



Budget and Finance Committee

June 22, 2023

Minutes

The meeting was called to order at 9:04 a.m. by Governor Barnhill in the Student Center Ballroom. Secretary Miller called the roll. A quorum was present.

Committee Members Present: Governors Barnhill, Gaffney, Kelly, Kumar and Stancato; Linda Beale, Faculty Representative and Jane Fitzgibbon, Faculty Alternate Representative; Hayden Johnson for Cordelia Krajewski, Student Representative and Huda Syed, Student Alternate Representative

Also Present: Governor Busuito; President Wilson; Provost Kornbluh, Vice Presidents Chamblee, Clabo, Ezzeddine, Hafner, Lindsey, Massaron, Poterala, Ripple, Schweitzer, Staebler, Stemmler, and Wright; and Secretary Miller

APPROVAL OF MINUTES, APRIL 28, 2023

ACTION: Upon motion made by Governor Stancato, and supported by Governor Gaffney, the Minutes of the April 28, 2023 meeting of the Budget and Finance Committee were approved as presented. The motion carried.

CONTINGENCY RESERVE

The contingency reserve had no activity to report.

In order to reallocate time on the agenda for items that have most pressing need, Governor Barnhill reordered the agenda to cover the informational items first.

INFORMATIONAL REPORT: MAJOR CAPITAL PROJECTS SUMMARY

AVP Davenport advised that the State Hall project is slightly behind, and will be extended by at least 2 weeks. The issue they are currently addressing is related to electrical gears, which distribute power on each floor. While distribution gears are installed and wired, shipping on the main gear has been delayed. There is a shortage of these parts throughout the industry, even on the rental side. They are working with C&IT to commission all the classrooms once there is electricity to the building.

President Wilson asked when the building is anticipated to open. Mr. Davenport advised that the date is not certain, and that conducting classes at the beginning of fall may be delayed. Provost Kornbluh advised that the registrar is working on contingency plans to schedule classes in different buildings. Mr. Davenport indicated that he will keep

everyone posted. Turning to the Valade project, he advised that the project will be complete in November. They are working firm with the contractor to hold that date.

President Wilson asked for an update on work commissioned on the DeRoy Auditorium pond. Mr. Davenport advised that the architect and engineering firm is set, and that they have spent time this spring testing the pond and the filtering equipment. The testing allowed the university to save money on replacing equipment and other extensive repairs that were originally proposed. While this slowed progression on the project, the university will reap benefits in the long run. Work should begin within the next 30 days.

PURCHASING EXCEPTIONS

VP Massaron asked if there were any questions on the report.

Professor Beale asked for an explanation of two items. On number 16, the PHOENIX Data Visualization Tool, she asked about the timeline on the self-learning aspect of the tool, and on number 17, she asked for information about the web-based software.

Mr. Doherty advised that the Data Visualization Tool is used to back up the Darkhorse tool, and to further enhance it and to continue the training. He advised that he will contact Dr. Levy for a status update about the tool. Regarding the second question, he advised that this is year 2 of a 3-year agreement and last year's spend on year 1 is what is in this meeting's report. The goal for a bid waiver is full disclosure and a full narrative for those in a multi-year agreement.

FY 2024 PARKING RATE RECOMMENDATION

VP Massaron summarized availability and distribution of parking spaces on campus, indicating that there are more than 12,000 parking spaces and 8 parking structures. The structures are the most difficult in terms of maintenance and operations. The department also manages the Wayne Rides and DART programs, on-campus leased vehicles, and parking violations.

One of the continuing challenges of the parking auxiliary, especially with its aging infrastructure, is deterioration. The auxiliary also faces continued revenue shortfall, and there is over-capacity based on need. The Walker Construction firm was engaged to produce a study of current status and needs in order to better maintain and preserve these assets. VP Massaron advised that it is more affordable for the university to keep assets in good shape, because as these assets age, there is an exponential increase in deterioration and costs.

In terms of factors impacting budget constraints, student parking rates were reduced in 2018 by 22% and the university eliminated a portion of the subsidy that went into the parking auxiliary. Overall, revenue is 19% lower than prior to the pandemic, with no ongoing budget available for structural investments. He advised that additional money is

needed to make investments on facilities and there are efforts underway to look for methods to accomplish this. They have identified 3 different components of a proposed solution.

The first is a recommendation for a very modest increase in rates. As part of that recommendation, and in collaboration with the Academic Senate and the Student Senate, a committee will be formed to explore the parking rate structure, the way parking is used and to build a collective solution moving forward. The second component is deferring maintenance, which is easier to accomplish on surface lots and more difficult in structures, which contain dry pipes that are used for firefighting, require maintenance and are expensive to maintain. The last component is reducing capacity and securing additional funding for investment into the structures. Looking at the history of parking rates, the net impact of the proposed rate increase for students is a rate that is 20% below what it was in 2017. The rates for the Mike Ilitch School of Business (MISB) parking garage reflect a private deal between the University and the garage owner, Olympia Development, which is a pass through.

President Wilson asked for a clarification of the recommendation. VP Massaron advised that the proposed rate for students is an increase of \$.25 cents for the premium and non-premium lots on the daily rate, an \$8 increase on non-premium semester permits, and a rate of \$9.75 on premium lots for students using their OneCard. The MISB rates are \$40 across the board in a pass through, which equates to an increase of about \$.75 cents a week for 3 passes a week or \$.50 cents a week for semester permits. There will be an increase of \$.50 cents on credit card visitors. The lease parking rates are for University affiliate and non-affiliate groups, and leases are at market rate. For employees, it will be an \$18 increase on semester permits for non-premium and \$25 for premium lots. The payroll deduction will change by \$4 for non-premium, \$6 for premium and \$8 for the reserve lots.

VP Massaron indicated that moving forward, there will be an effort to figure out the best system and work with Parking to address separating the traffic and logistical changes that the students have requested with respect to the use of particular lots for housing. Professor Beale asked about the feasibility and/or viability of constructing underground parking when new buildings are constructed. VP Massaron responded that underground parking is expensive to build and to maintain and he does not believe it make sense to pursue that option. Professor Beale suggested that it may be useful to conduct a survey to see if there is a relationship between student household income and use of parking. VP Massaron advised that type of survey has not yet been done, but may make sense for the future.

Governor Kelly asked if the Student Senate was consulted on how the students will be impacted. Ms. Syed advised that increases make it harder for students to pay for parking. She is a daily commuter, and commented that it is technically cheaper to commute every day than to live on campus. She suggested that more students may opt for online classes, or to stay home and use their local libraries to study, if parking rates continue to increase. Mr. Johnson agreed with Ms. Syed's response and noted that he has a car on

campus and suggested that it may make sense to separate on-campus residents from commuter students with regard to parking and parking schedules.

Governor Gaffney asked about the timing of the formal committee of students, faculty and administration that will be working on this issue, and whether that work will occur prior to the next increase. VP Massaron agreed that the committee will be formed and working before any future recommendations come before the Board. He added that a meeting with the Academic Senate is scheduled for the coming week. Professor Beale will identify faculty representatives and there will also be outreach to students, IT, and potentially the Provost, as there may be an impact on enrollment. In response to a question from Governor Gaffney on when the committee may be able to get started, Professor Beale commented that it may be at the beginning of the fall semester.

Governor Barnhill asked if there may be a Convias-like partnership that can manage these assets for the University. VP Massaron advised that it is something the University should explore. A partner may have more industry knowledge and connection. He added that in this type of partnership, the University should at least retain partial control.

ACTION: Upon motion made by Governor Kelly and supported by Governor Kumar, the Budget and Finance Committee recommended that the Board of Governors approve the FY 2024 parking rates as presented below. In summary, overall general parking rates are proposed to increase after remaining flat for four years. The motion carried, with a vote of 6-1.

A summary of the proposed parking rate increases is shown in the table below.

PROPOSED PARKING RECOMMENDATION:

Rate Classification	HISTORICAL & CURRENT RATES				FY2024 PROPOSED RATES	
	FY20	FY21	FY22	FY23	FY24	\$ Change
Credit Card (visitors) (possibly employees/students)						
Non Premium Rate	\$8.50	\$8.50	\$8.50	\$8.50	\$9.00	\$0.50
Premium Rate	\$9.50	\$9.50	\$9.50	\$9.50	\$10.00	\$0.50
Graduated Rates: \$2 - \$12	\$12.00	\$12.00	\$12.00	\$12.00	\$13.00	\$1.00
One Card Debit (students)						
Non Premium Rate	\$4.00	\$4.00	\$4.00	\$4.00	\$4.25	\$0.25
Rate Premium	\$5.00	\$5.00	\$5.00	\$5.00	\$5.25	\$0.25
Low Cost Lots (Lots 11, 12 & 14)	\$2.00	\$2.00	\$2.00	\$2.00	\$2.50	\$0.50
One Card Debit (employees)						
Non Premium Rate (employees)	\$7.50	\$7.50	\$7.50	\$7.50	\$7.75	\$0.25
Premium Rate (employees)	\$8.75	\$8.75	\$8.75	\$8.75	\$9.00	\$0.25
One Card Debit (visitors)						
Non Premium Rate (visitors)	\$8.50	\$8.50	\$8.50	\$8.50	\$9.00	\$0.50
Premium Rate (visitors)	\$9.50	\$9.50	\$9.50	\$9.50	\$10.00	\$0.50
One Card Debit (MISB ONLY)	\$9.00	\$9.00	\$9.00	\$9.00	\$10.00	\$1.00
Semester Permit (students)						
Non Premium Rate	\$222.00	\$222.00	\$222.00	\$222.00	\$230.00	\$8.00
Premium Rate	\$285.25	\$285.25	\$285.25	\$285.25	\$295.00	\$9.75
Semester Permit (employees, contractors & affiliates)						
Non Premium Rate	\$392.00	\$392.00	\$392.00	\$392.00	\$410.00	\$18.00
Premium Rate	\$495.00	\$495.00	\$495.00	\$495.00	\$520.00	\$25.00
Payroll Deduction (Monthly) (employees & GEOC contract students with 3 locations)						
Non Premium Rate	\$91.00	\$91.00	\$91.00	\$91.00	\$95.00	\$4.00
Premium Rate	\$114.00	\$114.00	\$114.00	\$114.00	\$120.00	\$6.00
Reserved Rate	\$167.00	\$167.00	\$167.00	\$167.00	\$175.00	\$8.00
Leased Parking (affiliate and non affiliate groups)						
Non Premium Rate (affiliates)	\$100.00	\$100.00	\$100.00	\$100.00	\$110.00	\$10.00
Premium Rate (non-affiliates)	\$125.00	\$125.00	\$125.00	\$125.00	\$136.00	\$11.00
MISB Payroll Deduction (Employees)						
Permit (one location)	\$135.00	\$135.00	\$135.00	\$135.00	\$145.00	\$10.00
Permit + 2 Non Premium	\$150.00	\$150.00	\$150.00	\$150.00	\$165.00	\$15.00
Permit + 2 Premium	\$175.00	\$175.00	\$175.00	\$175.00	\$190.00	\$15.00
MISB Semester Permit (Students & Employees)						
Permit (one location)	\$540.00	\$540.00	\$540.00	\$540.00	\$580.00	\$40.00
Permit + 2 Non Premium	\$600.00	\$600.00	\$600.00	\$600.00	\$640.00	\$40.00
Permit + 2 Premium	\$700.00	\$700.00	\$700.00	\$700.00	\$740.00	\$40.00

FY 2023-2024 TUITION AND FEE RATE RECOMMENDATION

VP Massaron called on Brelanda Mandija, Senior Director, Budget and Planning to join him for the presentations on tuition & fees, and budget.

VP Massaron began with the tuition presentation. He reported that the University's primary revenues are state appropriations and tuition and fees, the largest sources of revenue. Over the past 15 years, the University has become more reliant on tuition and fees as the state has made significant policy changes on funding. Enrollment continues to have challenges, and a 3% decline is projected going into fiscal year 2024. Several slides were presented that summarized revenues, including tuition and state appropriations. Although the state budget has not yet been adopted, VP Massaron expects that the state will set a limit on tuition levels for universities, which he anticipates will be 4.5%, or \$676. He noted that some institutions have set tuition levels above 4.5%. He added that since 2018, the university has seen a decline of 71,000 in total student credit hours, resulting in a net negative impact of \$44 million on the budget. During that same period, the University continued to see increases in overall expenditures, adding to budget constraints. Enrollment numbers have begun to pick up, and they anticipate a good year for First Time in Any College, or FTIAC's. He cautioned that a good year for FTIAC's does not necessarily mean a good year for enrollment, and that a smaller class following behind a large class must work its way through the system. Another positive impact is in the area of Master's students in Engineering, with encouraging numbers that could, over the long haul, benefit the institution dramatically.

The university's proposed recommendation calls for a 3.5% increase in tuition and fees. The actual impact on students is not 3.5%, however, because in December 2022, the institution restructured how tuition is charged. As a result, a full-time student at 15 credits in 2023, who took 15 credits in 2022, will pay \$200 less this year. The projected cost to the University of this restructure was \$1 million, but VP Massaron advised the overall restructuring of tuition was important to continue to build on President Wilson's student success efforts. Under the new structure, a student taking 12 credits, 15 credits or 18 credits will pay the same amount. A student who took 14 credits in 2022 and 14 credits in 2023 will see a 3.5% increase. Every other student will have a very differing experience based on how they decide the class-load that they are going to take. Additional aid is included for part-time study. He advised that this tuition restructure will differentiate the University, as tuition will drop below the average cost for tuition for Michigan public universities, and significantly below other R1s in the state, including the University of Michigan, Ann Arbor. Along with the tuition guarantee announced in the fall, incoming freshmen who have adjusted gross family income of \$70,000 or less, and meet the other requirements, can attend the University on a tuition-free basis and PELL grants are going up 3.5% to help them cover the additional associated costs.

Professor Beale indicated that there is university support for block tuition funding and today's proposed tuition increase. She added that there is a need to better communicate to students about how this benefits them and why. VP Massaron agreed. He advised that

the Student Senate specifically asked about the tuition calculator, which is now available, and provides students better access to tuition information, and registration data indicates that students are aware of this tool. VP Ezzeddine advised that the tuition calculator is part of new student orientation and registration reflects that current students have used it and are registering much earlier than they have in the past. He noted they are working with the advising teams to provide better information to students and highlight the benefits of the new tuition rates. The tuition calculator will turn on after tuition rates are approved, and will reflect a student's tuition cost based on how many credits they are taking and the program they are enrolled in. Provost Kornbluh advised that behavioral evidence shows that continuing students are also registering for more credits, taking a full schedule, and new students are registering at a record rate for full schedules.

Governor Stancato asked if data is available on successful distribution of financial aid. VP Massaron advised that there needs to be more scrutiny on the overall financial aid budget to try drive it more towards meeting the needs of students and being more efficient, and a consultant has been hired to review financial aid practices. Regarding student success, advisors have alerts in place to let the administrative level know if a student's needs are not met. Provost Kornbluh advised that a requirement of the new Michigan Achievement Scholarship is that the University not reduce financial aid. The scholarship will provide up to \$5,500 per student at Michigan's 15 public universities and colleges and lower the cost of college. He added that there will be a report next fall to the board that will show how the University made adjustments to financial aid to help students complete and to help students with emergencies.

Governor Kelly asked for the percentage of the undergraduate body that is full-time. VP Ezzeddine advised that 24% of the student body is part-time, adding that ongoing support services will be provided aimed at retaining students and making sure that they are performing well throughout their studies. Governor Kelly asked whether a student who attends full-time will graduate in four years. Provost Kornbluh advised that most students in the country do not graduate in four years, and the University's 4-year graduation rate has gone up dramatically over the last 5 years and will continue to grow. President Wilson advised that full-time does not necessarily equate to a four year graduation rate.

Governor Kelly asked whether a full-time student as defined will benefit after this tuition increase by paying less than other MPUs such as University of Michigan and Michigan State University. Provost Kornbluh advised that full time is defined by the federal government as 12 credits and the benefit of this tuition structure is recognized at 15 credits. Student success literature encourages a move more toward 15 credits. The Provost guaranteed that the 4-year graduation rate will increase dramatically over the next 5 years.

Governor Gaffney advised that he will make the motion to approve this recommendation for a number of reasons: the flat rate tuition saves money for many students; the scholarships inherent in the recommendation; because the increase will be below numerous other Michigan schools and less than the state cap; and because the budgeting process is getting better with more assistance to colleges, schools and departments.

ACTION: Upon motion made by Governor Gaffney and supported by Governor Stancato, the Budget and Finance Committee recommended that the Board of Governors approve the FY 2024 tuition rates and mandatory fees as presented. In summary, the flat rate tuition and fees for Wayne State University are increased by 3.5 percent for most undergraduates and 3.5 percent for most graduates and professional students, with the exception of School of Medicine and some part-time students. Tuition and fees for School of Medicine MD program students were previously approved by the Board of Governors in April.

A brief summary of the per semester tuition rate changes for a full-time resident student in general programs is shown below in Table 1. FY 2024 rates reflect the proposed 3.5% increase.

Table 1

WAYNE STATE UNIVERSITY FY 2024 TUITION RATE RECOMMENDATION			
Category & Level	Resident - Flat Rate (15 SCH)		
	FY 2023	FY 2024	\$ Diff.
Undergrad-Lower Division	\$ 6,466.35	\$ 6,246.49	\$ (219.86)
Undergrad-Upper Division	\$ 7,574.00	\$ 7,413.08	\$ (260.92)
Graduate (General Programs)	\$ 736.74	\$ 762.53	\$ 25.79

In terms of mandatory fees, Wayne State University requires all students to pay a registration fee (on a semester basis) and a student services fee (on a per credit hour basis). It is proposed that the registration fee increase by 3.5 percent for all undergraduate students and 3.5 percent for all graduate and professional students (excluding School of Medicine MD program students, who are charged a separate fee). The student services fee rate is proposed to increase by 3.5 percent for all undergraduates and 3.5 percent for graduate and professional students.

Table 2 details the specific changes for all Wayne State University tuition rates and mandatory fees for FY 2024. The Board of Governors, at the April 28, 2023 meeting, approved the tuition and fees for the School of Medicine's MD program. They are listed in the attached schedule for informational purposes only. Special rates might apply to specific programs as approved by the cohort pricing policy.

It is recommended that the Board of Governors authorize the President or his designee to adjust the rates for special programs or where otherwise appropriate.

It is also recommended that the Board of Governors authorize the President or his designee to modify the rates accordingly if the final State of Michigan tuition restraint is lower than 3.5%. The motion carried.

Table 2

Wayne State University Proposed FY 2024 Tuition and Fees						
Category and Level	Resident			Non-Resident		
	FY 2023	FY 2024	\$ Change	FY 2023	FY 2024	\$ Change
UNDERGRADUATE						
<u>Lower Division</u>						
<i>Education - General, Liberal Arts - General, Pharmacy</i>						
Rate per credit hour	431.09	519.46	88.37	987.39	1,189.80	202.41
Full Time (15 SCH/Flat Rate)	6,466.35	6,246.49	(219.86)	14,810.85	14,307.28	(503.57)
<i>Business, Education - Kinesiology, Engineering, Fine Arts, Liberal Arts - Public Health, Nursing</i>						
Rate per credit hour	460.83	555.30	94.47	1,017.15	1,225.64	208.51
Full Time (15 SCH/Flat Rate)	6,912.45	6,677.43	(235.02)	15,256.95	14,738.21	(518.74)
<i>Liberal Arts - Sciences</i>						
Rate per credit hour	438.49	528.50	90.01	994.89	1,198.84	203.95
Full Time (15 SCH/Flat Rate)	6,578.85	6,356.17	(222.68)	14,923.35	14,415.96	(507.39)
<u>Upper Division</u>						
<i>Education - General, Liberal Arts - General, Pharmacy</i>						
Rate per credit hour	511.60	616.48	104.88	1,176.44	1,417.61	241.17
Full Time (15 SCH/Flat Rate)	7,674.00	7,413.08	(260.92)	17,646.60	17,046.62	(599.98)
<i>Business, Education - Kinesiology, Engineering, Fine Arts, Liberal Arts - Public Health</i>						
Rate per credit hour	557.74	672.08	114.34	1,222.58	1,473.21	250.63
Full Time (15 SCH/Flat Rate)	8,366.10	8,081.65	(284.45)	18,338.70	17,715.18	(623.52)
<i>Liberal Arts - Sciences</i>						
Rate per credit hour	519.17	625.60	106.43	1,184.01	1,426.73	242.72
Full Time (15 SCH/Flat Rate)	7,787.55	7,522.77	(264.78)	17,760.15	17,156.30	(603.85)
<i>Nursing</i>						
Rate per credit hour	670.79	808.30	137.51	1,335.63	1,609.43	273.80
Full Time (15 SCH/Flat Rate)	10,061.85	9,719.75	(342.10)	20,034.45	19,353.28	(681.17)
<u>All Undergraduates</u>						
Student Support Fee (per credit hour)	41.06	42.50	1.44	41.06	42.50	1.44
Registration Fee (per semester)	255.32	264.26	8.94	255.32	264.26	8.94

Table 2 (continued)

Wayne State University Proposed FY 2024 Tuition and Fees						
Category and Level	Resident			Non-Resident		
	FY 2023	FY 2024	\$ Change	FY 2023	FY 2024	\$ Change
GRADUATE						
<u>Masters and Doctoral - all per credit hour</u>						
Business, Engineering, Information Sciences	855.09	885.02	29.93	1,714.14	1,774.13	59.99
Education - General	736.74	762.53	25.79	1,595.79	1,651.64	55.85
Education - Kinesiology	837.60	866.92	29.32	1,696.66	1,756.03	59.37
Engineering - GET Program	1,710.16	1,770.02	59.86	2,569.21	2,659.13	89.92
Fine, Performing Arts	773.58	800.66	27.08	1,632.63	1,689.77	57.14
Law	1,146.09	1,186.20	40.11	1,257.30	1,301.31	44.01
Liberal Arts	736.74	762.53	25.79	1,595.79	1,651.64	55.85
Medicine	912.73	949.87	32.12	1,732.55	1,793.19	60.64
Nursing	1,005.12	1,040.30	35.18	1,861.17	1,929.42	65.25
Pharmacy	837.60	866.92	29.32	1,696.66	1,756.03	59.38
Social Work	736.74	762.53	25.79	1,595.79	1,651.64	55.85
<u>All Graduates</u>						
Student Support Fee (per credit hour)	59.24	61.31	2.07	59.24	61.31	2.07
Registration Fee (per semester)	342.77	354.77	12.00	342.77	354.77	12.00
PROFESSIONAL						
Law - JD - all years	1,146.09	1,186.20	40.11	1,257.30	1,301.31	44.01
Medicine - MD - all years - annual						
Rate per SCH	737.00	759.00	22.00	1,281.00	1,319.00	38.00
Flat Rate	36,791.00	37,895.00	1,104.00	64,085.00	66,008.00	1,923.00
Pharmacy - Pharm.D - all years	837.60	866.92	29.32	1,088.88	1,126.99	38.11
Student Support Fees - Law, Pharmacy	59.24	61.31	2.07	59.24	61.31	2.07
Registration Fee - Law, Pharmacy	342.77	354.77	12.00	342.77	354.77	12.00
SSF - Medicine - Flat Rate -annual	1,422.50	1,540.00	117.50	1,422.50	1,540.00	117.50
Medical School Support Fee - annual	994.00	1,024.00	30.00	994.00	1,024.00	30.00

FISCAL YEAR 2024 GENERAL FUND AND AUXILIARY BUDGET

Next, Ms. Mandija began the presentation of the general fund and auxiliary fund budgets. An increase in revenue of about \$20.9 million is anticipated, driven by state allocations and assuming a 4% increase in allocations to Wayne State, which results in about \$8 million in revenue.

For expenses to align with revenues, the FY2023 structural deficit of \$6 million was addressed. Salary and benefit increases are expected to increase by \$13.5 million, with assumptions based on employee contracts as well as a 3% increase to the non-represented employees. Other expenses are expected to increase by \$20.7 million.

Major factors noted are the increase in debt service regarding the new School of Medicine building, deferred maintenance, and investment in critical facility needs. Also included are inflationary increases to utilities, insurance, and support to housing operations. Corvias conversations continue, and the capital campaign and the athletics arena are also part of this discussion. Ms. Mandija then discussed 2 solutions under consideration to address the \$19.4 million shortfall.

The first solution is to cover some of these expenditures with one-time funding by revising the carry-forward policy and using one-time funds for \$9.1 million of these expenses. The second solution is base budget reallocations from schools, colleges and divisions, realizing a total of \$10.3 million. The primary focus will be on vacancies and residual positions and other general expense savings.

The overall schedule of general fund revenues and expenditures is impacted by the increase in state appropriations of \$13.5 million dollars and a net increase in tuition revenues of \$4 million, which is based on a 3% expected enrollment decline and the tuition and fee rate adjustments. An expected increase in indirect cost recovery is due to an increase in grant activity following the pandemic. The overall increase in revenue will be 3% higher than FY2023. Expenditures are expected to increase by 2% overall.

VP Massaron took a moment to recognize the participation of the Student Senate in the budget process. The senate had representation at all 27 budget planning committee meetings, and he advised that their input impacts the recommendations that comes before the Board. Ms. Sved asked VP Massaron to draw a connection between how the money being allocated in the institution will improve the daily life of a student. VP Massaron highlighted the investments in facilities that will be made, with a significant increase to deferred maintenance that will be built into the base budget. Examples include items such as improving restrooms, the heating and cooling of facilities, improvements to the Chatsworth student area with a patio on the front of that building, and significant investments inside and outside of State Hall. He added that under the President's leadership over the last 4 or 5 years, there has been investment in student classroom space, including the opening of the STEM building. There have also been improvements in the De Roy auditoriums, with modern classrooms and updated technology. There will also be continued work to improve student life.

Professor Beale asked for further explanation of the divisional allocations, noting an increase in the General Counsel and President's budget, as well as impacts on the Provost's budget. VP Massaron advised that within the office of the President, the budget is flat to maintain both the ability to invest in strategic initiatives and make other investments as a new president comes in, and to maintain some level of flexibility going forward. With respect to the General Counsel's Office, the General Counsel is working on ongoing restructuring. In terms of the Provost's budget, a reallocation was made in 2024, based on actions in 2023 that the Provost took to support the re-organization of the School of Business. VP Massaron advised that the Provost felt it was important that his office be part of the base reallocations that were done for the schools and colleges. VP Poterala advised that the General Counsel's evaluation included some equity increases because the existing salaries were well below the 50th percentile used to establish salaries.

ACTION: Upon motion made by Governor Kumar and supported by Governor Stancato, the Budget and Finance Committee recommended that the Board of Governors approve the proposed FY 2024 General Fund budget, its projected revenues and expenditures, the budgets for individual university units and specifically funded programs, and the FY2024 auxiliary activity units, as summarized. With this approval, the Board of Governors authorizes the President to implement the budget management procedures, and budget-related policies, with such modifications as may be deemed necessary during the fiscal year. The motion carried.

Details of these budgets are as follows.

General Fund Budget
 Summary and Expenditures
 Fiscal Year 2024 (In Dollars)

FY 2023	FY 2024		
Approved	Recommended	Variance	
Budget	Budget	Dollars	%

Revenues

State Appropriations	208,424,717	221,957,877	13,533,160	6%
Net Tuition and Fee Revenues	416,371,464	420,816,032	4,444,568	1%
Indirect Cost Recovery	34,000,000	37,500,000	3,500,000	10%
Investment Income	5,100,000	5,100,000	0	0%
Gift and Endowment Revenue	3,800,000	3,800,000	0	0%
Rentals and Leases Revenue	1,145,892	1,145,892	0	0%
Other Revenues	7,597,623	7,600,101	2,478	0%
Total Revenue	676,439,696	697,922,905	21,483,208	3%

Expenditures

Schools and Colleges Divisions	221,941,717	225,538,190	3,596,474	2%
Student Financial Aid	171,096,011	170,597,834	(498,177)	0%
Central Accounts	97,543,361	97,572,919	29,558	0%
Other Expenses	184,501,381	196,853,195	12,351,814	7%
	7,355,286	7,360,767	5,481	0%
Total Expenditures	682,437,757	697,922,905	15,485,148	2%
Net Budget Surplus (Shortfall)	(5,998,060)	(0)	5,998,060	100%

The FY 2024 auxiliary budget includes an increase in general fund one-time support to Housing and Residential Life as a result of suspended Corvias' payments.

PROPOSED AUXILIARY FUND BUDGET FY2024

Category	FY 2023 Approved Budget	FY 2023 Projected Actual	FY 2024 Proposed Budget
REVENUES			
Beginning Net Assets	\$6,222.3	\$3,446.6	\$2,745.5
Operating Revenue			
Student Tuition and Fees	\$7,957.5	\$8,635.0	\$8,635.0
Auxiliary Revenues	\$23,986.3	\$24,851.3	\$22,536.5
Total Operating Revenue	\$31,943.8	\$33,486.3	\$31,171.5
Non-Operating Revenues			
Gifts Other	\$2,705.0	\$2,267.2	\$3,012.3
Total Non-Operating Revenues	\$3,472.4	\$0.0	\$0.0
TOTAL REVENUES	\$38,121.2	\$35,753.4	\$34,183.8
EXPENDITURES AND TRANSFERS			
Auxiliary Enterprises Compensation			
Operating Expenses	\$13,474.0	\$12,373.1	\$13,533.2
Expenditures	\$18,883.6	\$20,409.0	\$17,419.8
Transfers Out/(In)	\$32,357.5	\$32,782.1	\$30,953.0
Debt Service	\$7,734.8	\$7,734.8	\$7,700.9
Plant & Other	\$1,818.0	(\$2,688.3)	(\$2,358.6)
General Fund Support	(\$2,577.1)	(\$1,374.1)	(\$1,446.1)
Subtotal Transfers	\$6,975.7	\$3,672.4	\$3,896.2
TOTAL EXPENDITURES AND TRANSFERS	\$39,333.2	\$36,454.5	\$34,849.2
Operating Surplus / (Deficit)	(\$1,212.0)	(\$701.1)	(\$665.4)
Ending Net Assets	\$5,010.3	\$2,745.5	\$2,080.1

ADJOURNMENT

There being no further business, the meeting adjourned at 10:03 am.

Respectfully submitted,



Julie H. Miller
Secretary to the Board of Governors