

## **Minutes, Budget Committee of Academic Senate**

### **Meeting of March 28, 2011 (As approved, September 19, 2011)**

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

*Absent:* Charles Elder; Maik Huttemann

*Invited guests:* Ronald Brown, Provost; Angela Wisniewski, Senate Secretary; Budget Advisory Committee Chairs (and designees): Robin Boyle, Urban Studies and Planning, Liberal Arts and Sciences; Karl Braunschweig, Music, Fine, Performing and Communication Arts; Victoria Dallas, Communication, Fine Performing and Communication Arts (Policy Committee); Stephen Hillman, Education; David Kessel, Pharmacology, Medicine (Policy Committee); Yi-Chi Kong, Immunology and Microbiology, Medicine and Chair, SOM BAC; Lawrence Lemke, Geology, Liberal Arts and Sciences; Rodger MacArthur, Internal Medicine, Medicine (Policy Committee); Richard Nork, Vice President and Treasurer; Donal O'Leary, Physiology, Medicine; Mary Kay Pflum, Chemistry, Liberal Arts and Sciences; Assia Shisheva, Physiology, Medicine; Pradeep Sopory, Communication, Fine, Performing and Communication Arts; Anca Vlasopolos, English, Liberal Arts and Sciences; Debra Zebari, Nutrition and Food Science, Liberal Arts and Sciences

\*Liaison

1. The meeting began at 12:00 noon. The Administration provided a light lunch. The minutes of the meetings of January 24, 2011, and March 7, 2011, were approved.
2. *Presentation by Budget Director:* Mr. Kohrman made a presentation focused on funding for higher education in the state and the impact on Wayne State. The State of Michigan's budget for fiscal year 2011 is balanced, but the budget for FY 2012 is not balanced. In FY 2001, higher education comprised 21% of the budget. In FY 2011 it was 19% of the budget. Mr. Kohrman pointed out that Governor Snyder's proposed budget does not cut funding for corrections.

A member of the Budget Committee asked about the Governor's proposal to restrict the amount of tuition increases. Did the limit of 7.1% apply to undergraduate students only or did it apply also to graduate students? Mr. Kohrman said it applied to undergraduate residents only. If the University did not cap its tuition increase at 7.1%, it would have to increase tuition another 5.1% for a total increase of 12.2% to make up for the money that it would lose from the state.

Mr. Kohrman said that in 2001 students paid 28% of the cost of their education

and in 2012 students will pay two-thirds of the cost.

The majority of the University's budget is made up of fixed costs. He showed the components of the 2011 budget. A 21% reduction in the University's budget is about \$41 million.

3. *Comments from the Chair:* Mr. McIntyre disagreed with some of the scenario painted by Mr. Kohrman. The University, he said, would have to accept the Governor's cut of 15% and raise tuition by only 7%. In planning, the University has to look at fixed costs, such as contractually-mandated pay increases. The Blue Ribbon Committee on Budget Cuts is looking at possible cuts on a global basis. Everything is on the cutting board for potential cuts. Cuts will not be made across-the-board. The Committee will recommend cuts based on what has been successful and is necessary for the core functions of teaching and research.
4. *Discussion of Budget Issues:* The Budget Committee members and guests asked questions. One guest asked why, if the plan is to not cut across-the-board, units have been asked to develop across-the-board scenarios. Units were given targets. Provost Brown said that it was necessary to support some efforts, such as retention. The recommendations of the Retention Implementation Committee are estimated to cost \$5 or \$6 million.

In response to a question, Mr. McIntyre said that the Blue Ribbon Committee developed a list of criteria for evaluating possible cuts. They are trying to avoid cuts in tenure-track lines because that is the future of the University. Funding for new initiatives has to be preserved. If those budgets are cut before they have had an opportunity to generate revenue, you are cutting a potentially promising program.

A member of the Budget Committee spoke to the need for a university-wide committee with representation from the Senate similar to a committee in the recent past. Such a committee would be able to examine administrative functions and auxiliary budgets unlike the Blue Ribbon Committee, which is only considering cuts on the academic side.

After the Deans, the Vice Presidents, and the Blue Ribbon Committee submit their recommendations, a Presidential committee composed of President Gilmour, Provost Brown, Richard Nork, Hilary Ratner, and Robert Kohrman will meet and decide which cuts to make.

Mr. Nork stated that the administration has contracted with the Huron Consulting Group to evaluate the University's administrative processes. They will advise on improving efficiency and providing better service.

A guest asked if the budget is divided between operating funds and capital funds, but it is not.

5. The meeting adjourned at 1:30 p.m.

Angela Wisniewski