

# Memo

## Budget Committee, Academic Senate Wayne State University

To: Policy Committee

From: Budget Committee, Michael J. McIntyre, chair

Subject: Application for charter for Institute for Learning and Performance Improvement (ILPI)

Date: April 30, 2002

At its meeting of April 30, 2002, the Budget Committee voted to recommend approval of a three-year provisional charter for the proposed Institute for Learning and Performance Improvement (ILPI)

The proposed ILPI has been organized to serve as a vehicle for conducting research on corporate work performance and for providing support for corporate training and learning programs. It would be housed in the College of Education and receive budgetary support from that college. Dr. Dale Brandenburg of the College of Education would serve as Director of ILPI. The other individuals in that college associated with the program are Professors Howard Kalman and Rita C. Richey.

Dr. Brandenburg would have a budget line of 1.0 FTE in the institute. In the first year, there would be an additional faculty line of 0.3 FTE, which would increase to 1.50 FTE over the first five years of operation. In total, the institute would have FTE of 5.0 in the first year, increasing to 8.0 over the first five years. The additional FTE are for graduate assistants (0.75/2.00), academic support staff (1.25/1.50) and other support staff (1.70/2.00).

The proposal document indicates that in the initial 3-year period, \$100,000 per year would come from the university. The proposal indicates that "[t]hese funds have been requested and granted to the College of Education in the normal budgeting process." We believe that the proposed institute received the \$100,000 for fiscal year 2002 from the College of Education, with the approval of the Provost. It is the intent of the proposed institute that it would be self-sufficient (p. 23 of proposal) by the end of the third year of operation. That is, all of its budget is expected to come from external sources beginning in fiscal year 2005.

Unfortunately, the Budget Committee form attached to the proposal is inconsistent with the proposal document. To reconcile the differences, Professor McIntyre had discussions with Dean Steven Imer of the College of Education. The form indicates that \$123,310 would be obtained

from the university in the first year and that \$67,345 would continue to be received from the university in the fifth year. The budget table indicates, moreover, that the university funding would not come from the General Fund. The form appears to be incorrect. It is the expectation of the proposed center that it would receive \$100,000 from General Fund revenue, through the college of Education, for each of the first three years only. After this time, all of the expenses of the institute are expected to come from revenue-generating activities.

The committee was provided by the Policy Committee with a memo from a subcommittee of the Center and Institute Advisory Committee. That memo indicates that the university funds during the first three years would come from grants from the Provost and the Dean of the College of Education. That memo appears to be incorrect, in that there is no evidence of any grant from the Provost.

The expected funding from external sources in the first year is \$550,000 and \$669,655 in the fifth year. Because the ILPI has already been in operation for some time, the Budget Committee requested additional data on fund raising from the College of Education. A current report (4-18-02), prepared by Professor Brandenburg, was provided to the Budget Committee. That report indicates that outside funding of \$258,000 has already been obtained and that many additional projects are in the pipeline. Although this is far short of the planned \$550,000, if most of the larger proposals in the pipeline were brought to fruition, it would appear that the ILPI would be self sufficient.

Based on its review of the ILPI's proposed budget, the Budget Committee has no objection on budget grounds to the granting of the proposed charter. There is some uncertainty, nevertheless, about the ability of the institute to obtain sufficient external funding to sustain its operations. Under these circumstances, the committee recommends, in accordance with prior practice, that a provisional charter of three years be approved. At the end of the three-year period, the institute would be reviewed to see how it was doing in obtaining external funding. We would hope that budget issues would be given greater attention in the next review so as to avoid the inconsistencies in the budget information that were experienced in conducting the current review.