

Resolution of the Budget Committee of the Academic Senate
Addressed to the Wayne State University Board of Governors,
January 29, 2008

Resolved:

The Budget Committee of the Academic Senate asks that the Board of Governors allocate an additional \$400,000 of permanent funding to Academic Affairs in the 2008 General Fund Budget to be used for additional faculty, graduate teaching assistants (GTAs) and/or academic support staff positions, the particular allocations to be determined by the chief academic officer of the University.

Rationale:

The Budget Committee is asking for an additional allocation of \$400,000 to the academic side of the budget, representing less than 6% of the funds available for allocation. It believes that this allocation can be made without upsetting other priorities and is consistent with the Board of Governors' Priority Resolution of August 29, 2008, and with its commitment to students, made at the time of the tuition increase, that it would strive to maintain the quality of undergraduate education during these difficult budget times.

As a result of pessimistic revenue projections by the Administration, permanent and painful budget cuts of nearly \$8 million were imposed on Academic Affairs (Schools and Colleges and Academic Support) in advance of the adoption of the preliminary FY 2008 General Fund Budget, followed later by a reallocation to the Schools and Colleges of \$1.2 million. Programs of particular importance to students were cut and other savings were made on the basis of these projections. At the same time, the tuition that students were asked to pay was increased by 12.8% (over 18% for Fall Term). Most of the budget cuts turned out to be unnecessary, as became evident when the actual revenue figures for Fall tuition and the State appropriation became available in September of 2007.

The Administration took the position last July that the budget cuts were being imposed pro rata on all parts of the University. That position was misleading. While the Administrative side was held harmless for the costs of utilities and debt service, the Academic side took budget cuts based on its costs for faculty and staff, although those costs were fixed by employment contracts that had to be honored. In addition, the Budget Office made a paper transfer of the costs of fringe benefits out of Central Accounts to the Academic side before calculating the cuts that Academic Affairs was to take. As a result of these special adjustments, Academic Affairs took a much larger proportional budget cut than the rest of the University.

The Budget Committee has consistently taken the position that the unallocated revenues available in the FY 2008 Budget should go first to restore the cuts that the Academic side took and that this restoration should go to instruction, academic support, and research, in that order. The Board of Governors, with the endorsement of President Irvin Reid, supported these priorities formally in its Priority Resolution of August 29, 2007. Unfortunately, the allocations

proposed by the Administration do not come close to restoring the cuts made on the Academic side in the FY 2008 budget.

The Budget Committee is convinced that without further relief, colleges that have experienced significant growth in undergraduate student enrollment over the past several years will experience significant cuts in faculty and support staff. It believes that the restoration of funding for teaching and student services should be a primary objective of the Board of Governors in allocating the previously unallocated permanent revenues available for the FY 2008 General Fund Budget. That objective is best achieved by increasing the funds allocated to faculty and GTA positions to those academic units that have experienced the greatest credit hour increases and by increasing funds available for academic support staff.

Adopted by unanimous vote of the Budget Committee, January 28, 2008