

## Minutes, Budget Committee of the Academic Senate

### Meeting of June 8, 2009

Present: Donald DeGracia, Charles Elder, Tom Killion, Rob Kohrman (Liaison, Office of Budget, Planning and Analysis), Winston Koo, Richard Needleman (Liaison, AAUP-AFT), Charles Parrish, Frederic Pearson, Louis Romano, Linea Rydstedt, 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: Muhammad Amjad

- The meeting was convened at 10:30 a.m. The minutes for the meeting of April 20, 2009 were approved without objection.
- Report from the Chair: The chair reviewed the FY 2010 Budget Overview presented by Rob Kohrman of the Office of Budget, Planning and Analysis to the Joint Meeting of the Academic Senate Policy and Budget Committees on June 1, 2009. Mr. Volz summarized the principles that President Noren felt the Board of Governors would value as a rationale for a tuition increase and asked the committee to direct its discussion toward a recommendation of a specific tuition increase for FY 2010.
- Initial discussion focused on the size and the compensation of administrative staff at Wayne State University. Much of the discussion grew out of a report published earlier by Mr. Parrish using IPEDS data indicating that, compared to comparable universities, WSU had a disproportionate population of employees, 15% of its total employees, classified as Executive/Administrative/Management. Mr. Kohrman's response noted that these classifications were "determined by the institution" and subject to substantial variations in reporting. Mr. Kohrman's report showed the University of Minnesota classified 37% of its employees as Executive/Administrative/Management and Michigan State University classifies only 7% in this category. Communications with IPEDS showed the accuracy of the employment data is assisted by extensive and quite detailed examples of which positions should be reported in the various categories. Committee members suggested that over-reporting employees as executive/administrative/managerial could be a tactic used to remove employees from the university's collective bargaining units.
- Discussions focused on two levels of recommended tuition increases. Generally, Wayne State University's tuition rates are substantially below those at the University of Michigan and Michigan State University, the state's other research-intensive universities. A 7.3% tuition increase was projected to generate a "break-even" revenue stream such that, given the anticipated costs in university operations, no significant cuts to personnel or to programs would be necessary in FY 2010. By a 8 to 3 vote, the Budget Committee endorsed a recommendation to the Policy Committee of a 6.9% tuition increase. The 6.9% increase requires the University to make \$1 million in cuts to the General Fund Budget. While the 6.9% tuition increase requires the University to share in the sacrifices being experienced across the state, there was substantial sentiment for thoughtful additional cuts in expenditures that would allow reallocating funds for strategic investments capable of enhancing the academic core that is critical to the future health of Wayne State University.
- Suggested additional cuts included: the President's Discretionary Fund, athletics, WDET, unpopular housing units, but most of the discussion focused on expenditures that could be

reallocated following the restructuring and elimination of unnecessary administrative positions in both non-academic and academic units.

- At the request of Mr. Volz and for the information of the committee members, Mr. Kohrman distributed a list of employees in the academic units aged 60+ with 10 or more years of service. Of the 1,754 faculty and academic staff in the academic units, 398 or 22.7% are over 60 with more than ten years at the university. No action was taken on this information.
- The meeting was adjourned at 12:10 p.m.

William H. Volz