

MINUTES OF THE SPECIAL MEETING
of the
MICHIGAN STATE UNIVERSITY
BOARD OF TRUSTEES
November 14, 1981

President Mackey called the meeting to order in Room 101, Kellogg Center, at 10:20 a.m., November 14, 1981.

Present: Trustees Bruff, Fletcher, Howe, Krolikowski, Lick (arrived at 10:25 a.m.), Martin (arrived at 10:29 a.m.), Reed and Sawyer; President Mackey, Provost Winder, Vice Presidents Breslin, Cantlon, Dickinson, Schonbein, Stewart, Thompson and Turner; Associate Vice President and Acting Secretary Wilkinson, General Counsel Carr, Assistant to the President Carlisle, and Faculty Liaison Group.

1. Moved by Trustee Fletcher, seconded by Trustee Bruff to call the meeting to order. Approved by a vote of 6 to 0.

2. Approval of Proposed Agenda and an Executive Session

Trustee Bruff moved approval of the proposed agenda with an amendment to the agenda to provide for an Executive Session to consider pending litigation, immediately following the Action Session. Supported by Trustee Sawyer. On a roll call vote Trustees Bruff, Fletcher, Howe, Krolikowski, Reed and Sawyer voted Yes. Approved by a vote of 6 to 0.

3. Public Comments

Public
Comments

Professor Jack Bass, of the Faculty Affairs Committee, addressed the Board giving his opinions on the handling of the Executive Orders reducing the University's appropriation. He stated that, in his opinion, the University will receive an additional Executive Order or Orders this fiscal year. He stated that the academic community needed to know how the Board intended to handle these issues. He stated the Board has two choices: to either absorb all cuts during the current fiscal year, or postpone recognition of the reductions until the next fiscal year. He stated that the current Executive Orders could be handled through three alternatives: (1) adopt the Administration's proposed plan which postpones addressing the second Executive Order; (2) adopt the Administration's proposed plan and postpone substantial cuts until the next fiscal year; and (3) adopt stronger actions this fiscal year. He stated, in his opinion, the second option was the worst case of the three options.

Professor Collette Moser, President of the MSU Chapter of the AAUP, then addressed the Board. Professor Moser stated that she agreed with the Board's action to declare the end of the University's financial crisis. She felt that this was a positive step for MSU. She stated that, in her opinion, it would be important for the University not to lay off members of the faculty. She felt it was important for the University's reputation to avoid faculty layoffs.

A. BIDS AND CONTRACT AWARDS

1. Cyclotron Laboratory Radiation Shielding Doors

Cyclotron
Laboratory
Radiation
Shielding
Doors

The following bids were received on October 15, 1981, for installation of Radiation Shielding Doors and Installation of the Radiation Shielding Doors Hydraulic System in the National Superconducting Cyclotron Laboratory. This project provides for the construction of four concrete doors, the associated jambs, lintels, and guide systems, and the hydraulic cylinder and control system required to operate the doors on the new superconducting cyclotron.

Radiation Shielding Doors - Installation

<u>Contractor</u>	<u>Base Bid</u>
Hanel-Vance Construction Co.	\$112,200
Darin & Armstrong, Inc.	113,800
Charles Featherly Construction Company	129,476
Foster Schermerhorn Barnes, Inc.	135,495
Granger Construction Co.	158,000
The Christman Company	188,885

Radiation Shielding Doors - Hydraulic System

<u>Contractor</u>	<u>Base Bid</u>
Bosch Mechanical Contractors, Inc.	\$ 64,100
John E. Green Company, Inc.	77,600
United Piping & Erecting Co.	95,000

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A. BIDS AND CONTRACT AWARDS, cont.

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Cyclotron
Laboratory
Radiation
Shielding
Doors, cont.1. Cyclotron Laboratory Radiation Shielding Doors, cont.

These projects were estimated by Commonwealth Associates, Inc., the Professional Services Contractor, at \$193,260 and \$84,610, respectively, in October 1981.

These projects were advertised in the Commerce Business Daily, Builders Exchange of Detroit, Grand Rapids, Kalamazoo, and Lansing, and Dodge Reports of Detroit and Lansing. The Inner-City Business Improvement Forum and the Greater Lansing Minority Business Association were also notified. No minority or female owned firms bid on these projects.

It is the recommendation of the Professional Services Contractor that contracts be awarded to Hanel-Vance Construction Co. of Okemos, Michigan, in the amount of \$112,200 and the Bosch Mechanical Contractors, Inc., of Grand Rapids, Michigan, in the amount of \$64,100. The Administration concurs with this recommendation and recommends that the following project budget be established:

Contract - Hanel-Vance Construction Co.	\$112,200
Contract - Bosch Mechanical Contractors, Inc.	64,100
Contingencies	<u>17,700</u>

T o t a l \$194,000

This project will be funded in the amount of \$194,000 from the United States Department of Energy grant for development of the National Superconducting Cyclotron Laboratory.

RESOLVED that the above contracts be awarded and project budget be established as recommended.

Approved by a vote of 8 to 0 on motion by Trustee Bruff, seconded by Trustee Sawyer.

B. OTHER ITEMS FOR ACTION1981-82 Budget
Adjustment
(Cash
Management)
Plan1. 1981-82 Budget Adjustment (Cash Management) Plan

President Mackey opened discussion of the 1981-82 budget adjustment plan with the following remarks. It is reasonably likely or certain that further reductions in the University's state appropriation will occur during this fiscal year. It has been estimated that these reductions may be in the range of an additional 2-4%. The amount or time frame has not been determined, but indications are that this could occur as late as February or March. Dr. Mackey stated that the proposal before the Board today is to deal with the September 30, 1981, Executive Order, other revenue shortfall, and the year-end equity adjustment. He stated that the Executive Order was not being applied uniformly among the academic units, support service units and the separately reviewed items, and anticipated that there would be even more distinctions among units in dealing with the second Executive Order (October 22, 1981). The plan before the Board today establishes unit targets and a deadline to meet the first Executive Order (September 30, 1981).

During the current budget review, units will also be looking at plans to address the second Executive Order. By not addressing this second Executive Order today, the Board loses no options since there is sufficient time to formulate plans for addressing this Order. The Board also has the option of approving a plan that would defer part of the reduction required by the second Executive Order into the University's next fiscal year. There is a need for greater analysis of the second Executive Order and the burden upon units. The President stated that the University probably would be able to handle both of these Executive Orders without midyear tuition increases or major broadscale layoff actions. He stated that the current plan to hold positions open will accrue substantial savings to the University along with corresponding reductions in fringe benefits to meet the possible third Executive Order. He stated that it is the intent of the Administration to present a plan for dealing with the second Executive Order at the Board's January 1982 meeting.

The following summarizes the plan.

Distributed with the agenda is the 1981-82 Budget Adjustment (Cash Management) Plan recommended to address the University General Fund revenue shortfall for the 1981-82 fiscal year. This plan recognizes revenue shortfall from the 9/30/81 Executive Order of \$3.5 million, other revenue reductions of approximately \$.4 million, and equity adjustment of \$1.9 million, for a total Cash Management Plan of \$5.8 million.

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B. OTHER ITEMS FOR ACTION, cont.

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1. 1981-82 Budget Adjustment (Cash Management) Plan, cont.1981-82 Budget
Adjustment
(Cash
Management)
Plan, cont.

This plan does not address the 10/22/81 Executive Order. It is the opinion of the Administration that fringe benefit savings resulting from initiating this first Cash Management Plan will substantially reduce the adjustment necessitated by the 10/22/81 Executive Order. Continuing analysis may identify other savings which could reduce the net shortfall to units even further. The plan to address this shortfall will be presented to the Board of Trustees at its January 22, 1982, meeting.

It is further recommended that the deadline for accomplishing this total budget reduction be the end of winter term (3/19/82).

Also distributed with the agenda were the Budget Adjustment Plans recommended by the Dean of the College of Agriculture and Natural Resources to address the Agricultural Experiment Station and Cooperative Extension Service revenue shortfalls. These adjustments recognize revenue shortfalls resulting from the 9/30/81 Executive Order of \$349,668 for the Agricultural Experiment Station and \$314,862 for the Cooperative Extension Service.

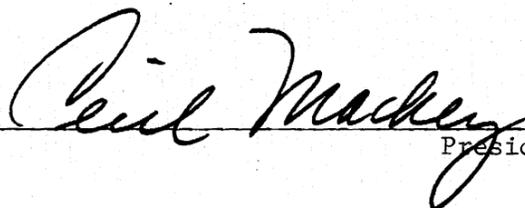
RESOLVED that the 1981-82 Budget Adjustment (Cash Management) Plans for the University General Fund, Agricultural Experiment Station, and Cooperative Extension Service be approved as recommended.

Trustee Bruff moved and Trustee Lick seconded the above resolution. Trustee Fletcher asked for the following friendly amendment to be added to the resolution: with implementation and effect to be reported at the next regular meeting of the Board of Trustees. The resolution and amendment were approved by a vote of 8 to 0.

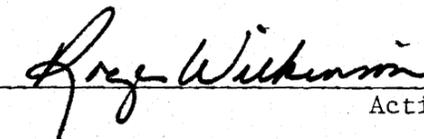
The Board recessed to an Executive Session at 11:35 a.m. (A copy of the minutes is filed in the Executive Session Minutes book in the Secretary's Office.)

Present: Trustees Bruff, Fletcher, Howe, Lick, Martin, Reed and Sawyer; President Mackey, Provost Winder, Vice Presidents Cantlon and Thompson; Associate Vice President and Acting Secretary Wilkinson, General Counsel Carr, Assistant to the President Carlisle, Associate General Counsel Higgins, and Assistant Provost for Personnel Administration Banks.

The Board adjourned at 12:03 p.m.



President



Acting Secretary