

Minutes, Budget Committee of Academic Senate

Meeting of June 20, 2011 (As approved, September 19, 2011)

Present: Michael McIntyre (chair), Donald DeGracia, Charles Elder, Maik Huttemann, Rita Kumar, Rob Kohrman*, Jennifer Sheridan Moss, Louis Romano, Linea Rydstedt, Heather Sandlin, Karen Tonso.

Absence with Notice: Richard Needleman*, Charles Parrish, William Volz, James Woodyard.

Absent without Notice: Bart Miles.

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

*Liaison

1. The meeting began at 11:02 a.m.
2. *Blue Ribbon Committee.* The Chair gave a report on the activities of the Blue Ribbon Budget Cuts Committee, which was appointed by the Provost to make recommendations for budget cuts on the academic side of the budget. That committee was not provided with the information needed to do its job properly. In particular, the recommendations by the deans for budget cuts were not shared with the committee. The Chair invited the dean of the School of Medicine (SOM) to meet with the committee, but he was told that the committee was not allowed to invite deans to its meetings without the express permission of President Gilmour — a permission that would not be forthcoming. The chair was forced to cancel his invitation to Dean Parisi. For health reasons, the chair was forced to give up his position as chair; he was replaced by Roger MacArthur and William Volz, who served as co-chairs.

Despite the obstacles faced by the Blue Ribbon Committee, it succeeded in preparing a useful report which has been shared with this committee. It also succeeded in convincing the administration to modify its budget proposals to eliminate cuts of 46 faculty positions.

3. *2012 General Fund Budget.* The committee discussed in some detail the administration's budget proposals contained in the FY 2012 Budget Book. The committee found the budget book to be difficult to understand because of its lack of transparency. Key issues, such as the proposal for spending \$4 million on retention was buried in an item within Central Accounts with no reference even in the footnotes to the retention program. Budget Director Kohrman was helpful in explaining a few of the intricacies of the budget. The general view was that it was virtually impossible to navigate through the budget book without an expert guide.

The committee discussed the cuts to the College of Education, which were the most severe cuts to all of the schools and colleges. Determining the actual budget cuts to the College of Education was difficult from the information provided in the budget book because the budget book included changes in the summer school receipts and other receipts unrelated to the budget cuts. Mr. Kohrman explained that some of the cuts were due to a desire to provide the new dean with the flexibility to move in new directions and that some money would be returned to the College of Education once the new dean was in place. The fact remains, nevertheless, that the cuts to that college are likely to be devastating to its mission and most certainly will reduce the number of credit hours taught, with a concomitant reduction in tuition income.

After discussion the following motion was made, seconded, and adopted unanimously.

That the Budget Committee disapproves of the proposed FY 2012 budget because that budget is unnecessarily harmful to the academic side of the university and takes major cuts that are unnecessary to meet the shortfall in state funding.

4. *Auxiliary Budget.* The Chair expressed his opposition to the use of across-the-board cuts in the Auxiliary Budget. He noted that the budget committee has long opposed the use of across-the-board cuts on the ground that they are a bad budgeting technique, despite their obvious advantage to administrators who want to avoid facing tough issues. Various members expressed their agreement. Mr. Kohrman sought to defend the use of across-the-board cuts in this instance. He noted, correctly, that the cuts are being made to the General Fund subsidy, not to the overall budget of the auxiliary units. The chair responded that this distinction did not justify across-the-board cuts.

One member noted that the budget for parking included a recommendation for a 25-cent increase in parking fees. The Chair noted that the Report of the Parking Task Force recommended no fee hike for FY 2012. The task force felt that an additional increase after the 50-cent increase in FY 2011 was an unfair burden on students and staff. The recommendation for the 25-cent increase had been included in the plan for FY 2012 prepared by the chief financial officer, Mr. Rick Nork.

Several members suggested that it was inappropriate for the Board of Governors (BOG) to adopt a rate increase that was buried in the fine print of the FY 2012 budget. The view was expressed that the BOG should vote separately on the parking rate issue, as it does on tuition issues. After further discussion, the following motion was made, seconded, and adopted unanimously.

That consideration of the parking rate issue should be severed from consideration of the rest of the Auxiliary Budget and that separate votes be taken by the Board of Governors on each issue.

The committee then discussed whether the 25-cent increase in the parking fees was appropriate for FY 2012. After some discussion, the following motion was made, seconded, and approved unanimously by the committee.

That the Budget Committee opposes the 25-cent increase in parking fees and that the lost funds needed for funding the parking budget be obtained by bonding or other debt arrangements, as recommended by the Parking Task Force.

5. *Tuition Increase.* The administration is proposing a 7.1 % increase in tuition on undergraduate students and on all graduate students. One member suggested that the increase on graduate students was pricing Wayne out of the market, as was evident in the decline of the enrollment of graduate students over the last decade. Mr. Kohrman suggested that the decline was due to other factors; the member agreed that some other factors were involved. He suggested, nevertheless, that the high tuition was likely to be a significant factor. He suggested that some system similar to the arrangement at the law school for out-of-state students be arranged for the graduate program.

The Chair suggested that he generally opposed high tuition increases on students when the revenue raised from the high tuition was not being used for the benefit of students. He noted that most of the budget cuts proposed by the administration had come from the academic side — the side of the university that most affects students. In these special circumstances, nevertheless, he hoped for some guidance from this committee on how he should vote at the upcoming BOG meeting on the tuition issue. One member suggested that the need for revenue by the university is so overwhelming that the tuition increase was necessary despite the unfair distribution of budget cuts.

The Chair suggested that whatever the merits of the case for the proposed increase in undergraduate in-state tuition, the proposed increase for out-of-state undergraduate students had no merit. In his view, the university had long ago priced itself out of the market for out-of-state undergraduate students except for students eligible for in-state tuition under the so-called Good Neighbor Policy. Mr. Kohrman indicated that the administration was planning to look at the out-of-state rates next year. The Chair asked if Mr. Kohrman was agreeing that there was a problem with the high out-of-state tuition rate. Mr. Kohrman said he was not agreeing. He was simply noting that the administration was planning to study the issue next year.

6. *Adjournment.* The committee adjourned at 12:30 p.m.

Michael J. McIntyre