

Minutes, Budget Committee of the Academic Senate

Meeting of July 12, 2010 (As Approved, July 29, 2010)

Present: Michael McIntyre (chair), Donald DeGracia, Charles Elder, Robert Kohrman*, Rita Kumar, Richard Needleman, Charles Parrish, Louis Romano, Linea Rydstedt, Assia Shisheva, William Volz, James Woodyard.

Absent with Notice: Judy Field, Winston Koo.

Absent without Notice: George Alchammas*, Thomas Killion, Aleksandar Popadic.

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

*Liaison

1. The meeting began at 11:02 a.m. The minutes of the meeting of June 21, 2010 were approved. After some discussion, the committee agreed to move the meeting previously scheduled for August 2 to July 29.
2. *Parking.* The chair summarized developments on the Administration's proposals on parking. He noted that he had met with Executive Vice President Andrea Dickson to discuss various options. A focus of the discussion was on the establishment of a joint faculty-administration committee to revise the Administration's draft report on parking and to postpone until January any new parking initiatives. No agreement was reached, even tentatively, on the Administration's proposal for an increase in the parking fees of \$0.50, beginning in September. Ms. Dickson indicated that the parking staff felt that a staged increase of \$0.25 in September and the same in January would be administratively difficult. One alternative might be to have a \$0.50 fee starting in January.

Various members expressed concern about what they viewed as an "unending" series of fee increases. One member indicated that he could not support any increase until the Administration provided sufficient support for its recommendation. Several members expressed some skepticism about the willingness of the Administration to meet the commitments it might make with respect to parking. One member suggested that strong action would be appropriate if the Administration reached an agreement with the representatives of the Academic Senate and then failed to comply with the agreement.

3. *Revised "Position Control" Document.* The chair noted that the draft FY 2011 Budget Book contained a new "position control" document that was very different from the consensus document that the committee and the Policy Committee had approved in May. The new document is similar in many respects to the unacceptable

proposal included in the FY 2010 Budget Book. The chair had prepared and circulated to the committee a memo in which he was critical of the new document.

After some discussion, a motion was made and seconded to endorse the chair's memo and forward the memo to the Policy Committee for its approval and action. The motion passed without objection. [Note: The Administration has now prepared a revised document that is nearly identical to the consensus document previously approved by the committee.]

4. *Student's Budget Proposal and Revised Committee Proposal.* The committee discussed the student resolution that had been presented to the June 23, 2010, meeting of the Budget & Finance Committee of the Board of Governors (BOG). That resolution had been approved by the Budget & Finance Committee as part of its endorsement of the tuition increase. The student resolution states as follows:

Therefore, Be It Resolved The Student Senate supports the proposed 5.4% tuition increase, so long as it is used for increasing need-based and merit-based financial aid and hiring of at least twenty-two additional full time faculty. In supporting this increase, we call for the following:

- 1) A commitment to extend library hours, to include the expansion of 24 hour student space;
- 2) Well-informed staff motivated to interact with students. We continue to be discouraged by the negative comments we hear from our peers about their interactions with many university offices;
- 3) A comprehensive review of the administration, budgeting, and programming of campus activities. This review must include evaluations of current offerings, budgets, and administrative structure, building and space usage, campus operations and entertainment costs involved with presenting campus activities, and late night and weekend student life options;
- 4) We expect that there will be student representation on each of our calls for action.

The BOG did not approve the 5.4% tuition increase proposed by the Administration and supported by the Student Senate. Nor did it approve the 3.0% increase in tuition for Undergraduate Students recommended by this committee (with an additional 1.4% starting in the Spring/Summer 2011 semester). Instead, it approved a 4.4% increase for Undergraduate Students for the Fall 2010 and Winter 2011 semesters and an additional 2% increase for the Spring/Summer semester, resulting in a permanent increase carrying forward to FY 2012 of 6.2%. It approved a 4.9% increase for Graduate Students and endorsed various special arrangements negotiated with the professional schools.

The chair noted that the Administration lost some one-time money from the BOG's actions but gained 1% of permanent money ($\$4.4\% + 2\% - 5.4\%$) that could be used for additional faculty hiring. Budget Director Kohrman stated that the Administration, in its revised budget recommendation, would be dealing only with money available for FY 2011. Many members noted that a proper budget would include provision for the proposed use of the revenue from the additional 2% added in the Spring/Summer semester.

The chair suggested that the proposals made by the Student Senate and by this committee were obsolete, to some extent, due to the subsequent action of the BOG. He suggested that the committee revise its proposal in light of the new developments, including the actual tuition increase authorized by the BOG and the endorsement by the Student Senate of the hiring of at least 22 tenured/tenure-track faculty.

Some discussion occurred concerning the meaning of the student resolution. Mr. Kohrman noted that the resolution did not make any explicit reference to faculty teaching undergraduate courses. The chair stated that, in context, the student endorsement had to be understood as supporting additional faculty to teach in undergraduate programs. He indicated that he remembered Anthony Leo, the student representative on the BOG's Budget & Finance Committee, making an explicit reference to the desire for additional faculty teaching undergraduate students. Mr. Kohrman indicated that he would look at the transcript of the meeting to see what Mr. Leo had stated.

[Note: According to the transcript of the BOG's Budget & Finance Committee meeting of June 23, Mr. Leo stated as follows: "I would just like to go on record saying that the student body supports this 4.4% increase as long as allowances are made for increasing need-based, merit-based financial aid, *additional full-time faculty with a reasonable amount allocated to undergraduate courses*, and extending the library hours including the 24-hour section.]

After discussion, the chair was asked to prepare a revision of the committee's proposal that would be consistent with the BOG's action on the tuition increase and with the student resolution. A motion was made to that effect, which passed unanimously. The chair stated that he would prepare a new document and circulate it to members of the committee for comment. If there were no comments within the time limit set by the chair, the document would be treated as approved. If there were comments, the chair would make revisions and circulate the revised document for approval.

5. *Additional Comments on Proposed General Fund Budget.* Due to the shortness of time (Provost Vroom, Vice President Davis, and Budget Director Kohrman had to leave early for a previously unscheduled meeting with President Noren), the committee could not discuss many of the details of the proposed FY 2011 budget

with representatives of the Administration. Mr. Kohrman agreed to meet with interested members the following week to answer questions on the budget. The chair agreed to arrange a meeting time, and Prof. Woodyard indicated he would attend the meeting. The committee continued its own discussions after the Administration representatives had left.

Karmanos Faculty. Several members, including the chair, asked about the budget implications of the University's arrangements with Karmanos. The chair indicated that he had heard that the University had committed to funding 20 faculty positions at Karmanos. Mr. Kohrman indicated that funding for 8 positions, at \$100,000 each, were included in the proposed FY 2011 budget and that the University was committee to provide an additional 12 positions (total of 20) — four a year for the following three years. A question was asked about the additional funding needed for those 20 positions. Mr. Kohrman indicated that he thought the additional funds were expected to come from the Practice Plan.

Questions were raised about how indirect cost recovery (ICR) money is shared with Karmanos. One member indicated that according to Associate Dean Kenneth P. Lee (School of Medicine), the University receives some portion of the ICR money. It was unclear exactly what the arrangement is with Karmanos with respect to IRC money and what expenses of Karmanos are the responsibility of the University.

WDET. Questions were raised about an increase in the subsidy to WDET. The chair noted that the radio station commands only 0.6 percent of the Detroit Metro radio market. He indicated that he had attended a working group meeting of the BOG's Budget & Finance Committee at which the director of WDET appeared. In accordance with the rules for a working group, no decision were made. There was talk at that meeting of providing \$200,000 to the WDET budget, but it was unclear whether the increase was a one-time arrangement or part of a permanent subsidy. The chair indicated that he supported a one-time subsidy but that he had not seen a case made for a permanent increase in the WDET budget.

Summer School. Several members noted that the information provided on the summer school was inadequate to determine whether the new funding arrangements put in place two or three years ago were working. Some members felt that the system was badly designed and probably was not working well. The matter was left for further discussion.

6. The committee adjourned at 12:40 p.m.

Michael J. McIntyre