

# Minutes of the Budget Committee of the Academic Senate

## Meeting of November 7, 2011

Present: Lou Romano (Chair), Linda Beale, Don DeGracia, Charles Elder, Rob Kohrman\*, Lawrence Lemke, Mike McIntyre, Richard Needleman\*, Charles Parrish, Linea Rydstedt, Heather Sandlin, William Slater, Karen Tonso, Megha Trivedi\*, William Volz, James Woodyard,

Absent with Notice: Rita Kumar, Shawna Lee, Senthil, Sundaram,

Invited guest: Ronald Brown, Provost and Senior Vice President for Academic Affairs; Richard Nork, Vice President for Finance & Business Operations; Barbara Redman, Dean, School of Nursing

\*Liaison

1. The meeting began at 11:02 AM.
2. *The minutes of September 19, 2011* Minor corrections were made to the draft minutes and then the September 19 minutes were approved.
3. *Presentation by Dean Barbara Redman on the Nursing Practice Corporation (NPC).* Dean Redman handed out a summary of the organizational structure of the Nursing Practice Corporation. This non-profit corporation provides the following services: clinical practice opportunities for graduate students in the College of Nursing; clinical practice opportunities for the faculty in the College of Nursing; and primary care for the students of WSU through the clinic run by NPC. She noted that the nursing faculty were not paid for this service but instead volunteered their time. Although the corporation predates the tenure of Dean Redman, its legal status was not current when she became Dean and its legal standing was updated in 2003. The corporation started a health center clinic for residential students in 2005 and currently provides services for all students. The NPC has a contract with Wayne State University and receives payment through funds provided by the Student Omnibus Fee. The NPC also has or has had grants from the Kellogg Foundation and from the Health Resources Services (HRSA) Administration of the US Department of Health and Human Services. The NPC also has a board that is elected by the nursing faculty and is currently comprised of about seven current nursing faculty. Future plans involve opening about four additional clinics in local areas where health services are needed. Most other Colleges of Nursing have similar corporations that serve both the university students and community. Dean Redman indicated that the NPC is responsible to the WSU BOG because the NPC by-laws were approved by the BOG. She also stated that nursing undergraduates do not participate in the NPC because they are not licensed. The NPC currently does not provide funding to the College of Nursing (the so called Dean's tax) but that this may begin in the near future. The Chair noted that the 2009 Form 990 showed a \$1.1M fund balance and asked how these funds would be used. The Dean responded that on the advice of council that she was not required to provide this information because this is a private corporation. A member indicated that not being required does not mean that this information could not be provided. The member then asked what the reason was that the Dean felt it necessary not to provide

this information. Dean Redman refused to answer this question. VP Nork indicated that last year \$780,000 was refunded to the university and used for expenses that the omnibus fund normally pays for. Another member indicated that the discussion today had removed some of the clouds that had led this committee to worry about what this practice plan was doing and if it was actually necessary. The member then asked if the NPC has been audited and if the WSU BOG has seen the audit. Dean Redman indicated that the corporation had been audited two years ago and that the BOG had not seen the report. VP Nork indicated that he was in possession of the audit report. Following the presentation the budget committee discussed what additional information should be requested.

*4. Huron Group Recommendation Implementation.* VP Nork gave a summary of the duties of the Steering Committee. He indicated that it is currently prioritizing the areas of focus and is meeting every two weeks. The topics of these meetings mostly involve the strategies for implementation of the recommendations. Two areas where significant savings should be realized are in utility costs and purchasing. WSU currently has a contract with Siemens Corporation in which this company carries out an energy audit, recommends changes, funds the improvements, and recoups the costs from the savings. One member asked about the potential risk to the university that was listed in many of the Huron Group slides. VP Nork indicated that this referred to different topics in each recommendation. For example, in the recommendations for changing the HR structure, there is risk that these changes may not be accepted by the schools and colleges. VP Nork was also questioned about metering buildings and charging utility costs to the units. One member indicated that it would be hard to decentralize utility costs because these costs rise and fall due to external factors and the university should not want to punish the units because of a cold winter or hot summer. VP Nork indicated that there is spectrum of methods for utility charges, from, on one side, having these costs fully paid centrally to the other extreme where the units are fully responsible. He thinks that the method we will use will be somewhere in the middle.

*5. Budget Process.* The Chair asked Rob Kohrman for a summary for the timing of the budget process going forward. He indicated that the Governor wanted to move up the process about one month. The letter from the university is going out to the state budget office soon summing up the university budget needs. He also indicated that it was quite likely that the FY2013 budget would include funding based on performance measures, such as graduation rates, retention rates, research, Pell Grants. A member asked VP Nork when the capital request list would come to the Budget Committee for consultation. VP Nork indicated that the list had already been submitted to the State. He was unaware that this list was normally discussed at the Budget Committee. He said that there were no changes in the list from what was submitted last year.

*6. New/old business.* A member indicated that there was a mistake in last year's Budget Book regarding enrollment. He reported that the decline in enrollment was significantly larger than what was reported. Rob Kohrman indicated that the Budget Book has been corrected.

The meeting was adjourned at 12:45.

Lou Romano