

Minutes of the Budget Committee of the Academic Senate

Meeting of December 5, 2011

Present: Lou Romano (Chair), Linda Beale, Don DeGracia, Charles Elder, Rob Kohrman*, Rita Kumar, Lawrence Lemke, Richard Needleman*, Charles Parrish, Linea Rydstedt, William Slater, Senthil Sundaram, Karen Tonso, Megha Trivedi*, James Woodyard,

Absent with Notice: Mike McIntyre, Heather Sandlin, William Volz

Absent without Notice: Shawna Lee,

Invited guest: Ronald Brown, Provost and Senior Vice President for Academic Affairs; Richard Nork, Vice President for Finance & Business Operations;

*Liaison

1. The meeting began at 11:02 AM.

2. *The minutes of November 7, 2011.* A minor correction was made to the draft minutes and then the November 7 minutes were approved.

3. *Nursing Practice Corporation.* The Chair reported that Dean Redman was asked to provide the contract between the University and the Nursing Practice Corporation (NPC), the Articles of Incorporation, the By-laws, and a list of current NPC Board members and employees. She has not yet provided any of this information. The Amended and Restarted Memorandum between Wayne State University and Nursing Practice Corporation (MOU) was provided to the Budget Committee by Rick Nork and the Articles of Incorporation were provided by Faraz Ahmed at the request of VP Nork. One member was surprised that the MOU that was signed a few weeks ago included a 8.7% Deans tax because Dean Redman had not reported that this tax was part of the current operation of the NPC.

The Provost indicated that he was concerned about the quality of care that the NPC was providing to our students based on a few anecdotal incidents. One member suggested that the University undertake a survey to determine if these were isolated problems or a part of a endemic deficiency. If the care is found to be substandard, the University can unilaterally cancel the contract with 180 days notice. One member noted that before this clinic opened, there was no health care available to our students. Others agreed that there were numerous advantages to having this clinic on campus. The Provost indicated that there are numerous other private options that could be contracted with to provide these services.

The Chair noted that the MOU indicated that the WSU allotment for FY2012 that would be allocated to the NPC would be \$2,313,000. He asked Rob Kohrman how this allotment amount was determined. AVP Kohrman indicated that the NPC had provided a budget analysis of the anticipated costs. The Chair asked if this analysis could be provided to the Budget Committee and Mr. Kohrman responded that he did not see any reason for not providing this information. He indicated that the costs had risen because the staffing levels had increased and he thought that the estimated costs would be much closer to the actual costs in the future. Because overestimated funds are returned to the university, one member suggested that these recurring overestimates were an improper way for the university to move

Omnibus funds to other uses. In addition, if the 8.7% Deans Tax is being levied on the full amount of the transferred Omnibus funds then this tax was providing more than it should. This tax should only be on those funds actually used by the NPC for treating students. A member noted that the MOU requires that the NPC Audit Report be sent to the President and therefore the university must have a copy of this report. VP Nork reported that he had a copy of this report. The Chair asked if the Budget Committee could be provided with this report and Mr. Nork indicated that he could.

A member noted that at Oakland University the payments that international students paid for medical insurance was used to fund the clinic and that we might do the same. Mr. Kohrman indicated that these funds only paid for a portion of the cost of the clinic.

A discussion then ensued on the general structure of practice plans at Wayne State. One member indicated that it is common for medical school practice plans at universities that do not own the hospitals to be separate entities. Others stated that the practice plan at Wayne State, the University Physician Group (UPG), was in fact an alter ego of the School of Medicine, that it was actually part of the Medical School, and therefore could not be considered a separate corporation. The Provost said that the UPG was too large to be dealt with except by the President and the BOG, while the NPC was small enough for us to require complete transparency, especially because the NPC was treating WSU students using WSU facilities. He indicated that Dean Redman was not cooperating in this regard.

4. Board of Governors Documents for December 7, 2011 meeting. The Chair asked VP Nork about the current status of the Capital Outlay Request from the State for the construction of the Multidisciplinary Biomedical Research Building. Mr. Nork indicated that last year we had requested \$90 million from the state for the construction of a \$220 million building. Governor Granholm indicated that the State would provide \$30 million but this funding needs to be appropriated by the legislature before the award can be made to the University. In August, Henry Ford Hospital backed out of their agreement to provide partial funding for this project. The University therefore scaled back the plan to a 190,000 square foot building that would cost about \$90 million. The current request to the state is based on this building plan. The Chair asked if it is in the best interest of the researchers who would be housed in this building that it be located two miles from the Medical School campus. Mr. Nork indicated that this site has numerous advantages. For example this site is located near the Dalglish Cadillac building that will be renovated as part of this project. In addition, this location is close to Henry Ford Hospital and will allow interactions with the staff there and the possibility that funding might still be available from Henry Ford. One member asked how the list of projects was developed and why only one project was requested. He also asked why the other non-state funded projects were described in the Capital Outlays Request. Mr. Nork indicated that the request was following the format that the state requested.

The discussion then turned to the State Hall Fourth Floor Classroom Renovation. The Chair indicated that there would be a presentation on the plans for this renovation at the Dec. 14 Senate Meeting. One member stated that there is a serious lack of seminar rooms in State Hall specifically and at the University in general and hoped that this renovation would include this type of room. The Chair said that the plans did include a few small conference room that might serve this purpose and that he will make further inquiries in this regard at the Senate Meeting.

5. New/old business. One member asked if VP Nork had responded to the request to form a Parking Advisory Committee. The Chair indicated that Mr. Nork had not responded. The

Chair suggested that this be put on the agenda for the meeting between the Policy Committee and the President's Cabinet.

The meeting was adjourned at 12:05 PM.

Lou Romano