

# Minutes of the Budget Committee of the Academic Senate

## Meeting of June 25, 2012 (DRAFT)

Present: Lou Romano (Chair), Linda Beale, Patrick Bresnahan\*, Charles Elder, Rob Kohrman\*, Lawrence Lemke, Mike McIntyre, Richard Needleman\*, Charles Parrish, Heather Sandlin, William Slater, Karen Tonso, William Volz, James Woodyard.

Absent with Notice: Don DeGracia, Rita Kumar, Linea Rydstedt, Senthil Sundaram.

Absence without Notice: Shawna Lee.

Invited guest: Ronald Brown, Provost; Richard Nork \*\*, Vice President for Finance & Business Operations.

\*Liaison

\*\*Joined the meeting at 12:00 PM.

1. The meeting began at 11:01 AM.

2. *The minutes of April 30, 2012 were approved.*

3. *Report on the proposed FY2013 General Fund budget.* Mr. Kohrman made a powerpoint presentation that detailed the proposed FY2013 General Fund Budget. This presentation can be found on the Academic Senate Budget Committee website. The proposed FY 2013 General Funds budget for Wayne State University is \$567 M. This represents a 0.4% increase over the FY 2012 GF budget of \$565 M. The budgets for instruction (\$368M) and research (\$164 M) remain essentially unchanged. State appropriations will increase by \$1.19 M (0.68%), which is the smallest increases for the Michigan Public Universities. The administration is proposing a 3.9% tuition increase for both in-state and out-of-state tuition, except for the School of Medicine where the increase will be 1.5%. The Chair indicated that he thought that both the SOM and graduate out-of-state tuition levels were too high and that the administration should present a plan for reducing these levels in future years. Annual tuition and fees for 24 credit hours is \$8,236, placing WSU third from the lowest behind SVSU (\$5,457) and EMU (\$7,240).

The projected Research expenditures are about the same as for FY2012 and a small increase in the ICR revenues is projected. A committee member commented that stating that the ICR revenues have increased 72% since 1999 is meaningless because the start point was arbitrarily chosen to maximize the level of the increase and has not been corrected for inflation. If 2005 was chosen for the starting point, the increase would be close to 0% even before correcting for inflation. Mr. Kohrman indicated that he would prepare a slide showing the amount of research grants, adjusted for inflation. The Provost indicated that the Huron Group had completed its review of the Division of Research and that this report would be made available to the Budget Committee.

The administration is recommending reductions of \$7.2 M to the budgets of the Divisions (\$3.3 M, 2.2%) and Schools/Colleges (\$3.9 M, 1.9%). However the Division cut included the Office of the Provost (\$1.7 M, 2.7%), so the cuts to the academic side of the university

actually totaled \$5.6 M, while the cuts to the non-academic side were only \$1.6 M. One member indicated that the non-represented administrator's salaries increased over 9% last year and that these administrator should be targeted for either cuts or furloughs. The planned initiatives for FY2013 include student retention, purchasing plan implementation, public health program, VA office, and new faculty lines. Headcount is expected to be up slightly while credit hours are projected to be down slightly from FY2012.

*4. Report from the President's Budget Review Committee.* Mike McIntyre reported on the process that was used to review the proposed budget cuts for the Divisions and Schools/Colleges by the Budget Review Committee, comprised of President Gilmour, Provost Brown, VP Nork, Budget Director Kohrman, VP Ratner, and Prof. McIntyre. Each Division VP or Dean (usually accompanied by a budget director and the chair of the unit's budget advisory committee) presented proposed budget cuts using an excel spreadsheet that had been provided to them from the Budget Office. The Provost advised that no faculty lines be included in the proposed academic cuts, although some units did propose such cuts. Some areas were held harmless, including Public Safety and Financial Aid. Development requested additional funding (by changing the formula for the percentage of the development funds that are raised that is given to this Division). McIntyre indicated that he did not think that it makes sense to provide additional funds to a Division that was underperforming without making major administrative changes.

*5. Board of Governors' documents for June 27, 2012.* The committee commented on the repairs to 5057 Woodward, indicating some disapproval for the large amount of the university funds that have been used to repair and renovate this building since it was purchased in 2003. There were also a few questions regarding the Multidisciplinary Biomedical Research Building, with some members repeating their concern that the building will be located a long way from the School of Medicine, thereby reducing opportunities for informal collaborations. Mr. Nork indicated that the State had provided the full \$30 M that had been requested and that \$3M was requested from the plant fund to complete the building design.

The meeting was adjourned at 12:30

Lou Romano