

Report of the Budget Committee of the Academic Senate 2013-14

The Budget Committee met throughout the year during the week before the scheduled meetings of the Board of Governors. The Budget Committee dealt with a number of important issues that were subsequently acted upon by the Board of Governors.

1. **The Usual Agenda:** In the regular meetings, the Budget Committee discussed issues that would subsequently be presented in the BOG Budget and Finance Committee meeting. Vice-President Rick Nork, Vice-President and Provost Margaret Winters, and the University's Budget Officer, Associate Vice President Robert Kohrman attend each Budget Committee meeting, participate in the Committee's discussions and are available to answer questions. The Academic Senate has a voting representative, and an alternate representative, who are members of the BOG Budget and Finance Committee. Both representatives can discuss whatever comes up in the Committee, but only the voting representative can cast votes. The following is a sample list of issues dealt with by the Budget Committee:
 - a. Contingency Reserve (dealt with in each meeting)
 - b. FY 2015-2019 Five-Year Capital Outlay Plan
 - c. Chatsworth Apartments Life Safety, Technology, and Mechanical Systems Upgrades Budget Amendment
 - d. Student Center Building Renovation
 - e. Electrical Service Reliability Upgrade Projects
 - f. Purchasing Exceptions (dealt with in each meeting)
2. **The State Budget Process:** The University's Budget Officer, Associate Vice President Robert Kohrman made a presentation to the Budget Committee that outlined the manner in which the Governor's Office and the Legislature are using various indicators in assigning increases to the 15 Michigan Public Universities. He also provided the Budget Committee with comparative statistics on the budget results for these institutions. The state budgetary process a year ago was based on institutional metrics that resulted in a 0.29% increase for Wayne State University. Even the receipt of this amount was only to be provided if the University kept its tuition increase under 3.75%. The Board of Governors defied the Legislature, forewent the small increase, and increased tuition by 8.9%. The Budget Committee supported this tuition increase. This provided sufficient revenue so that dramatic cuts were avoided last year
The budget process has set WSU's state appropriation at a 4% increase, the lowest of any of the state universities. The coming year is likely to be a difficult one financially.
3. Medical School Tuition was another issue that evoked much discussion.
 - a. Tuition for the School of Medicine is amongst the highest in the country. The Liaison Committee on Medical Education (LCME) has raised the issue of high levels of student indebtedness in a recent report. Specifically, the LCME reported that the WSU SOM medical

students “is well above the national average for public medical schools... [and] [t]he amount of available scholarship and grant support has not kept pace, leading to the rising debt burden.”

- b. The response of the Administration was to recommend no increase in the tuition for the last academic year and to introduce a new approach to tuition increases for the coming academic year. The Administration recommended that for the coming year a 2% increase for medical students. It will be administered in the following way.
 - i. Year 1 students: No additional tuition rate increases for Year 2 to Year 4
 - ii. Year 2 students: No additional tuition rate increases for Year 3 to Year 4
 - iii. Year 3 students: No additional tuition rate increases for Year 4
 - c. After much discussion, the Budget Committee endorsed the Administration’s proposal, as did the Board of Governors in its May 2014 meeting.
4. **The Annual Budget Process** continued again this year. Budget hearings were held for each College and School. The committee was made up of the President, the Provost, the Vice-President for Finance, and a faculty member representative. This year the faculty representative was Professor Louis Romano, President of the Academic Senate.