

**Minutes of the Meeting of the Academic Senate Budget Committee  
Meeting  
April 27, 2015  
12 Noon, 1270 Faculty Administration Building**

Members Present	Andrea Sankar, Chair, Douglas Barnett, Donald DeGracia, Lawrence Lemke, Stephen Lerner, Charles Parrish, Louis Romano, Linea Rydstedt, Heather Sandlin, Richard Smith, William Volz
Members Absent with Notice	Linda Beale
Members Absent	Susil Putatunda, Qin Lai, Nancy George, Charles Parrish, Stephen Lerner
Liaisons Present	Robert Kohrman, Administration, Richard Needleman, AAUP-AFT, Salma Al-Zuhd, Student Senate, Kenneth Jackson, Grad. Council,
Liaisons not Present	
Also Present Non-senate members	Rick Nork, Margaret Winters Sudip Datta

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**1. Approval of agenda**

**2. Approval of minutes from 3-23-15 meeting**

Minutes from March approved with the following revisions to the last paragraph: it should read that the total in ICR was thirty-five million dollars, and is down to twenty-eight million in 2015. The central pool comprises 50% of total ICR.

**3. Review of budget issues**

- A. Rob Kohrman reviewed the topics to be discussed at the BOG meeting May 1, 2015: enrollment update, budget update, and what the administration is doing to help units growing and units not doing well.
- **Enrollment:** There was 0% change from last year, which was better than expected. We will probably have 1-1.5 % drop this fall. The graduate numbers are up 7-10% above this time last year. The Brazilian students are not included in graduate

student numbers. Brazilian students are here on study abroad so are not counted in enrolment but are included in the budget.

- **Budget:** We are in a holding pattern until the special election. We may have a state contribution of 2% increase; tuition may have a 2.8% increase. All decisions are contingent on the road bill. If it is not passed, we may have a 0% increase or drop in state appropriations.
  - Budget hearings are ongoing with all schools and divisions, 23 in all; all budget scenarios are based on the governor's recommendations.
  - For all schools that are growing, the Provost will help with a one time contribution of GTAs and graders. The Provost will try to help under performing schools with course schedule rationalization.
  - The Provost is examining the criteria for allocating GTAs.
- **Retention efforts:** WSU will try to retain students with improved financial incentives, also will help transfer students
  - Rick Smith asked about the Great Lakes tuition program; and Rob Kohrman responded that there was an increase in enrollment but not much. Great Lakes tuition program students mostly came from Ohio; it is unclear if this is due to tuition or athletics.
  - The Provost described involving deans in recruiting. The Provost's office is helping deans learn what funding is available to assist in recruiting. Recruitment efforts are using alumnae as recruiters. The Provost described regional mini launches of the capital campaign that are also used to recruit.
  - Lou Romano asked how the Great Lakes campaign is being marketed? Rob Kohrman responded that we are using recruiters to visit nearby cities; but there are not enough resources; Nick DeNardis is using electronic social media for recruitment.

## **B. Discussion of budget materials for May 1, 2015 Board of Governors' Meeting**

- **Depreciation and Maintenance.** Bill Volz asked for an explanation of the references in the BOG materials to depreciation funds targeted at Scott Hall and the Engineering Research Lab. He noted that there are no funds allocated for the IBio parking lot, and asked what has been set aside for

depreciation reserve. Which projects are entitled to draw funds from this account?

- Rick Nork responded that “the depreciation reserve is not an accurate title. There are no funds actually put aside to refurbish or renovate the physical plant. We should be spending 5X as much as we are on deferred maintenance. Our funds all go into capital facilities maintenance, not normal maintenance, e.g. custodial. We should have thirty to thirty-five million [5-7%] annually for the size and age of facilities. The depreciation reserve is established by accumulating funds from completed projects where funds remain. It will be close to zero after the work outlined above is completed. We have .03% for deferred maintenance; we are spending considerably less than we should be.
  - Bill Volz commented that we need funds for updating the electrical infrastructure not new projects. The funding for the Scott Hall roof repair will come from deferred maintenance. The funds for the repairs to Engineering will come from a different fund. He asked where funds to purchase new property would come from.
  - Rick Nork responded that WSU has many sources, new bonds, or university reserves that are funded from investment income, beyond general fund, special grants and projects. These funds go into a reserve for ‘non-recurring projects’ used for acquiring buildings. Well run universities budget to build up funds for these projects or for emergencies; we do not have reserves. We have a little wiggle room before hitting our debt limit. We must be careful about what rating agencies say, so won’t be downgraded.
  - We retire ten million dollars a year on debt and have 420 million in outstanding debt. In 2017 we plan to initiate new bonds. Our debt service is thirty million; some from general fund; some from auxiliary e.g. housing, parking. The residence halls are paying down their own debt as is parking.
- **Medical School tuition**

- Limitation on medical school tuition costs WSU \$780,000 a year. Last year we limited the tuition increase to 2%.
- In prior years the medical school made up the difference through additional budgetary reductions. This year it will increase tuition for non-residents. The accreditors say the debt for medical students is too high.
- Lou Romano asked if high debt is just the case for non-residents. The debt burden is mainly for non-residents but the LCME does not distinguish non from resident students.
- Lou Romano suggested changing the rate increase and making it less for non-residents because they get so much more of an increase.
- WSU is closer to the tuition rate national average. The medical school is now using endowment funds for scholarships better to help reduce student debt.
- Rob Kohrman explained how we now have a scholarship portal, so all colleges can see what kind of scholarship funds are available.
- Bill Volz asked what the amount of debt for medical school grads is at an average of 7% interest. The average debt is \$162,000. The average national debt is \$150,000 for public medical schools.
- For the next few years, tuition increases will be lower than the rest of WSU to keep the medical school competitive.
- The average debt for WSU undergraduates is \$23,000 at 7% interest. We have the 3rd lowest amount in the state.

4. **Agenda items for future meetings:** None

5. **Matters arising:** None