

Minutes, Budget Committee of Academic Senate

Meeting of April 30, 2007 (as approved June 18, 2007)

Present: Michael McIntyre (chair), Stephen Calkins, Charles Elder, Robert Kohrman*, Charles Parrish*, Frederic Pearson, Louis Romano, Robert Ross, Linea Rydstedt, Shirley Thomas, William Volz, James Woodyard.

Absent with Notice: Arik Ragowsky, Vishwanath Sardesai, Assia Shisheva.

Invited Guests: Nancy Barrett, Provost; Susan Burns, Vice President for Development and Alumni Affairs; John L. Davis, Vice President for Finance & Facilities Management; and Nabelah Ghareeb, Associate Vice President, Business & Auxiliary Operations.

*Liaison

1. The meeting convened at 11:01. The minutes for the meeting of March 5 and 19, 2007, were approved without objection. Sandwiches were provided, due to the expected length of the meeting.

2. *Report on Dormitory Occupancy.* Ms. Nabelah Ghareeb, Associate Vice President, Business & Auxiliary Operations, gave a brief report (on committee web site) concerning the occupancy rates for the various dormitories and apartments. In general, the apartments are nearly fully subscribed (average of 96%) and the dormitories are not (average of 78%). As a result, the dormitory budget is in deficit, despite efforts at cost savings.

One member noted that Ghafari Hall has an occupancy rate of only 66%, whereas the nearly identical South Hall has an occupancy rate of 90%. In response, Ms. Ghareeb indicated that the higher occupancy rate for South Hall probably is due to the marketing of it to specific groups, such as the honors program students. She expressed some optimism, based on a comparison of contracts received for the coming year compared to contracts received at this time last year, that the occupancy rates will be up for FY 2008.

3. *Report on Capital Campaign.* Vice President Susan Burns made a presentation (on committee web site) on the state of the capital campaign, including a discussion of the expenses relating to it. She indicated that the cost per dollar raised was 9 cents, which is on the low side of the acceptable range. Ms. Burns also answered questions from members of the committee.

4. *New Budget Presentation.* Director of University Budgets Robert Kohrman made a presentation to the committee on two issues. First, he described the new presentation of the budget, which shows expenses by category rather than by college or other unit. This presentation is in addition to the traditional presentation. He also gave a presentation on the state of the budget and various budget trends (on committee website). He and Provost Barrett answered questions about the new

presentation and the financial picture in Lansing. Mr. Kohrman also promised to work with Professor Woodyard to get consensus figures on changes in the funding of the schools and colleges and in the number of tenured/tenure-track faculty.

5. *BOG Items.* The committee very briefly discussed various building projects going to the Board of Governors (BOG) for approval. Vice President John L. Davis answered questions from committee members. The committee did not take a position with respect to any of the spending items.

6. *Endowment Fund Payout Rate.* Last year, Vice President Davis had promised to provide the committee with a report on the endowment payout practices of other universities and to consider changes in the current practices at Wayne. Despite several requests from the committee, that report has not been produced. Mr. Davis indicated that he did not prepare the report because the Wayne Foundation will be looking at that issue at its May meeting. The chair noted that some universities pay out more than Wayne, with the majority clustered around 5%. He also noted that some are in the same range as Wayne and a few are lower.

7. *Adjournment.* The committee adjourned at 12:50 p.m.

Michael J. McIntyre