

Minutes, Budget Committee of Academic Senate

Meeting of Sept. 21, 2007 (as approved, November 12, 2007)

Present: Michael McIntyre (chair), Allen Batteau, Stephen Calkins, Charles Elder, Winston Koo, Robert Kohrman*, Charles Parrish*, Frederic Pearson, Linea Rydstedt, Lothar Spang, William Volz, and James Woodyard.

Absent with Notice: Donald DeGracia, Richard Elling, Robert Ross, Assia Shisheva.

Invited Guests: Nancy Barrett, Provost; John L. Davis, Vice President for Finance & Facilities Management.

*Liaison

1. The meeting convened at 1:00 p.m. The agenda and the minutes for the meeting of Aug. 2, 2007, were approved without objection.
2. *Report by Chair.* The chair gave a brief report on the activities of the BOG's Budget and Finance Committee, which held weekly meetings in August and September. He indicated that, in his personal opinion, the Board of Governors (BOG) had reached a compromise position on tuition and the budget in July and was not prepared to make any changes in the budget after that date. His strategy, therefore, was to try to get a firm commitment from the BOG and the Administration that any revenues in excess of those estimated in the budget would go first to the schools and colleges. That commitment was received and repeated several times.

The chair noted that the members of the committee did not receive their copies of the budget book until the time of the meeting. The Administration had promised the chair that the budget book would be posted no later than Tuesday, Sept. 18, 2007, so that the committee members would have time to review it in detail. He noted that a similar problem had occurred for the July meeting.

3. *Auxiliary Budget.* Mr. Kohrman gave a brief overview of the Auxiliary Budget. Most of the discussion focused on the two auxiliary functions showing deficits, namely WDET and Housing. It was noted that Ms. Nabelah Ghareeb, Associate Vice President, Business & Auxiliary Operations, had given a brief report on the state of the Housing Office at the April 30, 2007, meeting of the committee. At that time, she indicated that there was likely to be a modest deficit. Thus the deficit of over \$2 million for FY 2007 was a surprise to members. The WDET deficit was anticipated, as the radio station has had financial difficulties for several years. The chair noted that the deficits were being covered by transfers from the so-called "auxiliary plant reserve". Vice President Davis reported that this reserve had over \$5 million prior to those transfers. The chair noted that this reserve is not reported in the budget book, nor are the transfers into these auxiliary activities. The transfers came to light only because of questions he asked at the recent meeting of the BOG's Budget and Finance Committee. At that meeting, Governor Massaron requested a report on all of the

special reserves held by the Administration. Mr. Davis indicated that this report would be available shortly. [Note: The report was given by letter to Governor Massaron dated Sept. 24, 2007. The report does not identify any fund as the "Auxiliary Plant Reserve".]

4. *General Fund Budget.* The expenditure side of the General Fund Budget had already been approved at the BOG meeting on September 6, 2007. Thus there was little to discuss about that budget. Mr. Kohrman indicated that the revenue side of the budget had not yet been approved. The chair indicated that he would raise with the BOG's Budget and Finance Committee the objections that had been made by members of the committee to the Administration's excessively conservative estimate of tuition revenues.

One member suggested that the committee should obtain information about the extent of the cuts in the schools and colleges by conducting a survey of deans, chairs, and directors of academic centers. Another member suggested that the committee might not want to collect such information because it might be discouraging to junior faculty to learn of the cuts. After discussion, the committee voted to conduct the survey but to discuss its design at a later meeting.

5. *Transfer of Institutional Research to the Budget Office.* The chair noted that the Academic Senate had asked President Reid to consult with the Academic Senate regarding the proposal to relocate the Office of Institutional Research in the Budget Office. He indicated that this committee probably would be involved in that consultation if it occurred. Some discussion followed. [Note: President Reid, in a letter to President Wolfson, declined to postpone the transfer prior to consultation.]

6. *Honors College.* The chair noted that the Administration was proposing the conversion of the Honors Program into an Honors College. The Policy Committee had asked the Budget Committee for its recommendations on the matter. The chair stated that he would like to form a subcommittee to look into the matter and asked for volunteers by email.

7. *Adjournment.* The committee adjourned at 2:30 p.m.

Michael J. McIntyre