

Administrative Leadership Meeting

Thursday, November 2, 2017

Reminder: Thanksgiving Luncheon!

- Tuesday 11/14 @11:30 a.m., SC Ballroom
- Wednesday 11/15 @11:30 a.m., SC Ballroom
- Ticketing info sent via email on Monday 10/30



Some Recent New Hires

- **Andrew Rowdon**, Senior Assoc. Athletic Director

Agenda

1. **Welcome & Updates**
Jim Smith, President
2. **Strong Hall Update**
Facilities Planning & Construction Team
3. **FY18 Budget Update**
Mike Valdes, Chief Financial Officer
4. **Free Speech on Campuses – Part 2**
Gloria Hage, General Counsel
Lauren London, Associate General Counsel



Strong Hall Renovation

Introduction & Background

- Top priority since 2009
- Complete Building Renovation
- Project Budget: \$39.5M
 - State Appropriation: \$29.6M
 - EMU Local Match: \$9.9M
- Built: 1957 with no previous “significant” renovations since it was built



Introduction & Background

Project Team

Owner: State of Michigan/EMU

Architect: Stantec

Construction Manager: Clark Construction

Program Manager: AECOM

AECOM

Stantec

CLARK
Construction Company
Professional Construction Services

Timeline



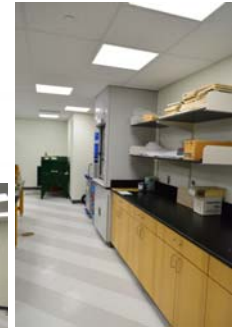
Phased Program Function Relocation



Roosevelt Hall



Phased Program Function Relocation



Mark Jefferson

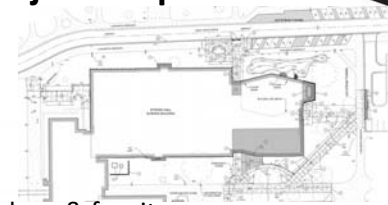
Design

Project Design Goals:

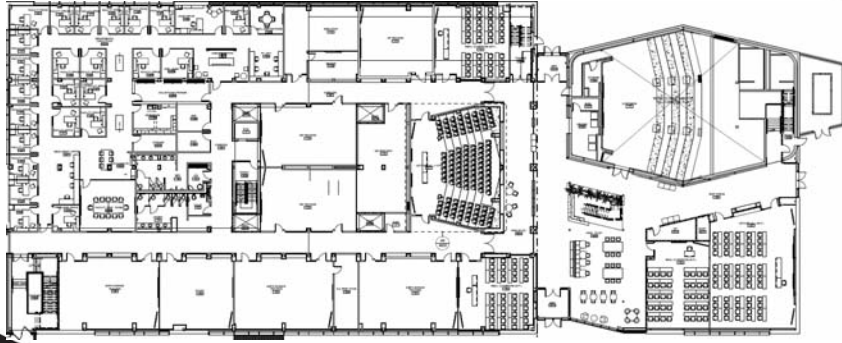
- Increase assignable space
- Improve program space efficiencies
- Increase student study and collaboration space
- Provide daylight into the center of the building
- Improve interior environment
- Improve thermal performance of the building
- Improved technology (Wi-Fi, data, and power)

Design - Project Scope

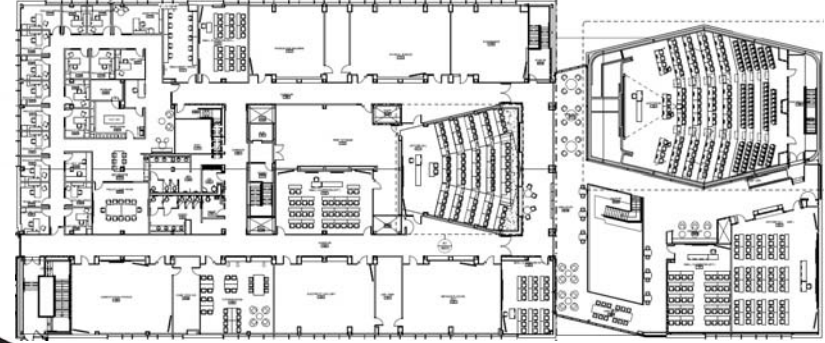
- Renovate the entire structure:
 - New building systems:
 - Mechanical & Plumbing
 - Electrical & Lighting
 - Building Envelope
 - New interior finishes, technology & furniture
 - 10,000 sf addition (south/east side)
- Enhanced Vertical Circulation and connectivity to MJSC
- Site improvements
 - Hardscape and Softscape around the structure
 - Bio-Swale



Design - First Level



Design - Second Level



Design - Sustainable Features

–LEED Certification

- LEED version 4
- Striving for Silver
- Bio –Swale
- Lighting Control Systems
- Heat Recovery
- Recycled & Renewable Content
- 35% Operating Cost Savings



Design



Exterior Improvements



Design - Interior Improvements



Added classrooms & collaboration space



Natural lighting feature highlighting the programs



Added classrooms & collaboration space



Natural lighting feature highlighting the programs

Design



BEFORE

Interior Improvements





BEFORE



Interior Improvements

Construction - Schedule

ID	Description	Original Duration	Start	Finish	Predecessors
00	Pre-Construction	20d	12/01/16	02/06/17	
01	Foundation Enhancements	100d	05/12/17	11/01/17	
02	Steel Erection	100d	11/01/17	01/16/18	
03	Building Enclosure	170d	03/09/18	02/18/19	
04	Commissioning	10d	08/08/18	02/01/19	

- Demo & Abatement currently wrapping up
- Foundation Enhancements begin mid-Nov 2017
- Steel begins mid-Jan 2018
- Building Enclosure by early Summer 2018
- Building Substantially Complete Dec 2018

[illegible]

Construction – Progress Photos

The collage consists of four photographs showing the construction progress of the new City of St. Louis Convention Center. The top-left photo shows the exterior of the building under construction, featuring a large, curved concrete structure with multiple levels. A yellow crane is visible in the foreground. The top-right photo shows the interior of the building, highlighting the steel framework and concrete columns. The bottom-left photo shows the interior of the building, focusing on the concrete columns and the debris on the floor. The bottom-right photo shows the interior of the building, focusing on the concrete columns and the debris on the floor.



Construction – Fun Facts

- 100,000 bricks will be placed on new building
- 12,000 sq.ft. of exterior glass to greatly increase natural light
- The new building will have 16 miles of electrical conduit and 49 miles of wire
- Employ 200 tradespeople with an average of 50 workers daily with a peak staffing of 95 onsite

Construction

Sustainability from Construction Perspective

- Recycled over 500 tons of material to date
- Reusing existing structure
- Locally sourced materials
- Onsite recycling & sorting



Construction Opportunities for Students

Partnering with College of Technology's Construction Management Department to provide:

- Internships
- Learning opportunities outside classroom
- Real-life experience through job shadowing in the field



Questions?



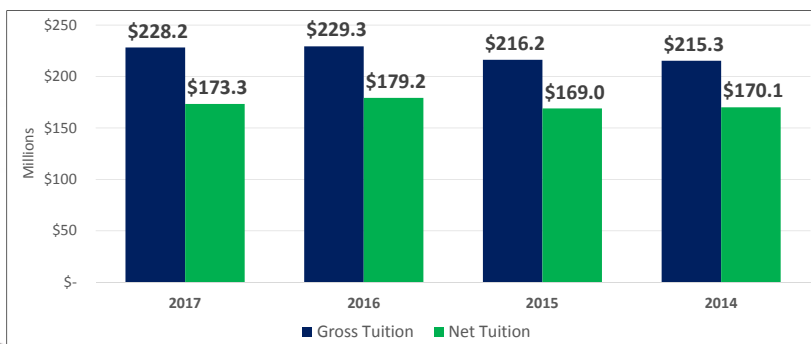
FY18 Budget Update

Mike Valdes, Chief Financial Officer

Financial Statement Summary

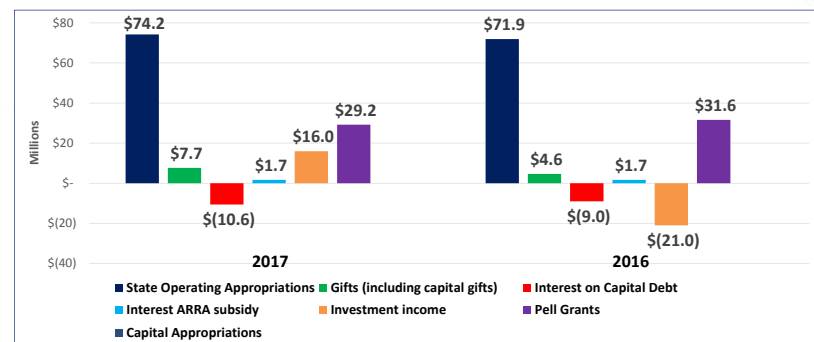
- ✓ Audited Financial Statements
 - Clean, unmodified opinion – highest level of assurance
- ✓ Graphics Presentation with 2017 and 2016 financial highlights
 - \$18.6 million increase in total assets, primarily due to a \$23.9 million increase in net capital assets, a \$5.8 million increase in unrestricted investments offset by a \$10.4 million decrease in restricted cash.
 - \$2.0 million increase in operating revenues, primarily due to a \$7.0 million increase in departmental activities due to a newly implemented dining services contract offset by a \$5.9 million decrease in net tuition and fees.
 - \$0.4 million increase in operating expenses with fluctuations from prior year in classification of expense, but in general expenses were held flat.
 - Overall, total net position increased by \$9.7 million.

Operating Revenues – Gross and Net Tuition



Net Tuition = gross tuition minus institutional financial aid

Non-Operating Revenues (Expenses)



Net non-operating revenues (expenses) totaled \$117.1 million and \$80.3 million in 2017 and 2016, respectively. Comparable Universities' average was \$151.0 million in 2016.

Financial Ratio Trends

Ratios	Eastern Michigan University			Comparable Univ. Average 2016
	2017	2016	2015	
Student payments revenue dependency ratio	62.0%	63.5%	61.8%	64.7%
State appropriations dependency ratio	21.0%	20.6%	21.1%	20.7%
Sponsored programs dependency ratio	3.5%	3.4%	3.5%	5.0%
Unrestricted operating ratio	-16.6%	-13.5%	-10.8%	5.6%
Without derivative impact in FY 16/17	-16.9%	-7.5%		
Primary reserve ratio	-13.5%	-10.8%	-7.8%	13.6%
Without derivative impact in FY 16/17	-13.9%	-4.9%		
Viability ratio	-17.9%	-15.5%	-10.8%	30.5%
Without derivative impact in FY 16/17	-18.3%	-7.0%		
Net income ratio	2.7%	-9.4%	-2.6%	3.0%
Without derivative impact in FY 16/17	-2.03%	-2.6%		
Composite rating	0.6	0.0	0.7	2.7
Without derivative impact in FY 16/17	0.2	0.2		

FY 2018 Budget – Key Revenue Assumptions

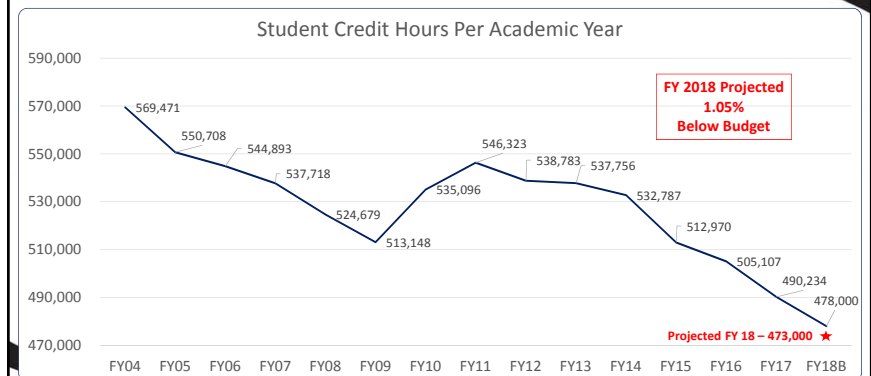
General Fund

- Total SCH – 478,000 at current mix (80% UG, 20% GD)
- UG Tuition – Within tuition restraint guidelines (\$475)
- GD Tuition – 5.0% Increase
- State Appropriations – 2.1% Increase
- Other Revenue – 5% Aggregate Rate Increase (3% net)

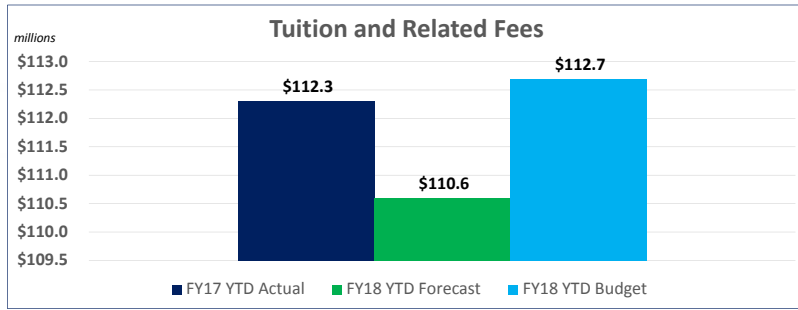
FY 2018 Budget – Key Expense Assumptions

- Contractual Obligations per Collective Bargaining Agreements
 - Wage Rates
 - HC Benefits, Parking, etc.
- Salaries
 - Non-Bargained For: 2% Increase
- Financial Aid: Board Authorization (Nov. 2016)
 - \$55.5 million (\$2.3 million increase from 2017)
- Utilities Savings: Begin Winter 2018 (Co-Gen)

Student Credit Hours

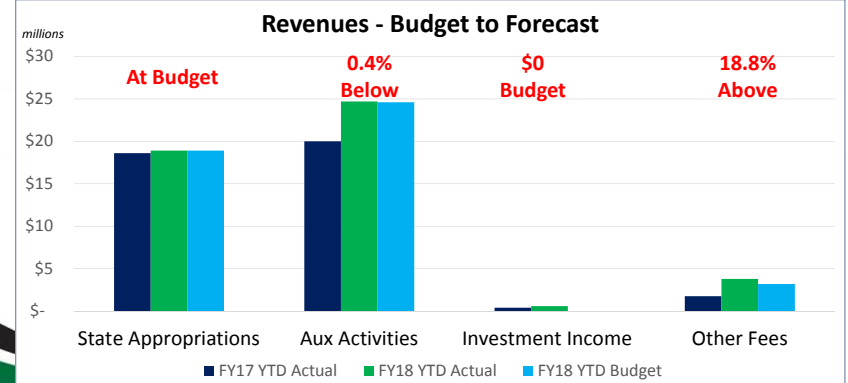


Revenue Forecast

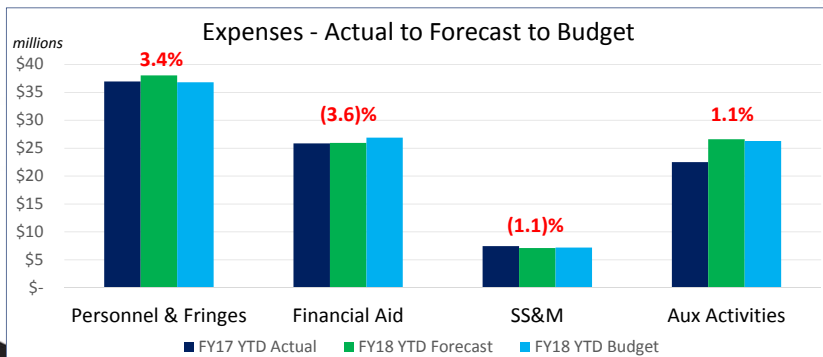


YoY – Down \$1.7m (1.5%)
Budget to Actual - Down \$2.1m (1.9%)

Revenue Forecast



Expenses Forecast



***Forecast to Budget Variance**

Next Steps

1. Voluntary Early Retirement Incentive Program (VERIP) yielded 34 retirees
2. Additional expense reductions required to balance
3. FY 19 likely to have additional revenue decrease

Appendix: Financial Ratio Definitions

- Definitions and formulas for the selected ratios included in the preceding table are as follows:
- **Student payments revenue dependency ratio** – Measures an institution's revenue generated from net student tuition and fees and auxiliary enterprises in comparison to total operating expenses, net of investment income and interest expense.
- **State appropriations dependency ratio** – Measures an institution's revenue generated from unrestricted state operating appropriations in comparison to total operating expenses, net of investment income and interest expense.
- **Sponsored programs dependency ratio** – Measures federal, state and local revenue in comparison to total operating expenses, net of investment income and interest expense.

Appendix: Financial Ratio Definitions

- Definitions and formulas for the selected ratios included in the preceding table are as follows:
- **Unrestricted operating ratio** – Measures the institution's unrestricted (designated and undesignated) net position, in comparison to total operating expenses, net of investment income and interest expense.
- **Primary reserve ratio** – Measures the institution's reserves to expenses (operating and interest expense).
- **Viability ratio** – Measures the institution's reserves to debt (current and long term portion).
- **Net income ratio** – Measures the institution's net income as a percent of operating and non-operating revenue.
- **Composite rating** – Moody's overall rating of financial condition. Computed using a weight of the primary reserves ratio (50%), viability ratio (30%) and the net income ratio (20%). According to Moody's, a perfect score is a 5.0. A score of 3.0 and higher is considered to be in solid financial condition.

Free Speech on Campuses – Part 2

Gloria Hage, General Counsel
Lauren London, Associate General Counsel

"I disapprove of what you say, but I will defend to the death your right to say it."

-- S. G. Tallentyre, The Friends of Voltaire

Back to our Mantra...

ANSWER SPEECH WITH MORE SPEECH

Answering With More Speech

- Statement from the Administration
 - University values
 - What students should do
- Security
 - Walk-through
 - Other agencies
- Contemporaneous Events
 - Dialogues/Education
 - Task Force

How Do We Regulate Speech?

- **Time, Place, and Manner restrictions (TPM)**
(*Cox. v. New Hampshire* (1941))
 - State and federal governments may place reasonable restrictions on **time**, **place**, and **manner** of speech
 - Accommodate public convenience and promote order by regulating traffic flow, preserving property, protecting the environment, and providing for the administration of justice

How Do We Regulate Speech?

- **Time, Place, and Manner restrictions (TPM)**
(*Cox. v. New Hampshire* (1941)) (con't)
 - Four-part test:
 - Content-neutral
 - Narrowly drawn
 - Serve a legitimate educational interest
 - Leave open alternative channels of communication

Accepted Strategies

- Permit requirements
- Notice periods
- Sponsor requirements for outside speakers
- Free speech zones
- Limits on duration and frequency
- Banning use of designated for a during exam periods

Applying These Rules in School: The *Tinker* Case

- Protests against Vietnam war; public demonstrations and university “teach-ins” were growing
- On December 16, 1965, Mary Beth Tinker, a 13-year-old student at Warren Harding Junior High School in Des Moines wore a black armband to school to protest the war.



Tinker, cont'd.

- After lunch, Tinker was called to the principal's office and suspended for violating a district ban on armbands. After a week, four other students—her sister Hope and her brothers John and Paul, along with Christopher Eckhardt—were also suspended.
- The school board president defended the ban as a “disciplinary measure” against “disturbing influence” in school. “Our country's leaders have decided on a course of action, and we should support them.” The school board upheld the ban.



Tinker, cont'd.

- District Court upheld the ban. Although acknowledging that wearing an armband is a “symbolic act” that falls under the Free Speech clause, Judge Stephenson found that the school district's concern for “the disciplined atmosphere of the classroom” outweighed speech concerns.
- The Supreme Court reversed, 7-2.
- Students and teachers do not “**shed their constitutional rights to freedom of speech or expression at the schoolhouse gate.**” Student speech cannot be censored unless it “materially disrupts classwork or involves substantial disorder or invasion of the rights of others.”

Bethel School District v. Fraser

- Matthew Fraser gave a speech at a student assembly, during which he used an arguably graphic sexual metaphor in the midst of nominating an acquaintance for elective office.
- School had a rule prohibiting conduct which "substantially interferes with the educational process... including the use of obscene, profane language or gestures."
- Fraser was suspended from school for two days.



Bethel School District v. Fraser

- Supreme Court held that the First Amendment did not prohibit schools from prohibiting vulgar and lewd speech since—unlike in *Tinker*—such speech was **inconsistent with the "fundamental values of public school education."**



Brandenburg v. Ohio

- Clarence Brandenburg, a KKK leader in Ohio, contacted a reporter at a television station and invited him to cover a KKK rally that would take place in the summer of 1964.
- In addition to using racial and ethnic slurs, one of the speeches claimed that "our President, our Congress, our Supreme Court, continues to suppress the white, Caucasian race", and announced plans for a march on Washington to take place on the Fourth of July.



Brandenburg v. Ohio

- Ohio criminal statute broadly prohibited the advocacy of violence, and Brandenburg was charged and convicted. He appealed.
- Supreme Court found that government cannot punish inflammatory speech unless it **intentionally** and **effectively** provokes a crowd to **immediately** carry out violent and unlawful action.



Hazelwood v. Kulhmeier

- High school students in journalism class at Hazelwood East High School in St. Louis sued the school district after the journalism teacher and school principal removed two articles that they deemed inappropriate from the school-sponsored student paper.
- The articles discussed teen pregnancy, and officials were afraid that anonymity could not be maintained, and believed a discussion of birth control would be inappropriate.



Hazelwood v. Kulhmeier

- 5-3, the Supreme Court ruled that the school **had not** violated the First Amendment because the **paper was not intended to reach the public, and instead was meant for academic purposes.** Thus, it was not a “forum for public expression,” so the school did not have to comply with the standard set in *Tinker*.



Morse v. Frederick

- At a school event, Joseph Frederick held up a banner reading, “Bong Hits 4 Jesus.” Principal Deborah Morse took away the banner and suspended Frederick for ten days, citing the school's policy against the display of material that promotes the use of illegal drugs.



By Mtschafer at en:Wikipedia
Own work, Public Domain, <https://commons.wikimedia.org/w/index.php?curid=17915071>

Morse v. Frederick

- Siding with the school the Supreme Court held that school officials **can prohibit students from displaying messages that promote illegal drug use.**



By Mtschafer at en:Wikipedia
Own work, Public Domain, <https://commons.wikimedia.org/w/index.php?curid=17915071>

Doe v. University of Michigan

- Late 1980's, UM adopts a **hate speech code** saying that there cannot be speech that "demeans or stigmatizes" anyone based on race or gender. A sociology student who challenged the law said, "I want to study whether there are inherent differences between women and men. What if my conclusions are deemed stigmatizing on the basis of gender?"
- Declared unconstitutionally vague
- Mostly enforced against the very students it was intended to protect.

Cooley v. Kurzon Strauss, LLP

- In 2013, anonymous bloggers attending Cooley Law School complained online that Cooley misled and mistreated students.
- Cooley sued the bloggers for defamation and tried to use the court's subpoena power to force the web company that hosted the blogs to reveal the bloggers' identities.
- ACLU of Michigan argued that the bloggers had a free speech right to remain anonymous unless and until Cooley could prove that their speech was not protected.
- The Court agreed with the ACLU. The bloggers had the right to remain anonymous.

Regulating Speech in a School

- In the school context, the U.S. Supreme Court has identified three major relevant considerations, any one of which may be held as a justification for some restriction of speech:
 - Does the student speech in question pose a substantial threat of disruption? (*Tinker*)
 - Is the speech offensive to prevailing community standards? (*Bethel*)
 - If allowed as part of a school activity or function, would the speech be contrary to the basic educational mission of the school? (*Hazelwood*)
- Also: Is the regulation reasonable in light of the age and maturity level of the students?

Speech in the Workplace

- **Q. Do University Employees Have Free Speech Rights?**
- **A. Sometimes.**

Speech in the Workplace

- *Garcetti v. Ceballos*, 547 U.S. 410 (2006)

"We hold that when public employees make statements pursuant to their official duties, the employees are not speaking as citizens for First Amendment purposes, and the Constitution does not insulate their communications from employer discipline."

Speech in the Workplace

Official Duties (not protected)

- Expression of views about tenure while applying for Deanship
- Advocating for changes in the structure and administration of college
- Reporting job related concerns outside of chain of command
- Concerns about administration of grant

Speech in the Workplace

Private Citizens/Public Concern (Protected)

- Critical of decision to end union dues' deduction
- Accusations of race and racism in hiring
- Testimony at the discipline hearing of another employee
- Public comments critical of Army Corps of Engineers – Hurricane Katrina.

Our Resources

- Free Speech and Speaker Policy:
<http://www.emich.edu/policies/policy.php?id=126>
- Demonstrations and Meetings on Campus:
<http://www.emich.edu/campuslife/resources/demonstrations.php>
- The Task Force
- The Student Speech Space

Our Resources

Other Resources and Discussion Points:

Student Conduct Code

Weapons Policy

Facilities Information policies

Student Organization Building policies

Residential Life Guide to Campus Living

Building Administrators

Student Center Marketing and Communication Plan

Fundraising, Chalking, and Catering Policies

Website:

emich.edu/president/communications/meetings.php

Upcoming Meetings:

Wednesday, December 6

Tuesday, January 23

Student Center Ballroom @8:30 a.m.