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**Board of Governors
Fiscal Accountability Initiative
July 25, 2007**

Background

Following successive large state budget cuts for FY 2007 and FY 2008, Wayne State has had to re-evaluate and refine its budget priorities. As a result of this continuing review process, the university has an opportunity to consider whether its current budget model meets the needs of the university, especially given continued uncertainties in state support. It is recommended that the Board of Governors adopt the following resolution:

RESOLVED that the Board of Governors' Budget and Finance Committee will meet at least every two weeks, between now and the September 26th Board Meeting, with the University Budget Director, the Provost (or designee), and the President (or designee), for the following purposes:

1. Review University's progress in implementing 2007 budget reductions and the impact of these reductions;
2. Review the expenditures proposed for the 2008 University budget;
3. Review the nature and impact of the \$9.1 million permanent reductions proposed for 2008, along with the feasibility of alternative saving proposals. These alternatives could be applied to other urgent and immediate priorities in the University's strategic plan, or substituted for proposed permanent reductions, or both;
4. Review the administrative structure of the colleges, schools, divisions, departments and centers to look for possible savings;
5. After thorough review, recommend a detailed budget to the full Board for adoption at the September 26, 2007 Board meeting;
6. With the University Administration, examine alternative budgeting concepts / models including, but not limited to, zero-based budgeting or responsibility-based budgeting (e.g. the University of Michigan Model), for the entire University, which the Board of Governors could adopt for the development of the 2009 University budget. The Administration will provide examples of how these models are currently being used at other universities during upcoming meetings of the Board in November and January.