

Minutes, Budget Committee of the Academic Senate

Meeting of April 18, 2011 (As approved, September 19, 2011)

Present: Lou Romano (Acting Chair), Donald DeGracia, Maik Huttermann, Robert Kohrman*, Bart Miles, Jennifer Moss, Richard Needleman*, Charles Parrish, Karen Tonso, James Woodyard

Absent with Notice: Ronald Brown, Rita Kumar, Michael McIntyre (Chair), Heather Sandlin, William Volz

Absent without Notice: Charles Elder, Linea Rydstedt

Invited guest: Richard Nork, Vice President for Finance & Business Operations

*Liaison

1. The meeting began at 11:04 AM.
2. *Retention report.* The acting Chair gave a brief overview of the Retention Report that had been prepared by a committee chaired by Provost Ron Brown. He then indicated that if all of the initiatives in this report were implemented next year, the cost would exceed \$5.6 M. Considering the budget cuts being suggested for the University next year, he suggested that some of these retention initiatives be postponed by prioritizing what would best lead to better retention for the students who attend Wayne State. One member who had served on the Provost's retention committee indicated that the committee never thought that all of the spending listed in the retention report would be appropriated in the first year. A motion was approved requesting that a memo be sent to the Provost asking that the Retention Committee prioritize and determine the appropriate scale of the suggested recommendations listed in the report. The motion also asked that a memo also be sent to the Blue Ribbon Committee on Academic Budget Cuts asking for a similar analysis.
3. *Issues facing the Blue Ribbon Committee on Budget Cuts.* The acting Chair summarized the work of the Blue Ribbon Committee thus far. The committee has met three times, twice with Provost Brown present. The charge for the committee is to advise the Provost on the cuts to the academic budget either suggested by the Deans or identified by the committee. The committee developed a list of principles to govern academic cuts that was forwarded to the Provost who shared them with the Deans. The acting Chair summarized these principles, and the Budget Committee voiced general approval with this approach to developing a budget for FY2012.

The acting Chair then described three issues that arose during the third meeting. First, the Provost indicated that he was not yet able to share the recommendations for cutting the Schools and Colleges' budgets that the Deans had submitted by the Provost's April 8th deadline. The Blue Ribbon Committee was very disappointed with

this decision because it would severely hinder the committee's ability to offer recommendations regarding the academic budget cuts. VP Nork suggested that the role of the Blue Ribbon Committee should be to identify possible cuts parallel to those suggested by the Deans. The acting Chair opposed this role because it would be very difficult for the Blue Ribbon Committee to analyze the budgets and relative quality of each College and Department in the University. Moreover, the committee has not yet been provided with much of the requested budget information. One committee member suggested that cutting some of the centers or other university functions could require temporary funding until the programs were phased out and thought that the rainy day fund might provide the funds for this transition.

A second problem that was identified is that the Blue Ribbon Committee had not been provided with a dollar figure for the magnitude of the cuts that would be made to the academic side of the university. The Provost indicated during the Blue Ribbon Committee meeting that he would seek this information from President Gilmour. Rob Kohrman indicated that he believed that the administration would soon provide the Blue Ribbon Committee with a dollar range of cuts that would need to be made.

The third problem regarded possible invitations to the Deans to present to the Blue Ribbon Committee the budget cuts that were being recommended. Although the meetings with the Deans had been suggested by Provost Brown, when Blue Ribbon Committee Chair obtained an agreement from Dean Parisi to attend the next committee meeting, Provost Brown indicated that President Gilmour might not want the Blue Ribbon Committee to meet with the Deans. This issue has not yet been resolved.

4. *Matters going to the Board of Governors.* The only substantive discussion regarding these matters related to the presentation by VP Nork regarding the Parking Task Force Update. The acting Chair described the background for the parking issues addressed by the Parking Task Force and summarized the report submitted by the task force on Feb. 8, 2011. He disputed the suggestion by VP Nork that the presentation he planned to make to the BOG adequately addressed the motion made by Mike McIntyre and approved at the prior BOG Budget Committee meeting.

The discussion then turned to the specific recommendation for a \$0.25 parking fee increase for the Fall 2011 semester that was included in VP Nork's planned presentation. VP Nork indicated that he did not think that it was appropriate to increase the University's debt at this time because he thought that such an increase would not be well received.

The acting Chair suggested that the modest increases in the University debt recommended by the Parking Task Force would not be obvious to anyone outside of the university administration, while a \$0.25 parking rate increase would be widely publicized. Moreover, the increased debt service would be paid for by the parking fees and would not require any subsidy from the General Fund. The acting Chair then

described the extensive discussions that went into developing the budget plan recommended by the Task Force. The faculty members of the Task Force were opposed to drastic increases in parking fees to pay for the \$40 M in repair costs to the parking structures that were the result of a lack of preventative maintenance required to prevent the structural deterioration of these structures. In addition, the Task Force was opposed to these fee increases because they would result in large surpluses in the Parking fund account after the repairs were completed. The acting Chair also indicated that he thought that increasing the parking fees after a 20% parking fee increase and a sizable tuition increase last year and a proposed 7.1% increase in FY2012 was an unfair burden to put on our students.

One member also indicated that he thought that it is improper for parking fees to be used for financing the shuttle bus. VP Nork said that the name of the parking auxiliary is Parking and Transportation and the shuttle bus is transportation. He indicated that it is not appropriate to fund the shuttle out of General Funds, especially in times of fiscal crisis. The member replied that it would be more appropriate to charge those riding on the shuttle, especially since it is unclear that those using the shuttle paid parking fees or were even members of the University community. A member then suggested that the administration should reconsider hiring an additional manager to monitor the routine maintenance without the administration performing a complete re-evaluation of the staffing of Parking. VP Nork indicated that he was not requesting additional funds to hire this person and that he would fund it using the current Parking personnel budget.

Finally, the discussion turned to the resistance of VP Nork to appoint a Parking Advisory Committee (PAC), similar to the committee that had been in operation for the last 10 years and which was responsible for identifying the severe structural deficiencies in the parking structures. A member described the PAC as having only an advisory role, one whose advice need not be followed but that could provide useful advice, just as it had done in the past.

5. The committee adjourned at 12:35.

Lou Romano