

Minutes of the Budget Committee of the Academic Senate **Meeting of November 27, 2017**

Present: Linda Beale (Chair), Victoria Dallas, Sudip Datta, William Decatur***; Brian Edwards, Diana Goode***, Mahendra Kavdia, Santanu Mitra, Louis Romano, Heather Sandlin, Richard Smith, Tim Stemmler****, Ricardo Villarosa, William Volz

Absent with Notice: Thomas Anderson *****, Kristen Chinery**, Christopher Lund, Bryan Morrow, Charles Parrish

Absent without Notice: Obadiah Bitar*, Nancy George, Beena Sood

*Student Liaison

**AAUP-AFT Liaison

***Administration Liaison

****Graduate Council Liaison

*****UPTF Liaison

The meeting began at 11:05 am.

1. Approval of Minutes from November 13, 2017.

A motion to approve was made and seconded. There being no corrections, the minutes were approved as drafted.

2. Update on Current University Budget Matters.

AVP Diana Goode gave a brief update on current university budget matters. She noted that the enrollment picture had not changed since our earlier fall meetings. We had an overall decrease in student headcount, but a slight uptick in student credit hours and a lesser decline in graduate enrollments than we had expected. The Budget Planning Council will begin its FY 2019 hearings in January this year, with the goal of facilitating earlier budget determinations for the units. The Responsibility Centered Management (RCM) teams began meeting in September but it is not clear what recommendations that have developed. Materials should be available in spring and it would be appropriate to have an Academic Senate presentation (at the budget committee and also at the full Senate) in April.

3. Discussion of Board of Governors Budget and Finance Committee Documents, with particular attention to Major Capital Projects and the Master Plan process

a. Master Plan

VP Decatur noted that the Master Plan process is underway. AVP Harry Wyatt is scheduled to make a presentation to the President's Cabinet soon and the planning process is scheduled to "kick off" in January 2018. It is expected that a Request for Proposals (RFP) will be issued before the holidays, for a consultant to work with the University on the development of the new Master Plan. An advisory committee, consisting of faculty, deans and other stakeholders, will be appointed in December. A major priority of the Master Plan

process will be to assess deferred maintenance so that we have a more certain sense of the total deferred expenditures represented.

The process will initially involve gathering information and considering alternatives around the following areas:

- data regarding the types of spaces and organizational control and uses of those spaces to determine where there are surpluses and deficits. For example, VP Decatur suggested that we have sufficient classroom space, but we may be underutilizing some of it and creating unnecessary space restrictions.
- Expectation of new construction needs
- Assessment of necessary renovations
- Discussions with external stakeholders regarding campus needs
- Consideration of campus “zoning” strategies, such as whether we should consider Cass our “Main Street”

Members had a number of questions regarding the expected master planning process. The Chair suggested that VP Decatur should ask the Academic Senate Policy Committee for faculty representations to serve on the advisory committee. Another member suggested that faculty and staff be surveyed regarding their concerns about inadequate facilities and spaces, as one form of identifying areas of significant deficits. Another member asked how the process will unfold in terms of wider campus participation—for instance, will interactions and discussions around the plan be limited because of the small in-house staff here. Others noted that consultants can do a good job of space analysis, facilitating meetings, and providing ranges for expected costs of needed projects, but wondered whether it was expected that they would prepare a new 10-year plan, or would the advisory committee do that based on broad consultation. VP Decatur indicated that there would be various processes for campus community feedback, including online, maps of areas considered for action, and various forums. Elevator maintenance is a significant issue—there are 180 on campus.

Bill Volz asked whether the various actions being undertaken now (sale of Criminal Justice; potential sale of the building at 5900 Second) indicated a desire by senior administration to move the campus south so that it could join onto the Medical School campus. VP Decatur indicated that was certainly something that could be considered in the Master Plan priorities and strategies. The building on second is merely a storage facility and a Wayne alumni wants to put in a new Foundation office there to encourage entrepreneurs. Certainly, when properties are available, purchases will be considered, but prices are generally quite high in Detroit at this time.

b. Business School Parking

In connection with this discussion about the Master Plan, members raised concerns about the new Business School, now located away from the rest of the campus at the Little Caesar’s Arena site. Apparently, the ‘deal’ to build the school on the site didn’t include a fixed solution for parking, though it had been expected that a parking deck would be constructed early on (that project is now delayed, at least a year). Most of the Business School’s classes are at night, and that means as many as 1200 students will need to park in the area. There will often be demand for parking in the various lots around the arena for arena events at the same time. Women students may be reluctant to walk far from the

school alone at night. It would also be unreasonable to expect faculty to pay double for parking at the Arena and generally for the Wayne campus, but they would need to be in both places since classes will continue for some students on campus. VP Decatur indicated that the administration is aware of these issues and is holding talks with the Illitch family to resolve them. It may be that a shuttle bus will be necessary.

c. Informational Report: Major Capital Projects Overview

The capital projects report indicates that the Hilberry Gateway Project report was finished in spring 2017. Members asked what the current status on that project is and the expected funds necessary given the time lapse from the original proposal. VP Decatur indicated a total expected cost now of \$65 million, with no increase in the donor funds expected to be raised (\$10 million target set when the overall cost was \$50 million; \$8 million of that has been raised to date). The remainder of the cost of the project will be paid out of new bond issuance.

There was some discussion about the ability of the University to service a larger bond issuance and thus attack some of the other infrastructure issues, including Scott Hall—a perennial problem in attracting high-caliber medical researchers—and the Classroom Building. VP Decatur noted that we are paying off debt at about \$15 million a year, but nonetheless, any new debt issuance will likely require a downgrade, which results in somewhat higher interest. Members noted that given the low interest rate scenario currently, it would perhaps make sense for a bolder debt issuance to deal with these real issues that affect both faculty and student recruitment. The Chair asked what range of new debt was likely. VP Decatur suggested around \$125 million, but agreed that a debt issuance in the \$250 – 300 million range would be necessary to create the kind of genuine flexibility under discussion (i.e., sufficient funding to renovate Scott Hall and classrooms rather than just do the Hilberry Gateway Project). VP Decatur added that the 2017 closing would result in an increase in net assets, a good trend after the worrisome slide in recent years.

d. Other Discussion

1. Leveling Tuition Rates

Lou Romano and Dick Smith asked about the discussion with State representatives concerning our desire to “level” tuition rates between the freshman/sophomore years and junior/senior years as a way to encourage retention. Diana Goode answered that the State representatives had seemed to respond positively. There will be an internal group meeting to determine how best to accomplish the levelling and it likely could not be done prior to the Fall 2018 semester. We have requested other public university’s tuition models.

Bill Volz added that the idea of lowering rates to encourage students to take more classes each semester is not viewed positively in the Business School.

2. Out of State Tuition Reductions

Members also asked how the administration is moving on considering reduction in out of state tuition to make Wayne more attractive to non-Michigan residents. VP Decatur responded that there are differences of opinion regarding the strategy. Some suggest that we should keep out of state tuition relatively high, but target aid with scholarships to attract

the best students. Others think that it would be preferable to lower all out of state tuition to make WSU more attractive. At this point, we are pursuing the first option by focusing on the Great Lakes Discount and attempting to target Chicago-area students.

One member suggested that Wayne consider a lottery system for awarding a small number of "full rides" as a market tool for students who otherwise might not consider coming to Wayne.

There being no further business, the meeting adjourned at 12:15.

NEXT REGULAR MEETING March 19 at 10 am, preceding the **March 23** meeting of the Board of Governors.