

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

### **Meeting of June 7, 2005 (As approved July 19, 2005)**

*Present:* Stephen Calkins (Chair), Charles Elder (liaison), Vanessa Rose (liaison), Vishwanath Sardesai, Assia Shisheva, William Volz (liaison), James Woodyard.

*Absent with Notice:* Marc Cogan, Michael McIntyre, Charles Parrish, Louis Romano, Linea Rydstedt, Harley Tse.

*Absent:* Ravi Dhar, Robert P. Holley (liaison), Frederic Pearson.

1. The meeting convened at 1:10 p.m.

2. *Board of Governors Budget & Finance Committee.* The Committee went over the materials for the Board of Governors Budget & Finance Committee. Concern was expressed about reports coming out of Lansing about slashing of WSU funding. One member voiced concern about whether the administration would consult sufficiently with faculty before instituting any budget cuts. The chair said that he would communicate to the Provost an expression of hope that she would consult with appropriate faculty committees if Lansing cuts WSU funding.

One member reported hearing that HAP requires a co-pay for post-op appointments in the Henry Ford Health Care System and that HAP is the only carrier that requires a post-op co-pay in the Henry Ford Health Care System. He expressed concern that WSU may be more aggressive in establishing such co-pays than other organizations and that this may create a hardship for staff. Vanessa Rose indicated that she would communicate this member's concern to the appropriate unit.

Vanessa Rose reviewed the Board packet with the Committee—particularly the FY 2005 Second Quarter Report. The \$4.3 million in savings on Central Accounts stems significantly from health care savings (over-projections). Utilities have not yet been adjusted: there should be some savings, but uncertainty about the rate dispute makes this iffy. Tuition revenue (projected as down 3.53%) reflects winter enrollments but there may be further adjustments for the fall.

Parking lot improvements featured a bit of a debate about whether paving perfectly good gravel lots made sense, but there was no consensus on this issue. Questions were asked about the various reserves from which moneys are taken for these sort of expenses. At the meeting, the chair offered to ask the administration about the

status of these various accounts.<sup>1</sup>

Purchasing Exceptions were reviewed. The no-bid contract to pay the Remington Group \$162,000 attracted brief comment, but no action was taken.

Renaming of a facility (Yousif B. Ghafari Hall) also attracted comment. The only cash component calls for \$150,000 a year for ten years. The other component, a \$7.5 million insurance policy to be paid for apparently over more than a dozen years, must have a relatively modest present value, yet it is supposed to fund, among other things, three endowed chairs. Committee members wondered whether those three chairs would carry naming rights. Concern was expressed about naming buildings before substantial cash has been received and about whether future donors would expect to be able to name a building and multiple chairs were they to make a gift of this magnitude. Committee members made clear that they deeply appreciated Mr. Ghafari's generosity and were concerned only about the management of a capital campaign.

3. *Radiation Therapy Technology Program.* The committee briefly discussed the proposed transfer of this program from Medicine to Pharmacy and Health Sciences. One member observed that the program seemed to spend a fair amount on support services, but no one identified budget issues specifically associated with the proposed transfer. The chair offered to ask about the program's budget when he meets on the proposed transfer.

4. *Minutes.* Minutes for three meetings were separately approved following motion, second, opportunity for discussion, and vote: April 19, 2005, December 20, 2004, and January 18, 2005. All votes were unanimous.

5. *Adjournment.* The committee adjourned at 2:20.

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<sup>1</sup> At the subsequent BOG Committee Meeting, Governor Massaron ask about several accounts. Vice President Davis noted that he reports periodically on the status of reserve accounts, but provided some information at the meeting and offered to provide an additional report later. Governor Massaron suggested that whenever an account is being tapped, he will want to know the balance in the account. The amounts reported at the BOG Committee meeting were for the Depreciation Reserve in the Plant Fund (\$2.84 million) and the Deferred Maintenance Reserves (\$3.3 million). The chair has asked Vice President Davis to share with the Budget Committee any report for the Board he prepares on reserve balances.