

## Minutes, Budget Committee of the Academic Senate

### Meeting of January 20, 2009

Present: Muhammad Amjad, Donald DeGracia, Charles Elder, Thomas Killion, Rob Kohrman (Liaison, Office of Budget, Planning and Analysis), Charles Parrish, Frederick Pearson, Louis Romano, Vishwanath Sardesai, Assia Shisheva, Lothar Spang, William Volz (chair), James Woodyard

Invited guests: Nancy Barrett, Provost & Senior Vice President for Academic Affairs; John L. Davis, Vice President for Finance & Facilities Management .

Absent With Notice: Winston Koo, Richard Needleman (Liaison, AAUP-AFT).

1. The meeting was convened at 10:30 a.m. The minutes for the meeting of December 1, 2008 were approved as amended.
  
2. The Dean of the Graduate School, Steven Salley, gave a comprehensive report on WSU Graduate Enrollment. Peaking in Fall 2003 at 10,037, by Fall 2008 graduate enrollment had declined to 8,733. In 1994, Wayne State had the third largest graduate enrollment of American universities. In 2007, we were the fifteenth largest. Three schools and colleges at Wayne State—Education, Engineering and Business—make up the bulk of unsupported graduate masters enrollment. These same programs are responsible for the bulk of the enrollment decline. A survey of former WSU graduate students listed “money and financial concerns” as the primary reason for not reenrolling. A detailed look at Engineering’s graduate enrollment loss indicated that it was almost exclusively from self-supporting, international (often from India) masters students. These students comprise about half of Engineering’s masters enrollment. A comparison of graduate engineering tuition rates indicated we were somewhat more expensive than local competitors and much more expensive than out-of-state competitors, especially in the American South. Graduate retention rates ranged from 73% (Social Work) to 24% (Medicine, non-MD) with a university average 3-year graduation rate of 47%. The discussion that followed focused on the negative consequences of many years of high, across-the-board increases in graduate tuition. Several committee members proposed that graduate tuition be adjusted by program based on market demand and our cost relative to our programs’ competitors. Of \$252.6 million of tuition revenue budgeted for FY 2009, \$118.7 million (47%) comes from graduate and graduate-professional tuition. \$134 million comes from undergraduate tuition.
  
3. Report from the Chair: The chair briefly outlined President Noren’s plan for \$8 million in FY09 budget cuts announced at the December 3, 2008 Board of Governors meeting. There was consensus that the President’s decision to make equal \$4 million cuts in “academic” and “non-academic” areas of the university reflected the values in Budget Committee’s proposal that the budget cuts be shared by both the administration and the faculty. There was also support expressed for what President Noren’s called the “core principles” that will be followed if there are future cuts.
  - Preserve our current university faculty and staff

- Preserve those academic programs that have been most productive in generating revenues and serving our core mission most effectively
- And when possible, continue to invest in the faculty.

4. The Committee briefly reviewed the agenda for 1/22/09 BOG meeting.

A. From the University's Audited Financial Statement for FY 2008, members commented on the basic financial strength of the University on 9/30/09. Highlights included:

- \$1.5 billion in assets and \$0.7 billion in liabilities,
- FY 2008 revenues reached \$797 million with expenses of \$782 million,
- Cash and temporary investments reached \$359 million, an 11.6% increase over FY 2007,
- Long-term debt equaled \$390 million with FY 2009 debt service of \$26.9 million (\$7.9 million principal and \$19 million interest).

B. From the FY 2008 Annual Foundation Investment Performance Report, members noted that on 9/30/09 the endowment totaled \$219.4 million down from \$239.5 million a year earlier. The 13.1% loss for the year (a 13.4% loss when management fees are included) still ranked in the top third of investment portfolios in this difficult investment year.

5. The meeting was adjourned at noon.

William H. Volz