

Minutes, Budget Committee of the Academic Senate

Meeting of June 21, 2010 (As Approved, July 12, 2010)

Present: Michael McIntyre (chair), Charles Elder, Judy Field, Robert Kohrman*, Winston Koo, Thomas Killion, Rita Kumar, Charles Parrish, Louis Romano, William Volz, James Woodyard.

Absent with Notice: Richard Needleman, Linea Rydstedt, Assia Shisheva.

Absent without Notice: George Alchammas*, Donald DeGracia, Aleksandar Popadic.

Invited guests: Phyllis Vroom, Acting Provost; John Davis, Vice President for Finance and Facilities Management

*Liaison

1. The meeting began at 10:30 a.m. The minutes of the meeting of May 3, 2010 were approved.
2. *Parking.* The committee discussed the report of the parking subcommittee (Profs. Romano, chair; Malcolmson; Woodyard; McIntyre, ex officio). The concern is that the business plan prepared by the Administration does not offer a realistic solution of the problem of inadequate routine maintenance. It was noted that the persons in charge of maintenance for University facilities have no role in maintaining the parking facilities and that the parking staff does not have the engineering expertise to supervise maintenance work.

The focus of the discussion was on the recommendations in the report (1) to support a modest increase in parking fees for 2011 (\$0.25 or 10%) rather than the \$0.50 recommended by the Administration, and (2) to request a joint faculty/Administration committee to rewrite the business plan in the fall of 2010. Prof. Romano reported that Vice President Andrea Dickson seemed amenable, subject to approval by the Administration, to forming a joint committee, or reconstituting the parking committee, to consider revisions in the business plan. She was not supportive of holding back on the Administration's proposed \$0.50 increase in parking fees. One member stated that he could not support any increase in the parking fees until the Administration came up with a credible plan for dealing with the maintenance problem. Several members noted that the Administration does not have reliable estimates of usage of the parking facilities, despite the fact that estimates are included in the draft FY 2011 Budget Book.

After discussion, the following motion was made, seconded and approved:

That the Budget Committee endorses the recommendations contained in the report of its parking subcommittee, dated May 25, 2010, and recommends

that the Administration propose and the Board of Governors adopt only a 10% (or 25 cent) increase in parking fees for FY 2011 and that, in the fall of 2010, it prepare, in consultation with representatives of the Academic Senate, a revised business plan that addresses concerns about routine maintenance and management of the parking facilities.

3. *Review of BOG Materials.* The committee briefly reviewed two proposals being submitted to the Board of Governors (BOG) for action: improvement in the Old Main Music Studio and the replacement of the fire alarm system in the Art Building. Both projects were supported without objection.

The committee briefly discussed the information report submitted to the BOG on deferred maintenance. One member noted that the maintenance projects requiring immediate attention for all of the University facilities other than parking were estimated to cost around \$14 million, whereas the parking facility projects needing immediate attention were estimated to cost around \$40 million. Another member noted that repairs to the Rackham building were estimated to cost well in excess of \$3.5 million. Vice President Davis indicated that the University's lease of that building ends in 2019. The chair thanked Mr. Davis for providing a useful informational report — something the Budget Committee had requested many times in the past.

4. *Tuition.* The chair reviewed for the committee the efforts that had been made to reach agreement with the Administration on a tuition proposal. In brief, the Administration was unwilling to reach any agreement that bound it to specific outcomes, notwithstanding President Noren's repeated requests that representatives of the Academic Senate meet with representatives of his Administration to discuss such an agreement.

The chair described a proposal that he had drafted that recommended that the tuition increase applicable to undergraduate students not exceed 3% for the Fall and Winter terms and that an additional 1.4% be added in the Spring/Summer term. The 1.4% increase would fund the hiring of 13 tenured/tenure-track faculty for FY 2012 and would provide funds for extending the hours of the undergraduate library for FY 2011.

The committee discussed the challenge facing the University as a result of the likely increase in competition for undergraduate students among Michigan public universities. The chair asserted, with support from several members, that the University's undergraduate program needs to be upgraded. It is ranked in the bottom (4th) tier for research institutions by U.S. News. The chair offered the following data on the ranking of the University's undergraduate program relative to other Michigan public universities, taken from a presentation made to the BOG by Budget Director Kohrman:

Number of TT/T Faculty per 100 students	13th of 15 (2.4)
5-year Graduation rate	15th of 15 (24.9%)
6-year graduation rate	15th of 15 (33.6%)
Freshman to sophomore retention rate	12th of 15 (70%)
Median composite ACT score	15th of 15 (20)
Mid-50% ACT score	15th of 15 (17-23)
GPA 3.0 or higher	11th of 15 (60%)

After discussion, the following motion was made, seconded, and passed unanimously:

In accordance with its detailed "Undergraduate Tuition Proposal for FY 2011," the Budget Committee recommends to the Administration and the Board of Governors that the tuition increase for FY 2011 imposed on undergraduate students be limited to 3% for the Fall and Winter terms and that an additional 1.4% be imposed for the Spring/Summer term. The 1.4% increase would allow for the addition of 13 tenured/tenure-track faculty to support undergraduate education in FY 2012 by replacing part-time faculty teaching large-enrollment undergraduate courses with tenured/tenure-track faculty. It also would provide funds to extend the operating hours of the undergraduate library during FY 2011.

5. *General Fund Budget.*

The chair noted that he and Prof. Parrish received budget materials only last Thursday afternoon and that many members received excerpts from the FY 2011 Budget Book only on entering the meeting room. He expressed his view that providing the materials so late eliminates the opportunity for meaningful consultation. He noted that this problem arose over the past three years, despite his objections. A member noted that there was lots of issues presented by the proposed budget that need to be studied in order to understand the budget proposals of the Administration. After discussion, the following motion was made, seconded, and passed without objection:

The Budget Committee respectfully requests the Administration and Board of Governors to postpone consideration of the FY 2011 General Fund budget until the Board's meeting of August 4, 2010, to allow for meaningful consultation on the budget with the duly elected representatives of the faculty.

Following the passage of the motion, various members raised issues about various aspects of the budget. The questions asked related to the growth of the President's strategic reserve, the funding for marketing in the Schools and Colleges, and the funding for faculty positions at Karmanos. The chair promised that he would call a meeting of the committee to discuss the budget if the budget presentation

gets deferred until August 4, 2010, as requested by the committee. [Note: The Administration has agreed to postpone a vote on the FY 2011 budget until the August 4, 2010, meeting of the BOG.] At the request of a member, Mr. Kohrman agreed to provide a listing of all prior program enhancements.

6. *Position Control.*

The chair noted that the proposal for so-called position control that was submitted by the Administration and approved by this committee and by the Policy Committee at their May 3, 2010 meetings, was modified substantially before being put into the Budget Book. The chair noted that he had not had time to study the proposal in detail. In general, he stated that the revised proposal does not provide the safeguards built into the prior proposal, making it more likely that units will lose faculty positions under the proposal. He noted that President Noren had indicated that the matter would be pushed off until the August 4, 2010, meeting of the BOG to allow further discussion with the deans and the Academic Senate.

After discussion, the following motion was made and seconded and adopted without objection:

The Budget Committee strongly opposes the proposal contained in the FY 2011 Budget Book (pages 154-156) for so-called position control to the extent that it deviates from the proposal prepared initially by the Budget Committee, endorsed by the Policy Committee, by President Noren's budget advisory committee, by the Council of Deans, and by the President's Cabinet Budget Working Group and then approved again by the Budget Committee and the Policy Committee when submitted to them in slightly revised form by the Administration on May 3, 2010.

7. The committee adjourned at 12:00 p.m.

Michael J. McIntyre