

# Memo

## Wayne State University Law School

To: Policy Committee

From: Budget Committee

Subject: Future Consultation on Parking Fee Increases

Date: November 9, 2009

Parking is an auxiliary function at Wayne State University and is expected to pay its expenses out of parking fees charged to students, administrators, faculty, staff, and visitors. Because the Parking Authority has access to a captive market, it is important that its fees be controlled carefully. An increase in parking fees operates similarly to a tuition increase for students and to a pay cut for employees. Fees should not be raised simply because the Parking Authority believes it needs an increase to cover operating expenses or to finance improvements in the parking facilities. It also needs to show that it has been a good steward with the fees received in the past and has a sound business plan for the future.

In the recent past, the Parking Authority has proposed fee increases without providing appropriate justification. In 2007-08, a proposal was brought to the Budget and Finance Committee of the Board of Governors (BOG) with almost no justification offered and no prior consultation with the Academic Senate, as is required under University Statutes. The BOG's Budget and Finance Committee appropriately rejected the requested increase. In 2008-09, the Parking Authorities again made a request for a fee increase and made some attempts at consultation through the Parking Advisory Committee. One of the two faculty representatives on that committee requested information that would allow for a fair assessment of the need for that increase, but the requested information was not provided. As a result, the Policy Committee wrote to the Board of Governors asking that any fee increase again be postponed. The BOG, however, was unwilling to delay an increase further, based on representations from the Administration that an increase was critical.

The Budget Committee believes that periodical reevaluation of parking fees is a normal part of the operation of the Parking Authority. It has supported fee increases when the Parking Authority has made a good case for them. The committee believes, nevertheless, that the University does a major disservice to its students and employees when it promotes a fee increase without showing that the Parking Authority has used the money already available to it wisely and has a sound business plan for the future. The committee urges the Administration to consult in an appropriate fashion with respect to any future proposals for a parking fee increase and to provide the Academic Senate with the information needed for that consultation to be meaningful.

Without reopening issues best left behind us, it may be useful here to summarize briefly what we consider to be the flaws in the failed consultation related to the most recent increase in parking fees. Professor James Woodyard, who served as a faculty representative on the Parking Advisory Committee, made many suggestions to that committee and, indirectly, to the Administration. We note four of them here:

1. That the Parking Authority survey the current state of the parking facilities to see if they have suffered structural damage or are otherwise unsafe.
2. That the Parking Authority prepare a business plan that explains how it intends to achieve the University's goals for parking within the constraints of its budget.
3. That the Parking Authority review the current provision of shuttle service, which has an annual cost of \$1.3 million, to see if that service is fulfilling its original purpose (to encourage use of remote parking lots) and whether funding for the service should come from parking fees when it appears that the shuttle service is being used extensively by people not utilizing the University's parking facilities.
4. That the University look into the report prepared by Professor Woodyard indicating, *inter alia*, that the ratio of employees to parking spaces at Wayne State is nearly double the average ratio at 40 representative universities.

The University consulted with the faculty representative with respect to the first item. The result was entirely beneficial to the University and shows the potential value of real consultation with the faculty. In response to Professor Woodyard's initiative, the Administration hired an engineering firm that reported major structural problems with several parking facilities. In particular, the firm noted that Parking Structure #1 is in very poor shape, despite major repairs, costing in the neighborhood of \$10 million, completed just a few years ago. Repairs of the damage will cost an estimated \$20 million. The consultants indicated that the damage was due to the fact that water was allowed to sit for extended periods on the upper floors of the structure. The damage could have been prevented through the installation of drains at a very modest cost to the University.

No meaningful consultation took place with respect to items two through four. Indeed, the Administration simply ignored the suggestions of Professor Woodyard. Instead, the Administration went forward with its recommendation for a substantial parking-fee increase without a business plan, without addressing the possible misuse of funds for the shuttle, and without looking at the data suggesting the cost structure for managing parking facilities at Wayne State is out of line with peer institutions.

Faculty members who volunteer their time to serve on consultative committees can provide a valuable resource to the Administration and the Board of Governors. No use comes of such committees, however, unless there is genuine consultation. A mere informational meeting is

not consultation. If real consultation is not going to occur, faculty members are unlikely to volunteer to participate in a charade. In the long run, a university gets the quality of faculty consultation that it deserves.