

SPECIAL MEETING OF THE BOARD OF TRUSTEES  
July 8, 1972

Present: Trustees Carrigan, Hartman, Huff, Martin, Stevens, and Thompson; President Wharton, Executive Vice President and Secretary Breslin, Provost Cantlon, Vice Presidents Muelder, Nonnamaker, Perrin, Scott, and Wilkinson, Attorney Carr, Assistants Ballard, Spaniolo, Wilkie.

Absent: Trustees Merriman and White.

President Wharton called the special meeting of the Board of Trustees to order at 8:30 a.m. in the Heritage Room, Kellogg Center, for the purpose of discussing the proposed University budget guidelines for 1972-73. 1972-73  
Budget

Prior to the discussion of the budget, President Wharton presented two informational items: (1) Dr. Wharton's letter to Trustee Stevens dated July 7, 1972 relative to his inquiry concerning the discontinuation of the step increases for clerical-technical employees, and (2) a report of the University Subcommittee on University Policy. Dr. Wharton indicated that the report of the East Lansing Subcommittee was not complete. He commended Elliott Ballard and Vice President Muelder for their work on this committee.

President Wharton then asked Provost Cantlon and Vice President Wilkinson to present the tentative outline for the 1972-73 budget. The budget estimates are as follows:

MICHIGAN STATE UNIVERSITY  
Budget Estimates for 1972-73

|                           | <u>Revenues</u>             |                              |                              | <u>Net<br/>Change</u> |
|---------------------------|-----------------------------|------------------------------|------------------------------|-----------------------|
|                           | <u>1971-72<br/>Original</u> | <u>1971-72<br/>Reduction</u> | <u>1972-73<br/>Estimated</u> |                       |
| Student Fees              | \$ 30,209,000               | \$29,779,000                 | \$ 30,361,000                | \$ 582,000            |
| State Appropriation       | 65,318,000                  | 64,011,640                   | 70,839,000                   | 6,827,360             |
| Federal Morrill-Nelson    | 298,000                     | 294,000                      | 200,000                      | (94,000)              |
| Application Fees          | 325,000                     | 325,000                      | 325,000                      |                       |
| Departmental Receipts     | 1,850,000                   | 1,850,000                    | 1,850,000                    |                       |
| Recovery of Indirect Cost | 2,747,000                   | 3,181,000                    | 3,000,000                    | (181,000)             |
| Equity                    | <u>500,000</u>              | <u>500,000</u>               | <u>500,000</u>               |                       |
|                           | <u>\$101,247,000</u>        | <u>\$99,940,640</u>          | <u>\$107,075,000</u>         | <u>\$7,134,360</u>    |

Special Meeting of the Board of Trustees, continued

July 8, 1972

1972-73 Budget

1972-73 Projected Expenditure Increase

## Fixed Increases:

|   |                |            |
|---|----------------|------------|
| Insurance, Sewage, Fire Protection, Fuel,<br>Health Center and Electricity  | \$ 473,000     |            |
| Fringe Benefits (Social Security, Disability<br>Insurance, Hospitalization) | <u>493,000</u> | \$ 966,000 |
| Legislated Allocations for Medical Programs                                 |                | 1,383,000  |

## Committed and Required Allocations:

## Academic:

|  |                |         |
|--|----------------|---------|
| Special Salary Adjustments             | \$125,000      |         |
| Faculty Grievance Office               | 40,000         |         |
| Center for Laboratory Animal Resources | 60,000         |         |
| Science Development                    | 60,000         |         |
| Disadvantaged Students                 | 100,000        |         |
| Human Ecology                          | 71,000         |         |
| A.P. Study (Estimated cost of changes) | 50,000         |         |
| C.C.T.V. Studio Costs in Life Sci. II  | 35,000         |         |
| Registrar & Admissions                 | 20,000         |         |
| A.E.C. Matching Funds                  | 20,000         |         |
| Other (less than 25,000 each)          | <u>162,308</u> | 743,308 |

## Non-Academic:

|  |               |                          |
|--|---------------|--------------------------|
| Personnel Office                       | \$ 70,000     |                          |
| E.O.P. Reorganization                  | 36,000        |                          |
| A.P. Study (Estimated cost of changes) | 50,000        |                          |
| Data Processing                        | 50,000        |                          |
| University Development Office          | 30,000        |                          |
| Other (less than 16,000 each)          | <u>83,000</u> | 319,000                  |
| Financial Aids                         |               | <u>100,000</u> 1,162,308 |

## Restore 1971-72 Budget Reductions:

|  |                |                              |
|--|----------------|------------------------------|
| Academic   | 650,940        |                              |
| Repairs, Alterations, Improvements,<br>and Maintenance | <u>655,420</u> | <u>\$1,306,360</u> 1,306,360 |

|   |  |                  |
|---|--|------------------|
| Proposed Compensation Adjustment --- 4% |  | <u>2,925,000</u> |
|---|--|------------------|

|   |  |           |
|---|--|-----------|
| Projected Expenditure Increase Assuming 4% Raises |  | 7,742,668 |
|---|--|-----------|

|                 |  |                  |
|-----------------|--|------------------|
| Funds Available |  | <u>7,134,360</u> |
|-----------------|--|------------------|

|                   |  |                   |
|-------------------|--|-------------------|
| Projected Deficit |  | <u>\$ 608,308</u> |
|-------------------|--|-------------------|

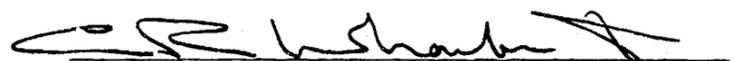
## Reduction Necessary to Balance Budget

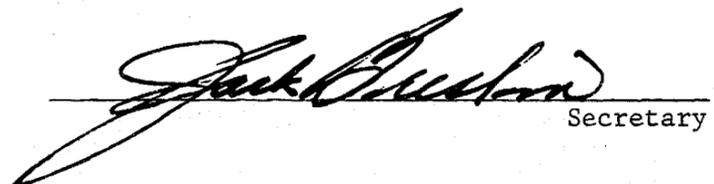
|              |  |                   |
|--------------|--|-------------------|
| Academic     |  | 501,980           |
| Non-Academic |  | <u>106,328</u>    |
|              |  | <u>\$ 608,308</u> |

The Trustees spent considerable time discussing the salary increases for University employees. Trustee Stevens indicated that he would like to see formal Board action at some future date establishing floors for academic rank. Trustee Carrigan requested that when large increases were recommended for individuals additional information be made available to the Trustees relative to the criteria used in the recommendation.

On motion of Trustee Hartman, seconded by Trustee Thompson, the Board voted unanimously to approve the budget guidelines as outlined by the administration for the 1972-73 budget, and approved a 4% salary increase.

Adjourned.

  
President

  
Secretary