

## **Minutes, Budget Committee of the Academic Senate**

### **Meeting of April 20, 2009**

Present: Charles Elder, Rob Kohrman (Liaison, Office of Budget, Planning and Analysis), Frederic Pearson, Louis Romano, Linea Rydstedt, 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: Charles Parrish; Vishwanath Sardesai

1. The meeting was convened at 10:30 a.m. The minutes for the meeting of March 2, 2009 were approved without objection.
2. Report from the Chair: The chair reported that the State legislature will determine Wayne State University's FY 2010 appropriation as a combination of a "permanent" base appropriation and temporary federal "stimulus" money.
3. Mr. Kohrman spoke briefly to the increasing importance of Pell Grants in the University's budget. Pell Grants constituted about \$20 million in FY 2009 and may reach \$24 million in FY 2010 because of a legislative increase in the maximum grant.
4. Mr. Kohrman then presented an overview of the FY 2009 budget picture that he would be presenting to the Board of Governors. 1) State Budget Update – Virtually all of the estimates of the State's General Fund Revenues have significantly overestimated the funds available. An Executive Order from the Governor announcing a "negative supplemental" appropriation for FY 2009. Restrictions in the federal "stimulus" money were discussed. 2) FY 2009 2<sup>nd</sup> Quarter Budget Update -- \$349 million of the FY 2009 General Fund of \$533 million (65%) is for compensation. Both enrollment headcount and credit hours dropped from FY 2008 to FY 2009. 3) WSU's Financial Aid Stimulus – An ambitious program was proposed that expands need-based Board of Governors Grants to supplement Pell Grants and other need-based financial aid to substantially limit the "unmet" individual costs of undergraduate tuition for students with "family incomes" less than \$60,000. About half (49) of WSU freshmen completing the federal FAFSA questionnaire declared family incomes equal to or less than \$24,000. 4) Expenditures Trends - from FY 1996 to FY 2007 total expenditures in financial aid grew from 5% to 7% of total expenditures; central accounts (fringes are 52% of this) grew from 24% to 26% of total expenditures; academic support & divisions held steady at 28% of expenditures; and schools and colleges dropped from 43% to 36% of total expenditures. Upcoming Budget Dates – the BOG Budget and Finance Committee will discuss tuition rates for FY 2010 on July 1, 2009. The subsequent BOG meeting will discuss the FY 2010 Current Funds Budget.

A broad-based discussion on the economic climate and the expanded Board of Governors Grant program followed.

5. The Committee briefly reviewed the agenda for 4/20/09 BOG meeting.
  - a) Of note was the increase of \$3.25 per credit hour of the student omnibus fee to assist in funding increased services at the Campus Health Center.
  - b) A 3.6% increase is proposed for Resident students' tuition in the School of Medicine MD Program in FY 2010 (from \$28,450 to \$29,472.50). Wayne State's Resident MD tuition exceeds that of the University of Michigan.
  - c) A significant Phase II expansion (\$12 million) and renovation (\$30 million) of the Chemistry Building funded from General Bonds (\$2 million + \$28.6 million), budget savings (\$1.4 million), and a gift from A. Paul and Carol C. Schaap held by the Community Foundation of Southeast Michigan (\$10 million).
  - d) Other facilities projects proposed – Moving Computer Science Department (\$3.9 million), elevator rehabilitation (\$2.9 million), Macomb County extension (\$3.7 million), and an Honors College renovation (\$300 thousand).
  
6. The meeting was adjourned at 12:00 noon.

William H. Volz