

## Minutes, Budget Committee of Academic Senate

### Meeting of June 4, 2001 (as approved June 19, 2001)

*Present:* Charles Parrish (chair), Charles Elder, Michael McIntyre\*, Hiroshi Mizukami, Louis Romano, Vanessa Rose\*, William Slater, Shirley Walkowski\*, James Woodyard.

Charles Bantz (Guest), Richard Gallagher (Guest), Meredith Gibbs (guest).

*Absent with Notice:* Richard Beltramini, Marc Cogan, Marlyne Kilbey\*, Linea Rydstedt, William Volz.

*Absent w/o Notice:* David Edelman\*, Nancy Greger, James Kaltenbach, John Ofenstein, Scott Ransom.

#### \*Liaison

1. The meeting convened at 1:06 p.m. The minutes of the meeting of May 8, 2001, were approved without amendments. The only item on the agenda was a discussion of the FY 2002 budget with members of the Budget Review Committee (Charles Bantz, Richard Gallagher, and Meredith Gibbs).

2. *Prof. Cogan's Charts.* The meeting began with a discussion of various charts prepared by Professor Cogan. The data for the charts come from the IPEDS database maintained by the National Center for Educational Statistics. This Federal data is not exactly in conformity with the Michigan HEIDI data. According to Vanessa Rose, the differences are not substantial and are being eliminated.

One set of charts compared the amounts spent at Wayne on various activities compared to amounts spent at other Carnegie I public universities for 1999. One somewhat surprising finding was that Wayne tends to spend above average amounts on student services.

Another set of charts showed Wayne's rankings among the Carnegie I public universities by the ratio of expenditures for non-academic functions per dollar spent for academic functions for years 1990, 1995-1999. The charts indicated that Wayne tends to spend more for non-academic functions than its peer institutions, although the ranking varies somewhat from year to year, in no discernible pattern.

A third set of charts compared Wayne to other Michigan universities with respect to spending on various functions. Wayne was near the top in expenditures per FYES.

Prof. Cogan had also prepared a chart showing the chronic over-budgeting for certain items over the past decade. The table suggested that there may be on the order of \$8-\$10 million available for spending over what is being shown in the budget. In addition, there is over \$8 million in the Rainy Day fund. Various members of the committee suggested that

the Administration should not pad the budget as a way of protecting against contingencies but instead should follow good accounting practices and have a formal reserve for contingencies. In that way, consultation on the budget and planning for contingencies could be made more rational.

3. *Outlook for State Appropriations.* The Provost reported that the Senate in Lansing had approved an educational budget that would provide for a budget increase of 4.8 percent. The Senate also preserved the 4 percent cap on undergraduate tuition. The governor has provided a budget with no increase for higher education, and the House provided little or no increase. Obviously it is unclear what direction the legislature will take. Given the uncertainty, the Budget Review Committee has been using a 2 percent figure tentatively for its planning purposes but has also looked at a scenario based on a zero increase.

4. *Budget Priorities.* Members of the Budget Review Committee indicated that the following items were given high priority for new or reallocated money:

- At least \$1 million uncommitted funds for academic program initiatives. It is expected that the amount would increase if Wayne does moderately well in Lansing.
- At least \$200,000 for faculty setups. The long-term goal is to budget \$800,000 for faculty setups. Currently, faculty setups are paid for out of year-end savings.
- Continued investment in the Internet 2 project.
- Continue ad campaign at reduced level out of year-end surplus.

The BRC also indicated that it was not recommending significant new money for athletic programs for the current budget and was looking to postpone expenditures for some projects already approved, such as technology projects and the capital campaign. The objective is to keep these programs moving but to slow down expenditures for the FY 2002 budget.

To fund new initiatives in the context of budget restraint in Lansing, the BRC has sought to reallocate expenditures. It is recommending a 2.5 percent cut on the administrative side of the budget. The cuts will be across-the-board to divisions, but within the divisions, the cuts will be made by the division chiefs in accordance with their assessment of needs and opportunities.

Various members of the Budget Committee stressed the importance of continuing to make budget decisions strategically during a downturn in the economy and to resist the temptation to "spread the pain" evenly. Members of the BRC indicated their agreement. It was noted that the economy, although not as robust as it had been during the Clinton years, remains in much better shape than it had been in the early 1980s, when Wayne faced serious budget problems.

5. *Increased Tuition Revenue.* The BRC indicated that Wayne intended over some period

of years to increase tuition to a level that would put the university behind Michigan and Michigan State but ahead of the various regional colleges. Efforts will also be made to improve the yield on applications and to retain students who have enrolled. It was also suggested that some emphasis might be given to attracting students for pre-med programs, given the success that Wayne has had in the past in attracting pre-med students.

One member noted that data are not available showing why applications are up and enrollment is down. He suggested that the problem may not be a declining yield on applications but rather a decline in retention. He suggested that the relevant data be collected and analyzed. He also suggested that there does not appear to be a strategic plan for boosting enrollment.

As a stop-gap measure, the BRC was instrumental in the appointment of a committee to attempt to increase the yield from applicants for this year. A three-person committee was appointed to spearhead this effort. It had been represented to the Policy Committee that this committee was a subcommittee of the BRC. Some members of the Budget Committee, while applauding the initiative, expressed concern about mission creep for the BRC. Members of the BRC gave assurances that this recruitment committee would not report to the BRC and was not a subcommittee of that committee. It was unclear who this committee did report to, and it was suggested that a more permanent arrangement be established with clear lines of authority.

6. *Term Limits.* Some discussion followed about the impact of term limits and the possibility of removing them. In addition to the usual points, it was noted that Wayne should be lobbying the permanent government (legislative staff, etc.) to prepare reports that are more useful to Wayne in lobbying for a fairer share of the educational budget. It was noted, for example, that charts showing dollars per FYES are not favorable to Wayne and that the staff should be urged, for example, to include in those charts additional data showing the special costs that Wayne incurs due to its heavy enrollment of part-time students.

7. The meeting adjourned at 2:25 p.m.

By Michael J. McIntyre