vote.

Motion unanimously carried.

Dr. Gilmore requested that the room be cleared at 2:55 p.m.

The Board reconvened in Executive Session at 3:10 p.m.

The Executive Session adjourned at 3:30 p.m.

The Regular Meeting reconvened at 3:30 p.m.

8. Recommendation for Approval of Clerical Contract

Chairman Kendall called for a motion.

RES-528

It was moved and supported that the following resolution be adopted:

WHEREAS, The collective bargaining teams representing Saginaw Valley State College and the Saginaw Valley State College Secretarial/Clerical Association reached a tentative agreement on October 15, 1981, and

WHEREAS, The Secretarial/Clerical Association ratified this agreement on October 27, 1981;

NOW, THEREFORE, BE IT RESOLVED, That the Board of Control of Saginaw Valley State College approve the collective bargaining agreement between Saginaw Valley State College and the Secretarial/Clerical Association covering the period July 1, 1981 through June 30, 1983.

Chairman Kendall asked if there were any discussion. Hearing none, he called
Motion unanimously carried to adopt RES-528 approving the Clerical Contract.

IV. ADJOURNMENT

There being no further business to transact, Chairman Kendall adjourned the meeting at 3:35 p.m.

Respectfully submitted,

John W. Kendall--Chairman

Florence F. Saltzman--Secretary

Opal M. Colvin--Recording Secretary