

# Minutes, Budget Committee of Academic Senate

## Meeting of October 29, 2010 (as approved, December 6, 2010)

*Present:* Michael McIntyre (chair), Donald DeGracia, Charles Elder, Rob Kohrman\*, Winston Koo, Rita Kumar, Bart Miles, Jennifer Sheridan Moss, Charles Parrish, Richard Needleman, Louis Romano\*, Linea Rydstedt, Heather Sandlin, Karen Tonso, James Woodyard, William Volz.

*Absent with Notice:* Maik Huttemann.

*Invited Guests:* John L. Davis, Vice President for Finance and Facilities Management.

### \*Liaison

1. The meeting began at 1:03 p.m. The minutes for the meetings of September 13, 2010, and September 27, 2010, were approved without objection.

2. *Pro-Active Agenda.* The committee discussed the various activities and projects that it might pursue for the current academic year.

a. *College Level Budget Committees.* The chair proposed that the committee consider formulating a proposal to the Administration for requiring all departmentalized schools/colleges to establish a school/college budget committee. He noted that Article XXXI of the collective bargaining agreement provides for a school/college budget committee only for non-departmentalized schools/colleges. He also noted that the School of Medicine (SOM) had recently formed such a committee and that Dean Parisi had offered her support for having such a committee in all of the schools/colleges. Budget Director Rob Kohrman also offered his support for the proposal. The proposal received wide support among members of the committee, and the chair concluded that this topic would be pursued at a future meeting. It was suggested that a University requirement with some guidelines might improve transparency even in schools/colleges that already have a budget committee. One member suggested that there might be an advantage in having the requirement included in the collective bargaining agreement because that agreement could require deans to share budget information with the school/college budget committee. The chair agreed that it would be useful for the union to negotiate a revision of Article XXXI at some point.

b. *Building Priorities.* The chair asked Vice President John Davis if he would be coming to the committee soon with the Administration's tentative recommendations for building projects to be submitted to the State for funding. Mr. Davis indicated that he would be bringing that matter to the committee shortly. He indicated that some funding for a new research building might be available from Henry Ford Hospital.

c. *Role of Provost in Budget Process.* The committee discussed whether it would be useful for the committee to seek to clarify the role of the Provost in the budget process. One member stated that the Provost and the President have stated that the Provost is in charge of the budget, and Mr. Kohrman indicated that he reported to the Provost. The general

consensus was that the committee should not take action now but instead should wait to see how matters develop.

d. *Strategic Planning*. The chair noted that President Noren had indicated at the start of Academic Year 2009-10 that strategic planning would be an on-going matter. The attempts at strategic planning, however, had been quite unsuccessful. He asked whether there were plans to engage in strategic planning this year. Prof. Parrish indicated that he was a member of a strategic planning committee and promised to keep the committee informed of significant developments, if any.

e. *Parking*. One member noted that parking should continue to be a topic for discussion by the committee. The chair suggested that the committee might want to formulate a proposal for a permanent parking advisory committee, to go into effect after the current parking task force completed its work.

f. *Student Fees*. One member suggested that the committee should take a good look at the various uses of the Omnibus Fee. The chair suggested that some departments may be charging student materials fees as a revenue source and not to actually pay for student materials. He suggested that the committee look into the matter and that it request that fee approvals going to the Board of Governors (BOG) go to the BOG's Budget and Finance Committee. One member noted that there are discussions about eliminating the specific charges to students for parking and instead including the cost in the Omnibus fee.

g. *Faculty Lines*. One member suggested that the committee again make proposals for increasing the number of faculty lines, as it had done successfully in FY 2009-10. There was general support for this suggestion.

3. *Multifunction Athletic Complex*. The Wayne State website recently announced the beginning of construction for the so-called multipurpose athletic complex. According to the announcement, the facility would have 28,000 sq. ft. and a cost of \$2.4 million. When construction of the facility was approved by the BOG at its March 24, 2010, meeting, we were told that the building would cost no more than \$1.4 million and would have an area of 35,420 sq. ft. The chair asked Mr. Davis for an explanation.

Mr. Davis noted that he had received the chair's request for clarification by e-mail some time back but that he was just returning from vacation and had not had an opportunity to reply. He indicated, however, that he believed the website account was incorrect with respect to the square footage — he believed there was no change from the original proposal in that respect. The cost was increased by \$1 million at the request of one or more BOG members, who felt that the building as originally planned was unattractive. The additional funds would go for brick work and for some additional amenities, including air conditioning and increase bathroom facilities. According to Mr. Davis, the \$1 million increase was approved by the BOG at its meeting on August 4, 2010.

4. *Invitation to President Gilmour.* The chair stated that he had mentioned to President Gilmour the possibility of coming to a meeting of the Budget Committee on two occasions, and the president had indicated a willingness to come. The question was how best to utilize a presidential visit. The chair suggested that the committee might want to engage him in a discussion of the role of the Provost in the budget. An alternative would be to have the president come to the meeting with the unit committee chairs for a discussion of the budget prospects for the coming fiscal year. One member suggested that the president is particularly interested in improving systems at the University. He thought the committee should consider engaging the president on such a topic. That suggestion was well received. The matter was left for further discussion at the next meeting of the committee.

5. *Nursing School's 501(c)(3) Corporation.* The chair suggested that the committee should continue to pay attention to the transparency issues associated with the formation of a separate corporation by the Nursing School to operate the student clinic located in the DeRoy Apartment Building. That suggestion garnered wide support.

Several members raised issues about the various corporations formed at the SOM to manage the various practice plans. One member reported that he had obtained the most recent Form 990 from the Nursing School after making clear that the tax laws required full disclosure. He indicated similar success in obtaining a recent Form 990 at the SOM. He suggested that the Form 990 and Form 1220 contain a lot of interesting information.

The chair suggested that the committee certainly could collect information about the SOM plans but that it probably was not in a position to do much to force greater transparency. He suggested that the committee would likely have more success getting transparency rules adopted for the Nursing corporation since the BOG had already expressed interest in the matter. One option would be for the committee to prepare a draft amendment to the University Statutes to require full transparency, including full annual reports and audited accounts. Several members indicated that a transparency statute for the Nursing corporation might serve as a useful model for obtaining more transparency with the SOM's practice-plan corporations.

6. *Adjournment.* The committee adjourned at 2:17 p.m.

Michael J. McIntyre