

Eastern Michigan University
Faculty Senate Minutes (approved 5/18/22)

Session 15

3.00—5.00 pm April 20, 2022 via Zoom

Attending: Gray, Curran, Tew (guest), Longworth, Valdez (guest), Braun Marks, Corsianos, Banerji, Saldanha, Foster, Sikora (guest from RJA), Soltani, Brewer, Pawlowski, Flowers, Lucy, Waltz, Millán, Lee, Judd, Carpenter, Reedy, Elias, Gellasch (guest), Logwood, Spragg, Rieth (guest from RJA), Bavery, Presslet-Sanon, Proulx (lecturer representative), El-Sayed (AAUP), Welsh, Elton, Neufeld, Evett, Brock, Ashur, Omar, Lovence, Odarwish

I. **Call to Order** **3:00 pm**

II. **Approval of the Agenda** Moved by Spragg, seconded by Flowers. Passed 31 for, 0 against, 0 abstaining.

III. **Approval of the Minutes: 4/6/22** Moved by Barton, seconded by Waltz. Passed 30 for, 0 against, 1 abstaining.

IV. **Discussions**

A. Campus Housing Plan /Feedback

Michael Valdes, Chief Financial Officer

1. Responses to questions provided prior to meeting

([link Follow Up Questions](#)) Not strictly followed below!

([link to Welcome Home 2025 Plan Website](#))

a. Responses to questions 1 &2, on the structure of the deal and the rationale for a 501(c)3 corporation

i. The 501c(3) corporation is a financial project company. It is the conduit for student rents. The project pays debt, maintenance and maintains reserves.

ii. The idea is that the 501c(3) corporation should be self-sustaining

Comment: the 501c(3) is a non-profit

Q: So no one pays taxes on net income?

A: Essentially yes. There is no tax obligation at the 501c(3) level. The bonds that pay for the project are tax-exempt.

b. Response to question 3: What about bankruptcy of the vendor?

i. There are standard provisions in contracts to address defaults. The arrangement is “bankruptcy remote” for EMU

ii. Gilbane is operator, have large balance sheet and 150-year track record. We can find a new operator easily.

iii. Student affordability is a principal goal. Deviation from the rate agreement is possible.

c. response to question 4, on the RFQ's mention of "future phases of the partnership".

i. An RFQ is a mechanism to screen out unsuitable vendors. We wanted to identify the breadth of capabilities of potential partners.

d. Response to question 5, re cancelation provisions.

i. The cancellation provisions are consistent with what we see nationwide for other universities on these projects.

ii. There will be call provisions to terminate the debt covenants by paying off the debt. These are less onerous than for other sources of capital.

e. Response to question 6, concerning assurances of performance.

i. We will have key performance indicators (student satisfaction, response times, housing staff.)

ii. Gilbaine is not incentivized to create additional revenue; they have fixed standards and a flat fee.

iii. Fees are reduced if key performance indicators are not met. If they continually fail to meet them, there are replacement rights under shared governance of the project.

2. Additional questions

Q: Is this transaction similar to the parking deal entered into by EMU?

A: Only senior debt will be involved (parking has senior/subordinate). In parking we monetized existing revenue; future cash flows go to the concessionaire, though rates are limited. The housing approach is about taking advantage of future gains in revenue.

Q: Will the bonds be sold via private placement (as opposed to public offering)?

A: This is not anticipated to be a private placement.

Q: Will custodial staff lose their jobs?

A: People can apply to work for Gilbaine if they wish. Custodians are not required to switch over.

Q: Can you describe the projected housing revenue.

A: Gilbane proposal projects a total of \$137 million cash flow to university (\$5mm per year) as well as \$137 million total to maintenance

Q: Could faculty be included in the operation committee for the project?

A: We could look into that.

Q: What is Gilbaine making out of this transaction?

A: They have an annual management fee, which is performance based, perhaps 3.5-4% of revenue. It is not a capital investment. In the first year that would be 4% of \$16 million. Revenues are projected to increase due to increased occupancy of facilities as they improve.

Q: What did you mean by “waterfall”, which you mentioned earlier? Doesn’t the management fee come before the reserve?

A: “Waterfall” describes the priority of how revenue is distributed to debt, operating costs, reserves etc. Yes, reserves come later. But the amount going to the reserves increases in the projections.

Q: Was not dependence on tuition one of the main reasons EMU was downgraded by Moody’s? Does not peeling off housing contribute to this?

A: Enrollment is the main factor; most regional Michigan universities were downgraded for this same reason. Moody’s focus is on what we can borrow, not our financial position more generally.

Q: How long is the deal for?

A: 35 years is the target.

3. If you have additional design comments, please feel free to email the provost and RJA. Or, enter at the form <https://www.emich.edu/welcome-home-2025/engagement/index.php>

B. Provost’s Update

1. Already seeking input from senators on return to campus, will continue to receive input over the summer via faculty senate. This is part of the official input structure, per the provost.
2. Separate listening sessions, including all faculty, on return to campus in July and August (one or two sessions). There will also be a form sent to all faculty.
3. Plan for faculty and staff awards. First Wednesday after the end of the semester. The reception will be between the staff and faculty award ceremonies. Want to hold outside at the Lakehouse, weather permitting. Want to celebrate winners from the last three years.

Q: What are we doing to celebrate the VSIP folks?

A: There will be a ceremony: working with emeritus faculty president and the board of regents.

Q: Have distinguished faculty award winners been notified?

A: Yes, they should have been. The provost signed off on awards 10 days ago. Planning to announce to campus on Monday.

4. Academic policies (Tew)

a) template language we can/should be using to update Curriculog

Q: HLC modality question. Shouldn’t the template be designed by faculty, not administration? Faculty are responsible for curricular changes per the HLC’s own requirements.

A: This is the same input process, as always. There is no change to the input process. We are just trying to clarify details about modality, which we must share which the

HLC, as modality change is considered a “substantive change”. This process is to improve our record-keeping. This needs to be taken care of before Winter 2023.

This process applies only to courses that were never online before COVID, and/or were never approved for online.

Q: How do we make it clear to students and faculty what modalities are – definitions and perhaps iconography? Where does the designation for distance-delivery programs appear? Is it just in an HLC document, or would this terminology be promoted more generally?

A: We are working with the Academic Issues committee on definitions of modalities. Hope to have something by the May meeting. This is about transparency for students. Designation of programs as distance learning is not for marketing, it is for recognition with the federal government and via HLC. We are thinking of adding language to the catalog about whether a program is entirely online, or whether certain courses are always online, or may sometimes be online. Also concerned about how this affects international students, who are limited to one online course per semester if they have a U.S. study visa.

C. Faculty needs/concerns for fall return to campus, continued

1. Faculty Senate members can submit needs and concerns via [this form](#)

2. General discussion among senators

Q: Routines we have developed in the last two years may no longer be useful. Shouldn't we re-envision what the work environment should be? Why should office hours be rigid? Why can't we do fully online schedules?

A: (Gray) There does seem to be a difference across departments and colleges about this. Think about resolutions we might make to encourage flexibility.

Q: (Gray) What would you like to see from the faculty development center?

A: We need an initiative to support faculty experiencing psychological strain, especially due to the need to support our students who are also under strain. A discussion group, or training?

A: Support programs for new faculty, especially those who have not had a chance to be on campus fully since they started.

A: We could use outreach to faculty with young children.

Comment: Being distanced and isolated from colleagues has affected faculty mental health.

Comment: These issues are being discussed in the bargaining council, but it is not clear whether any information about it is getting back to departments. Perhaps the FS needs a formal method to keep updated. Is this a job for the senate, or for other bodies?

Comment: We need to move the admin away from face and seat time as being equivalent to work time.

Comment: Service is being devalued, which undermines faculty governance. We need to make our own deliberations transparent.

Comment (Gray) Please share any ideas you have with the faculty senate executive board. Perhaps we can look at conversation groups in August.

D. [Proposed meeting schedule for 2022-23 academic year](#) Motion to approve moved by Barton, seconded by Banerji. Passed 22 for, 0 against, 1 abstaining.

V. **Appointments and Elections (Corsianos)**

A. Seeking nominations from the floor and via email until next Wednesday:

1. Senate Officers - Descriptions of roles in [Senate Bylaws](#)

a) Vice President - Daryl Barton nominated, Jessica Elton nominated

b) Secretary - John Curran nominated

c) Membership Coordinator Monica Millán nominated

2. Senate Standing Committee Chairs ([Committee Descriptions](#)) Please volunteer by May 4th by filling out the linked form

B. Department Senate Representative Elections (Health Science, Marketing, Music, Physics and Astronomy, Political Science, Psychology, Social Work, Sociology, Special Ed., Technology and Professional Services Management, and Women's and Gender Studies)

1. Please contact [Monica Millan-Serna](#) with department election results before the end of semester. We have received notice from all but G&G and WGS

VI. Committee Reports

A. Technology Issues (Evet)

1. Bridge Information Security Training There is no enforcement mechanism for this, but IT accreditation requires completion; and it can cause expense to the university if we are not compliant. Please try to do one a week.

VII. Announcements

- A. Shared Governance Working Group Update. The survey that we planned is delayed, since the Board of Regents has not agreed to participate yet. We are waiting for a commitment from the BoR at their next meeting (tomorrow.)

VIII. Adjournment 5:08