

Minutes, Budget Committee of Academic Senate

Meeting of June 16, 2008 (as approved June 25, 2008)

Present: Michael McIntyre (chair), Donald DeGracia, Charles Elder, Richard Elling, Rob Kohrman*, Winston Koo, Charles Parrish*, Frederic Pearson, Lou Romano, Assia Shisheva, Lothar Spang, James Woodyard, and William Volz.

Absent with Notice: Robert Ross, Linea Rydstedt.

Invited guests: Nancy Barrett, Provost; John L. Davis, Vice President for Finance & Facilities Management, Robert Harris, Director of Academic Administration, and Seymour Wolfson, President of Academic Senate.

*Liaison

1. The meeting convened at 11:02 a.m. The minutes of the meetings of April 28 and May 23, 2008, were approved without objection.
2. *Budget Cut Survey.* On a motion made and seconded, the report of the committee surveying the impact of the FY 2008 budget cuts was approved without objection.
3. *Search Committee for Budget Position.* The chair noted that the Budget Office has posted a position for a person to engage in various planning and institutional-research activities. He asked Budget Director Rob Kohrman whether a search committee has been appointed and whether faculty members would be included on such a committee. Mr. Kohrman indicated that the search committee has not yet been formed and that he would welcome participation by representatives of the Academic Senate. After some discussion, it was agreed that two faculty members would be included on the committee and that the Policy Committee would provide Mr. Kohrman with a list of nominees.
4. *Housing Deficits.* The chair noted that the Administration's report to the Board of Governors indicated that the Housing Office was running major deficits, despite promises earlier in the year that the problems of lack of payment by dormitory residents had been corrected. He noted that a deficit of \$4.8 million is now anticipated for FY 2009. Provost Nancy Barrett indicated that problems in the Housing Office have continued but that a new director has just been hired. The chair suggested that the committee might want to invite the new director to a meeting early in the next academic year. The Provost endorsed that suggestion.

Various members expressed concerns about the extent of the housing deficits and the apparent absence of a business plan to address the problem. Vice President John Davis assured the committee that the deficit would be covered from auxiliary funds and would not result in any charge on the general fund. Budget Director Rob Kohrman indicated that the informational slides about the housing deficits that were going to the Board of Governors (BOG) were drawn from a more lengthy report. He

agreed to provide the chair with a copy of the report, for distribution to the committee.

5. *Direct Lending.* The Provost gave assurances to the committee that the direct lending program was working well.
6. *Chemistry Building Renovations.* Questions were raised about the use of bonding for renovations. Vice President Davis explained that bonding can be used for any University purpose as long as that purpose is stated in the bond documents. He indicated that the annual cost of the general fund of the bonding for the Chemistry Building was likely to be around \$2 million, although the actual cost will not be known until the bonds are issued.
7. *Funding of Development Office.* The chair noted that he had met with Mr. Kohrman in late May to work out a plan for funding the Development Office. The BOG had directed the Administration to consult with the faculty on the matter. Mr. Kohrman indicated that he had drafted a document setting forth the proposed changes in the Administration's funding plan to meet the objections of the Budget Committee. He indicated that he would provide the chair with a copy of that document soon, for distribution to the committee.
8. *Endowment Fund Payout Rate.* Vice President Davis presented a brief report on the payout rates for the endowment funds at selected universities. He indicated that he would bring a proposal to the BOG in July on changes in the payout rate, as directed by the BOG. He did not indicate what that proposal might be. The chair suggested that the matter be discussed in more detail when the proposal has been prepared.
9. *Adjournment.* The committee adjourned at 12:17 p.m.

Michael J. McIntyre