

Minutes, Budget Committee of Academic Senate

Meeting of February 1, 2010 (As approved, March 9, 2010)

Present: Michael McIntyre (chair), George Alchammas*, Donald DeGracia, Rita Kumar, Rob Kohrman*, Richard Needleman*, Aleksandar Popadic, Louis Romano, Linea Rydstedt, Assia Shisheva, William Volz, James Woodyard.

Absent with Notice: Judy Field, Winston Koo, Charles Parrish.

Absence without Notice: Charles Elder, Thomas Killion.

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

*Liaison

1. The meeting began at 11:02 a.m.
2. *Budget Consultation.* The chair noted that President Noren recently distributed a memo to the entire University community noting his plans for members of his Administration to meet with a wide variety of units and groups on budget issues. Included on this list was his plan for his cabinet budget group to meet weekly with the Policy Committee. The memo makes no mention of any plans to meet with the Budget Committee of the Academic Senate.

The chair informed the committee that he had been invited by President Seymour Wolfson to attend the meeting of the Policy Committee on Feb. 1, 2010, at which time the president and his budget group were expected to appear. President Wolfson indicated that he wanted to make clear that the Policy Committee had no intention of serving, in effect, as its own budget committee but instead would continue to rely on the Budget Committee as the principal vehicle for consultation between the Academic Senate and the Administration. [Note: The chair did attend that meeting but President Noren did not attend.] One member suggested that the chair might request copies of materials generated by the strategic budget committee appointed by President Noren to advise him on budget matters. The chair indicated that he would welcome any submissions from the Administration that might shed light on the Administration's plans for the budget.

3. *Data on Enrollment.* The chair noted that he had collected additional census information suggesting a decline in the applicant pool for Wayne State in future years. He also noted that he had not received any additional information from the Administration in response to his memo on enrollment projections. Mr. Kohrman indicated that he was happy to provide whatever information the Administration had available on the issue and hoped to meet soon with the chair to get a list of the material desired. After some discussion, a member made the following motion, which was adopted without objection:

That the Administration respond in writing to the questions on enrollment presented in the chair's memo of November 5, 2009, addressed to Dean Jerry Herron (available on committee website), as clarified after the proposed meeting between the chair and Mr. Kohrman.

4. *Parking.* The chair indicated some concern that the Administration intended to spend nearly \$6 million to repair Parking Structure #1 but had not yet prepared a written business plan, as requested by the faculty representative on the Parking Advisory Committee, that included a plan for regular maintenance. It was noted that additional expenditures, on the order of \$10 million, are expected to be requested in the future for repair of Parking Structure #1.

Prof. Woodyard, who had served on the Parking Advisory Committee last year, stated that the firm that inspected the parking structure had indicated that the repairs were needed because of the failure of the University to prevent water from standing on the concrete and that future problems could be reduced by providing proper drainage and sealing of the floors. Vice President Davis suggested that the main reason for the repairs is that the structure is 40 years old. The chair suggested that consultation with the Parking Advisory Committee on maintenance plans seemed appropriate and consistent with the discussion at the Board of Governors when the most recent parking fee increase was approved. Prof. Woodyard circulated materials that he had prepared while serving on the Parking Advisory Committee that indicated that the expenses of the Wayne Parking Authority were substantially out of line with those at peer institutions.

After discussion, the following motion was moved and seconded and adopted without opposition:

That the Budget Committee requests that the Board of Governors postpone action on the administration's proposal for repairing Parking Structure #1 until the Administration prepares a business plan for dealing with maintenance issues in the parking facilities and presents that plan for consultation to the Parking Advisory Committee.

[Note: The chair wrote a memo, available on the committee website, to the Policy Committee that gave the Policy Committee some background on the parking issue and included the motion passed by the Budget Committee. The Policy Committee endorsed the memo and forwarded it to the Administration and the Board of Governors (BOG). The chair indicated in that memo that he intended to raise the matter at the BOG's Budget and Finance Committee meeting on Feb. 3, 2010.]

6. *Audited Financial Report.* The chair asked Vice President Davis if there were any items addressed in the audited financial report (draft) of particular interest. Mr. Davis suggested that the committee focus primarily on the Management's Discussion and Analysis. The chair noted that he could not find anything in the report relating

to Sarbanes-Oxley, despite the claims from the Administration that the BOG's audit committee had requested a code of conduct in order to comply with Sarbanes-Oxley. Mr. Davis indicated that there was no need to refer to that legislation in the report but that he would provide the committee with other documents from the audit committee dealing with Sarbanes-Oxley.

7. *Year-End Balance Report.* The chair noted that the year-end balance report showed a balance of over \$123 million and that all of it had been committed by the Administration. He asked Mr. Kohrman what portion of the balance was fully committed and what part might be used to deal with the looming budget problems. Mr. Kohrman indicated that most of it was fully committed. Provost Barrett noted that the two biggest parts were for financial aid, which was due to students but not yet spent, and faculty setups, which were promised to units but not yet spent. The chair asked about the new money from year-end savings. Mr. Kohrman indicated that the amount was around \$8 million, which represented a very small percentage of the budget. The chair noted, however, that it was a rather large percentage of the discretionary part of the budget.

The chair asked if there had been any consultation with the faculty on the use of the discretionary year-end money. The Provost indicated that there had been some consultation on some items with the deans but none with the faculty. Mr. Kohrman and Mr. Davis agreed. Mr. Kohrman indicated that Governor Massaron had been consulted on the addition of \$2 million to the rainy-day fund but that otherwise the BOG had not been consulted.

8. *Budget Update.* Mr. Kohrman briefly summarized the main points in the enrollment and budget presentation he will present to the BOG. He indicated that the State has indicated that a 20% cut will be imposed on government agencies but has not set a target for universities. He also indicated that the enrollment picture right now is favorable, based on the improved enrollment in the Winter Term over expectations..

A question was raised about the relationship of the Karmanos Cancer Center to the University, especially as relates to Indirect Cost Recovery funds. Provost Barrett indicated that she understood that Wayne faculty working at Karmanos received ICR money in the usual fashion but that she would check on the matter. [Note: The provost emailed the chair to say that she had confirmed with the Vice President for Research that her understanding was correct.]

9. *Additional BOG Matters.* The committee briefly discussed the various elevator-renovation projects. Mr. Davis indicated that an additional 5 such projects are contemplated in the future. The committee also discussed briefly the various demolition projects coming to the BOG and the proposed "disaster recovery facility" at the Oakland Center.

10. The committee adjourned at 12:18 p.m.

Michael J. McIntyre