

Minutes of the Budget Committee of the Academic Senate

Meeting of September 19, 2011

Present: Lou Romano (Chair), Linda Beale, Charles Elder, Rita Kumar, Shawna Lee, Lawrence Lemke, Mike McIntyre, Charles Parrish, Linea Rydstedt, Heather Sandlin, Senthil Sundaram, Karen Tonso, Megha Trivedi*, William Volz, James Woodyard

Absent with Notice: Robert Kohrman*, William Slater

Absent without Notice: Donald DeGracia

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 11:03 AM.

2. *The minutes of March 28, April 18, and June 20, 2011 were approved.* Several comments were made relating to these minutes. One member questioned the \$11.5M for the Academic Excellence Program that is present in the FY 2012 Budget Book under Central Accounts. The source of these funds is not clear and this is one further example of the lack of transparency in the Budget Book. There ensued a general discussion of the lack of information in the current formulation of the Budget Book and the Chair suggested that this might make an Agenda item at a future Budget Committee meeting. Another member indicated that there were serious errors in the calculations of the cuts that were necessary last year and that it was impossible to determine how much had been cut from the individual academic and administrative units, , in particular because of the lack of information about the interplay between cuts and add-backs on a unit by unit basis.

3. *Parking report.* The Chair described the outcome of the June 22, 2011 meeting of the BOG Budget and Finance Committee in which Parking Operations were granted a \$0.25 increase in parking rates (6.8%). This increase follows a \$0.50 increase that went into effect last Fall. Although the Board has indicated on numerous occasions that parking increases should be voted on as separate agenda items, this policy was not followed in this case. The Chair related the reasons that the Parking Task Force recommended using bonding rather than rate increases to pay for enhancements, primary among these the fact that once the repairs are completed, there will be substantial account surpluses that will accumulate unless parking rates are decreased (an unlikely scenario). A member indicated that the email from Parking Operations to Wayne State students, faculty, and staff that suggested that this increase was needed for the technology improvements was false and that the vast majority of the new revenues are needed to pay for repairs to the parking structures, repairs that were caused by administration mismanagement. The member also indicated that the minutes of the BOG Budget and Finance Committee were incomplete and were missing a request by Governor Pollard (endorsed by Governor Massaron) that asked for a report from Parking Operations that detailed how the new plan will affect the revenue flow in future years. For example, there is no indication in the report that VP Nork supplied to the BOG that explains how the

administration will pay for parking structure improvements and repairs in future years. Another member questioned why the administration was ignoring the recommendation in the 5-year Business Plan which stated that recommendations in the plan, such as the technology improvements, be widely distributed to the university community for comment prior to implementation. Feedback from the diverse communities using parking facilities is the best way to avoid implementation mistakes. The member then asked the administration representatives if the students were consulted regarding the technology enhancements or the parking rate increases. VP Nork indicated that the parking technology sub-committee had presented three possible plans and that the administration had chosen one of these. A member indicated that better options were available and that this would have come to light had the administration sought the advice of a reconstituted Parking Advisory Committee (PAC). The Chair indicated that the consultation with the PAC had a long history here at Wayne State because parking affects all of the university's constituencies, especially students, faculty, and staff. The administration is free to accept or reject the PAC recommendations, but in the Chair's experience the recommendations from this committee have been very helpful.

VP Nork responded first on the bonding issue. He noted that the administration did not want to recommend bonding to the BOG to generate the funds needed in the 5-year Parking Business plan because of the budget cuts that were needed last year and the possibility of generating bad publicity. The Chair responded that the bonding status of the university is never widely known but parking increases are always reported to the students, faculty, and staff and are also publicized in the South End. Provost Brown indicated that President Gilmour did not want to pay for parking operations with new bonding.

VP Nork also stated that he had made a detailed response to the recommendations of the Parking Task Force and had made a presentation to the BOG at the April 20, 2011 meeting that listed the recommendations that he had accepted for implementation. A member indicated that he had no problem with the administration not accepting the Task Force recommendations but he did think that the administration needed to address how the Parking Structure repairs would be funded in future years and how the surpluses would be handled once the repairs were completed. He further reported that the prior discarded 5-year Parking Business Plan prepared without faculty consultations, would have generated \$19 M in surplus revenues. Although VP Nork disputed this analysis, this case was made many times during the Joint Task Force negotiations and was never challenged by the administration representatives, who included John Davis, Rob Kohrman, and Jon Frederick. Another member was disappointed that the administration did not seek faculty input regarding the choice of transponders to open the parking gates. Others were shocked that only those who purchased semester-long parking plans were given these transponders, noting that the majority of faculty and students do not purchase these plans and long lines were forming outside parking structures in the morning and late afternoon. Another member described the consultation process at another university and was disappointed at how Wayne State handled this important process. She indicated that faculty – administration joint committees can provide excellent advice and help to make better and more informed decisions. The point here is not to be adversarial, but rather to improve the process by having a broad group develop the recommendations before final decisions are made.

The student representative arrived shortly after the discussion on parking and after a briefing on the issues indicated that the administration had made a superficial presentation to students that failed to raise these issues that are of concern to students.

4. *Budget Committee meeting dates.* The budget committee will meet at 11 AM on the following dates: 10/31, 12/5, 1/30, 3/19, 4/30, 6/25. There will also be a meeting with the unit budget committee chairs in February.

5. *BOG Budget Committee documents.* The Chair said that there were two items that required the attention of the committee. First, he thought that there should be faculty input regarding the technology improvements that are part of the remodeling of the fourth floor of State Hall. Members suggested that the Chair request this from the administration during the BOG Budget and Finance meeting. A second BOG document of interest is the plan by the College of Pharmacy and Health Sciences to close the Occupational and Environmental Health Science Program. The Chair indicated that it was not clear if proper faculty consultation had been part of the decision to end this program and that he had recommended to the faculty representative on the BOG Academic Affairs Committee to make a motion to postpone this closure until the budget implications were clarified and to ensure that proper consultation had occurred. A member also requested that the faculty representative on the Budget and Finance Committee request how the administration plans to analyze the proper graduate and non-residential tuition rates. He also requested that the administration be asked if there would be a plan in place to track faculty hiring. Another member indicated that she was surprised that no enrollment numbers were included in the BOG documents. The Chair said that he would request that we be put on the list to receive weekly reports on enrollment.

6. *Discussion of agenda items for the coming year.* A member suggested that the practice plan for the College of Nursing be put on the agenda for the October meeting and that the Dean of Nursing be invited to this meeting. The Chair agreed to do this. The Chair requested volunteers to serve on a budget sub-committee to look at this issue. Mike McIntyre, Charlie Parrish, and Linea Rydstedt agreed to serve. Other recommended items were: an accounting of reallocation of funds in the context of budget cuts and the resulting amounts for the academic programs and administration; accounting for the \$11.5M that was to be used for the Academic Excellence Program; a discussion of how the online course incentive payments to the units were calculated. The Chair requested that members email him any additional agenda items.

7. *New/old business.* A member proposed the following motion:

The Budget Committee of the Academic Senate recommends that the BOG request that the administration provide justification for the parking increases that were approved without normal documentation at the June 22, 2011 meeting of the Budget and Finance Committee. The motion was seconded, and approved unanimously.

The committee requested that the Chair send the administration a memo as follow-up to our discussion on parking, reiterating the importance of consultation and requesting that the PAC be reformulated with student participation.