Minutes, Budget Committee of the Academic Senate

Meeting of June 22, 2009 (as approved August 31, 2009)

Present: Muhammad Amjad, Donald DeGracia, Charles Elder, Tom Killion, Rob Kohrman (Liaison, Office of Budget, Planning and Analysis), Winston Koo, Richard Needleman (Liaison, AAUP-AFT), Charles Parrish, Frederic Pearson, Louis Romano, Linea Rydstedt, Vishwanath Sardesai, Assia Shisheva, Lothar Spang, William Volz (chair), James Woodyard

Invited guests: Nancy Barrett, Provost & Senior Vice President for Academic Affairs; John L. Davis, Vice President for Finance & Facilities Management.

Absent with Notice: Tom Killion

1. The meeting was convened at 10:30 a.m. The minutes for the meeting of June 8, 2009 were approved without objection.

2. Rob Kohrman of the Office of Budget, Planning and Analysis began the meeting by reporting that the Regents of the University of Michigan approved a 5.6% tuition increase for FY 2010 (a $600 increase for the freshmen) along with a 6.7% increase for U-M Dearborn and a 6.5% increase for U-M Flint. The Michigan State University Board of Trustees approved a 5.4% tuition increase for FY 2010 (approximately $540 more for freshmen).

3. Enrollment numbers for the Fall Semester 2009 continue to look good. Aggressive communication campaigns appear to have sparked a significant increase in our continuing graduate and undergraduate students participating in early registration for the Fall. Historically, about half of Wayne State students enroll for their Fall Semester classes in July and August. This large group is thought to have a substantial representation of part-time students, students with academic problems and those receiving financial aid. Last year, student enrollment from this group fell below projections in the last six weeks of the summer. So, Fall semester enrollment numbers will continue to be monitored closely.

4. The Chair reviewed the Budget Committee’s June 17, 2009 memorandum to the Policy Committee recommending a 6.9% increase in student tuition for FY 2010. The memo emphasized that the budget must be dedicated to strengthening of the University’s academic core, its instructional and research programs, and that the hiring of full-time tenure-track faculty should have the highest priority among future initiatives. Because the FY 2010 budget has a high probability of cuts, the memo recommended the following budget cuts or reallocations:

   a. Cut non-revenue generating activities peripheral to the University’s core academic function, e.g., athletics and WDET.
   b. Reduce administrative costs by freezing the salaries of the administrators and reducing the size of attachments.
c. Reduce the number of non-essential or redundant positions in the administration highlighted in the IPEDS data recently submitted by the university. The Office of Development and Alumni Affairs and the Dean’s Office in the School of Medicine received special mention.

d. Remove the President’s Research Enhancement funding from the budget and fund it from year-end monies and subject the President’s Strategic Initiative to the normal budget process and not consider it a recurring budget item.

A wide-ranging discussion followed. Support for the recommended tuition increase of 6.9% and the recommended cuts remained strong. Several committee members highlighted that focusing on the percentage of tuition increases blurs the increasing gap in tuition revenues between Wayne State University and the state’s other research universities.

5. Mr. Woodyard presented an Excel spreadsheet that highlighted the importance of the transfer of the Net Spring/Summer Revenues, ICR funds and the Law School and School of Medicine financial aid to the General Fund Budget of the Schools and Colleges. The Budget Committee voiced uniform support for his suggestion that the administration include the total funds from these three sources rather than the annual incremental changes in the base budget of the schools and colleges.

6. Because the tuition increase was the critical issues and the “Board Book” for the BOG Budget and Finance Committee to be distributed later in the week would have relatively straightforward roofing and other requests, the Committee decided not to meet on Monday preceding the July 1, 2009 Board meeting.

7. The meeting was adjourned at 12:10 p.m.

William H. Volz