

STATEMENT OF MICHAEL J. MCINTYRE
FACULTY REPRESENTATIVE
BUDGET AND FINANCE COMMITTEE OF THE BOARD OF GOVERNORS

In the Budget and Finance Committee, I voted against the budget that this Board now seems prepared to adopt. I did so for three reasons.

First, I contend that the Administration's proposal for \$9.1 million in cuts places the burden disproportionately on the Schools and Colleges and on Academic Support. I've provided the Budget and Finance Committee with ample evidence in support of this contention. The effect of this misallocation of resources is to harm our students, plain and simple. We raise their tuition substantially (over 18% for the Fall Term), and, at the same time, we make some painful cuts in the part of the University that directly affects them, all at a time when enrollment in undergraduate programs is increasing significantly. We can properly blame the State for the decline in University revenues, but we cannot blame the State for how we choose to spend the tuition increase.

Second, I object to the Administration's proposal for using long-term increases in tuition to pay for a short-term shortfall in indirect cost recovery (ICR) and a short-term drop in year-end balances. Those expenditures should be paid for with short-term money, not with a permanent burden on our students.

Third, I do not have full confidence in the basic financial assumptions on which the Administration has constructed the budget. As I have indicated before, I think that the Administration has made an excessively conservative estimate of enrollment. I also have been losing confidence in other numbers in the budget. In brief, I expect that the University will have a lot more money available within the next month than it is prepared to acknowledge at this time. Asking departments and colleges to take painful cuts based on assumptions that are unlikely to be operative within a few weeks is a formula for fostering mistrust and discord within the University community.

Although I do not support the Administration's budget proposal, I do support the resolution on the use of unbudgeted tuition and State appropriations that was passed unanimously by the Budget and Finance Committee at its public meeting on August 29, 2007. As indicated above, I believe that the Administration soon will be acknowledging substantial additional unbudgeted funds. The Board, as part of the budget process, should feel an obligation to tell the Wayne Community how those funds are to be spent. As I understand the aforementioned resolution, it provides that the top two priorities for unbudgeted amounts are Instruction (Schools and Colleges) and Academic Support. In effect, the resolution provides that the budget cuts imposed on the Schools and Colleges and on Academic Support will be reversed before any of the unbudgeted amounts are spent on lesser priorities.