

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

### **Meeting of September 27, 2010 (as approved October 29, 2010)**

*Present:* Michael McIntyre (chair), Donald DeGracia, Charles Elder, Maik Huttemann, Rita Kumar, Rob Kohrman\*, Richard Needleman, Louis Romano\*, Linea Rydstedt, Heather Sandlin, Karen Tonso, James Woodyard, William Volz.

*Absent with Notice:* Winston Koo, Bart Miles, Jennifer Sheridan Moss, Charles Parrish.

*Invited Guests:* Ronald Brown, Provost; John L. Davis, Vice President for Finance and Facilities Management.

\*Liaison

1. The meeting began at 11:01 a.m.
2. *Contingency Reserve Report.* The only item in the contingency reserve report for FY 2010 was a transfer of \$100,000 to fund a search for a dean of the College of Fine, Performing, and Communication Arts. That transfer brought the balance in that account to zero. The committee was told that a head-hunting firm has not yet been engaged.
3. *Computer Services Center Renovations.* The administration is recommending that certain unidentified activities of the Computing and Information Technology Division (C&IT) be moved from their current home at 77 W. Canfield to space available in the building at 5925 Woodward, where the main data center is located. To allow that move to take place, the Administration proposes to spend \$1.325 million to renovate space at 5925 Woodward that is now vacant. The C&IT help desk would remain in the Student Center. The administration claims that the action would allow the University to avoid \$990,000 in critical deferred maintenance at 77 W. Canfield. [Note: The implicit plan is to knock down the building at 77 W. Canfield, at an expected cost of around \$200,000.]

The chair noted that he had no opposition to the project as such but that he did not like to see pots of money spent that might be used for more critical needs, such as the renovation of the parking structures. One member suggested that the administration has not provided adequate information on the costs and projected savings from the proposed project. He made the following motion, which received a second:

That the Administration delay the C&IT renovation project until the Committee is given the rationale for the project and the cost savings from it, as well as information on why it should receive priority over other pressing needs of the University.

During the discussion of the motion, Vice President John Davis entered the meeting. He offered a general summary of the expected cost savings from the project. At the end of the discussion, a vote was taken on the motion, and the motion failed.

Questions were asked about the source of funding for the project, which was listed on the BOG documents as “FY 2009 unallocated year-end balances”. Mr. Kohrman indicated that he would provide the committee with the amount of the unallocated balances. [Note: In an email to the chair the next day, Mr. Kohrman stated that the balance in that account, prior to this expenditure, was \$4.3 million.]

4. *DeRoy Clinic Expansion.* The administration is recommending an expansion of the existing clinic in the DeRoy Apartment Building to provide additional health services to students, including mental health services. To house the expansion and provide space for management, the administration contemplates the reconfiguration of 3,200 square feet of space on the second floor of DeRoy, directly over the existing clinic. Some related renovations are included in the plan. The cost is estimated at \$535,000. That cost does not include the lost revenue from the loss of the apartments in DeRoy. The clinic is run by the Nursing Practice Corp., which will pay rent to the University for the space used by the clinic. The Nursing Practice Corp., in turn, gets its funds from the students by way of the Omnibus Fee. No objections were raised to the basic proposal.

Questions were asked about the funding source — the Nursing Practice Corp. Vice President John Davis explained that the nurses in the College of Nursing had set up a Code Section 501(c)(3) corporation (tax-exempt corporation) in 2001, and that this corporation had bid on the provision of services to the existing clinic when it was established. The chair and others asked various questions about the funds in this corporation, whether it had been audited (it has not, but an audit is now scheduled), and why it had been set up. Mr. Kohrman said that the financial information was available from the corporation’s filings with the IRS (Form 990, filed annually by tax-exempt charities) and that he would provide the committee with that information. [Note: Mr. Kohrman did provide that information to the chair the next day, and it was circulated to the committee. Mr. Kohrman also provided minutes from a meeting of the BOG at which the Nursing Practice Corp. was discussed.]

Discussion followed, with several members suggesting that this corporation resembled the semi-secret practice plans at the School of Medicine. The chair noted that the Dean of the SOM, when she met recently with the committee, had expressed concerns about the lack of transparency with the various practice plans. Provost Brown indicated that transparency would be expected from the College of Nursing.

5. *Report on Parking.* The chair gave a brief report on parking, noting that three members of the committee, himself and Professors Romano and Woodyard, were serving on a parking task force that was expected to give a report to the BOG in early December. Mr. Kohrman and Mr. Davis are also on the committee.

6. *Report on New Faculty Positions.* The chair gave a follow-up report to the discussion at the July 29, 2010, meeting of the new faculty positions that will be available under the FY 2011 budget. He indicated that Acting President Phyllis Vroom had kept all of the promises memorialized in the minutes of the July 29, 2010, meeting. In particular, she had called a meeting of some chairs and members of this committee to work out a general plan for the

distribution of available positions. There was agreement at that meeting that the 22 positions that would become available from the 2% tuition increase on undergraduate students scheduled to go into effect in the Spring/Summer semester would be used to support undergraduate education. All of those positions would go to departments that were committed to substitute some part-time faculty with full time faculty. Provost Brown indicated that his office had circulated a Request for Proposals to the deans and that final distribution of the positions to departments was expected by October 15.

In the course of Provost Brown's discussion, he indicated that a committee was being formed, which would include faculty members, to select from the proposals that were expected to be submitted. The chair and others asked if the Policy Committee had been asked to nominate faculty members for service on that committee. The Provost answered in the negative. Lots of negative comments ensued. The Provost then indicated that he would be happy to appoint an individual to the committee on the recommendation of the Policy Committee. The chair indicated his preference for having at least two genuine representatives of the faculty. He asked Professor Romano, liaison to the Policy Committee, to bring up the matter at the Policy Committee meeting later in the day, and Professor Romano agreed to do so. [Note: The Policy Committee nominated two faculty members and, at the request of the Provost, later recommended two additional faculty members. Ultimately, Professor DeGracia was appointed to represent the faculty.]

7. *Visit of President Gilmour.* The chair indicated that he had invited President Gilmour to come to a meeting of the committee and that the president had accepted the invitation in principle. The chair asked members to think about this matter. He suggested that the president might be invited to the December, 2010, meeting, to discuss the role of the provost in the budget process, or to the February, 2011, meeting with the unit chairs, to discuss upcoming budget issues for FY 2012.

8. *Future Meeting Times.* The chair noted that some members of the committee have classes on Monday mornings and have been unable to attend any meetings of the committee. His efforts at finding a time convenient to everyone, or even to almost everyone, has failed. He indicated an intention of having the next meeting, previously scheduled tentatively for Oct. 18, 2010, on Friday, Oct. 29, at 1:00 p.m.

9. *Adjournment.* The committee adjourned at 12:07 p.m.

Michael J. McIntyre