

MEETING MINUTES

FACILITIES, SUPPORT SERVICES AND TECHNOLOGY COMMITTEE

February 13th, 2019

1:30-3:00

3339 FAB

PRESENT:

CHAIR: Robert Reynolds (CSC, ENG);

MEMBERS: Timothy Bowman (SIS, LIBR); Richard Dogan (ACCESS, ACAD. AFFRS); Christine Knapp (CMLLC, LAS); Michael Samson (AAUP-AFT); (Naida Simon (P. C);

ABSENT WITH NOTICE: T. R. Reddy (BMI, MED); Anne Rothe (CMLLC, LAS);

ABSENT WITHOUT NOTICE: Smiti Gupta (NFS, LAS; Fayette Keys (S W); Kafi Kumasi (Grad. Council); Jeffrey Withey (BMI, MED).

LIAISONS: Kimberly Conely (UPTF); Daren Hubbard (ADMIN); Pilar Miranda (STD SEN); Michael Samson (AAUP-AFT); Robert Schiesel (TRANSPORTATION); Harry Wyatt Jr. (ADMIN)

Guest: Kristina Curtiss

MEETING NOTES:

Presenter: Jeff Bolton, Assistant Vice President, Budgets and Planning

Naida and Bob called the meeting to order at 1:30 pm. As this was a joint meeting with the FSST Committee, we introduced ourselves. Jeff Bolton was introduced and began his presentation. The presentation consisted of five parts including a Q and A. Our old way of creating budgets was to use an incremental model. The next year's budget would be either larger or smaller than the current year's. The RCM model builds in transparency and incentives. Satellite campuses are treated the same as main campus.

Introduction: The new RCM budget model was presented using Fiscal Year (FY) 2017 real data from the prospective of one school/college. The data were presented using a fictitious College of Architecture. The underlying tenet of RCM is to hold harmless. RCM will “go live” for FY 2021. Subvention will be used to hold the schools and colleges harmless between FY 2020 and 2021. For purposes of the presentation, subvention has been calculated to ensure the net financial outcome of each school/college does not result in a deficit. Subvention recommendations will be annually reviewed after FY 2021 and will be calculated using a three-year average.

With RCM the university will be divided between Revenue Generating Units (RGUs) and Non-Revenue Generating Units (NGUs). RGU consists of all schools and colleges that offer degree programs except the Graduate School and the Honors College. NGUs include all schools/colleges/divisions not included in the RGU list, The NGUs will be funded through a cost allocation process that was not explained.

Revenue: A chart depicting what our sources of revenue are was presented. The sources are the state appropriation, net tuition and fees, Facilities and Administrative (F&A) cost recovery and general fund investment income. From these monies a strategic funding source is created to fund the President’s and Provost’s strategic initiatives. These funds come from the state appropriations prior to allocation to the RGUs. The allocation to the RGUs is based on the percentage of total credit hours generated by each major. In the case of F&A recovery the funds flow to the RGU(s) employing the Principal Investigator(s) for the sponsored project. Miscellaneous revenue generated by the school/college/division that are not collected centrally remain in the unit in which they are collected.

Expenses and Cost Allocation: Undergraduate tuition is allocated with 25% of base tuition to the school/college of the major and 75% to the school/college of instruction; with differential tuition 100% to the school/college of the major. The student service fee uses the same split as base tuition. The registration fee goes 100% to the school/college of the major. 100% of the support fees go to the school/college charging the fee and 100% of the course material fees go to the school/college of instruction. Graduate and Professional tuition is allocated 100% to the school/college of the major. In both cases the amount of financial aid is deducted from the allocation.

The budget for undergraduate financial aid will be in the Office of Student Financial Aid and funded by “netting” the allocation against RGU gross tuition revenue by major. Institutional awards included in this methodology include

Board of Governors, Indian Tuition, Special Programs, Presidential and Detroit Compact. Unit-specific financial aid (awards only available to students in a specific school/college is netted against the revenue of that school/college: Medicine, Law, CFPCA.

Graduate financial aid includes funding for graduate assistants, recruitment/retention funds directly flow to the school/college of the major through tuition and fee revenue. The Graduate School will continue to oversee the fellowship programs that they currently manage.

Expenses in RCM are separated into two categories: Direct expenses and Cost of support units. Direct expenses examples are faculty and staff salaries, fringe benefits, supplies, travel, etc. The cost of support units is the process of “charging” the RGUs for some portion of a central service like C&IT, Public Safety or a central cost such as utilities, deferred maintenance. Allocation amounts include original budget + mass salary increase + fringe benefits.

All costs of NGUs have been allocated amongst three different categories, each with one unique cost driver. Each RGU is allocated a portion of the costs of each category based on the cost driver: Student/total credit hours, General/direct expenditures and Space/unit square footage. The principles are Fairness, Incentives and Simplicity. The options are Flat tax (I, S), Multiple detailed cost drivers (F, I) and Limited number of cost drivers instead of a flat tax (F,I,S).

In order to determine what the cost of space should be, the total amount of WSU cost associated with space will be divided by the total net assignable square feet. Space assigned to a RGU is considered a direct expense for that RGU. Space assigned to a NGU, as well as space that is considered common or vacant, will be allocated as a budget item in each of those areas and funded through cost allocation.

Additional Model Elements: (1) Subvention. What is it and why does it exist? Subvention is a process to support RGUs with post-cost allocation deficits under the RCM model. The process is designed to recognize the important contributions a school/college makes to the University’s quality and mission that may not be financially self-supporting. The process creates a Subvention Reduction Plan that takes both structural (these are externally generated and are outside the control of the unit) and non-structural deficits (these are internally generated and can be addressed by the unit). The process is developed by the leadership of the school/college and is submitted to the Budget Planning Council as part of the annual budget development process. There is a built in incentive plan to encourage quicker deficit reduction/elimination.

(2) Strategic Funding are funds allocated to the President and Provost to be distributed to units across the University as a one-time or short-term (2 – 5 year) recurring commitments. A portion of these funds allocated to the Provost will be available to the school/college/divisions through a formal application process during the annual budget hearings. Recommendations for these funds will be made by the Budget Planning Council to the Provost. Once awarded, there will be monitoring of progress and accountability in meeting metrics to be reviewed annually. The funding source of these strategic initiatives will come from the state appropriation monies prior to allocation to the RGUs.

Q&A: Members of both committees asked questions and there was a lively discussion.

Contact Information: Jeff Bolton, email: jbolton@wayne.edu; Phone: 313-577-2027

2. After the presentation each committee approved their respective minutes of their last meeting as written. The meeting was adjourned at 3:05 pm.

3. Next meeting will be on March 20th, 2019 at 1:30 in 1270 FAB.

Best regards,
Bob Reynolds
Chair FSST
Professor
Computer Science
College of Engineering