

BUDGET AND FINANCE COMMITTEE

May 1, 2015

Minutes

The meeting was called to order at 9:03 a.m. by Governor Massaron in the Room FGH at the McGregor Memorial Conference Center. Secretary Miller called the roll. A quorum was present.

Committee Members Present: Governors Kelly, Massaron, Nicholson, Pollard, and Thompson; Andrea Sankar, Faculty Representative and Louis Romano, Faculty Alternate Representative

Committee Members Absent: Madhu Sanam, Student Representative and Diana Svinarich, Student Alternate Representative

Also Present: Governors O'Brien, and Trent; and President Wilson; Provost Winters; Vice Presidents Johnson, Lessem, Lindsey, Staebler and Wright; Associate Vice President James Sears and Secretary Miller

APPROVAL OF MINUTES, MARCH 27, 2015

Governor Thompson noticed that Governor Trent was listed as making motions at the March 27 meeting of the Budget and Finance Committee. Since Governor Trent is not a member of the Committee, Governor Thompson assumed this was in error. Secretary Miller indicated that the necessary corrections would be made to the Minutes.

The Minutes of the March 27, 2015 meeting of the Budget and Finance Committee were approved by acclamation, as corrected.

CONTINGENCY RESERVE

There were no requests for transfers from the Contingency Reserve, and the FY 2015 balance remains at \$220,000.

PROPOSED SCHOOL OF MEDICINE FY2016 TUITION RATES

Mr. Kohrman submitted the proposed FY 2016 tuition rates for the School of Medicine for consideration by the Committee. The School's rates must be approved earlier than the general rates or the University because their academic year begins earlier. The proposal represents a 2% increase for the incoming class only. The Year 2, Year 3, and Year 4 students will have no increase in tuition rates. The administration is also proposing a change to the Mort Harris Recreation Center fee that currently is a \$25 flat fee paid once a year. The fee would be incorporated into the Student Services Fee, which is paid per credit hour. Mr. Kohrman said it would have no impact on the tuition cap since the School of Medicine students do not participate in the tuition cap imposed by the state.

Governor Massaron called for a motion on the recommendation.

MOTION by Governor Kelly and seconded by Governor Nicholson that the Budget and Finance Committee recommend that the Board of Governors adopt a base tuition rate increase of 2.0% for the School of Medicine M.D. program for FY2016 for incoming students only.

Further, that the Student Medical School Support fee (annual fee) increase from \$823 to \$839.50 and the Student Service Fee (per credit hour) increase from \$22.50 to \$24.00. In addition, the Recreation and Fitness Center (RFC) Maintenance Fee, previously charged to all students, is recommended to be eliminated and will now be part of the Student Service Fee.

These new rates would be applicable to only Year 1 students enrolled in the M.D. program. All other M.D. students (Years 2 through 4) would continue to pay the FY 2015 tuition and fee rates. M.D. students (Years 2 through 4) will also have the Recreation and Fitness Center Fee eliminated as now it will be part of the Student Services Fee. The overall tuition and fee impact to the students will be 0% change.

Further, that the Committee recommend that the Board of Governors authorize the President or his designee to make adjustments to the rates for special programs or where otherwise appropriate.

The floor was open for discussion.

Professor Romano asked how much the tuition restraint will cost the University and whether the difference will be made up from cuts in the General Fund. Mr. Kohrman replied that freezing tuition for Years 2, 3, and 4 will result in a loss of \$750,000 in tuition revenue. The School of

Medicine is experiencing a very difficult time in budget reductions, as are all the schools and colleges. Because their tuition rates during the last couple of years have not increased on par with the rest of the University, they have not been able to cover their inflationary increases.

Professor Romano's second question dealt with student debt. The accreditation committee for the School of Medicine has stated many times that WSU's student debt is too high, and he asked what the specific figures are for both resident and non-resident students. Mr. Kohrman said WSU's debt for non-resident medical students is the 12th highest in the country. The average debt load for all students combined is \$149,000 compared to the national public medical school average of \$162,000. For resident WSU medical students, the average debt load is \$144,000, and for non-residents it is \$265,000. To address this problem, the administration assigned more financial aid to the School of Medicine. In addition, the School itself has utilized scholarships and the endowment fund, and the debt load numbers have decreased over the last several years.

Governor Massaron noted that at this time there will be no action taken on adopting a budget for the medical school, but the information has been valuable. He called for a vote on the above motion.

ACTION — Upon motion by Governor Kelly and seconded by Governor Nicholson, the Budget and Finance Committee recommended that the Board of Governors adopt the FY 2016 tuition rates for the School of Medicine as presented above. The motion carried.

CONSTRUCTION CONTRACTS

6241 Cass — Racer Trust Parking Lot Improvements

Engineering Research Laboratory Upgrades — Budget Increase Request

Scott Hall Roof Replacement

Mr. Sears of Facilities, Planning, and Management had recommendations for three construction projects. Governor Massaron suggested that Mr. Sears make the presentation on all three, after which the floor would be open to discussion and a vote taken on each recommendation.

The first recommendation involves a series of improvements to a parking lot purchased earlier in the year from the Racer Trust, with a project cost of \$650,000. The lot is located in TechTown and will serve the occupants of the iBio building.

Next, in June 2015 the Board approved \$1,000,000 worth of research laboratory improvements in the College of Engineering. A portion of that project has been implemented, but it has been determined that an additional \$1.5 million will be needed to complete all the improvements associated with the project.

Last, the penthouse roof of Scott Hall, which contains the building's mechanical equipment, needs to be replaced before water starts to infiltrate and causes other issues. The project value is expected to be \$550,000.

Governor Massaron opened the floor for discussion of each of the recommendations.

6241 Cass — Racer Trust Parking Lot Improvements

Governor Nicholson noted that the improvements would cost roughly \$10.50 per square foot, and asked how that compared with other paving projects. Mr. Sears admitted he could not answer on a cost-per-square-foot basis. The project is a fairly expensive rehabilitation of the lot, where the current pavement will be removed, followed by installation of all new subsurface drainage, whitening, all new asphalt, landscape amenities, and an appropriate fence. Several committee members joined the discussion. Mr. Sears said the wall on the north side of the site that abuts the railroad will be repaired as well. Specifically, the lot is located on the west side of Cass just south of the railway, and diagonally across the street from iBio. In response to Governor Pollard's question, Mr. Sears said the lot will be exclusively for WSU's use and not available to the general public. He further explained that a small lot in TechTown south of the charter school will soon be converted into a park, and those parking spaces will be lost. The iBio building will open after July 4, and the opening of the Racer Trust lot will fill a significant need for parking spaces.

Professor Romano noted that funding for the project is coming from the Parking Division's budget. He thought that parking would have been planned for the new building and a budget

worked into the construction costs. Mr. Sears explained that the only parking scope included in the iBio project is a small visitor's lot on the south side of the building. There were other lots in TechTown that would have satisfied iBio's parking needs for the meantime. However, the opportunity to purchase the Racer Trust lot came up after the iBio project began, just six months ago, and given the extensive development in that area, it was thought prudent to develop the parking lot for WSU's purposes.

ACTION — Upon motion by Governor Pollard and seconded by Governor Nicholson, the Budget and Finance Committee recommended that the Board of Governors authorize the President or his designee to proceed with the design, solicitation of bids and the award of contracts to complete improvements to the parking lot located at 6241 Cass Avenue (Racer Trust Lot) for a project cost not to exceed \$650,000. Funding for this project will be provided from the Parking and Transportation Services Auxiliary. The motion carried.

Engineering Research Laboratory Upgrades — Budget Increase Request

Governor Thompson asked how the budget for the renovations more than doubled during the past year. Mr. Sears replied that when the project was initially submitted a year ago, the one million dollars was recognized as only partial funding, and that additional design work would have to be completed on several laboratories in order to better understand the total budget requirements. Last year it was imperative that the clean room function located in the original engineering building be relocated into the adjacent EDC facility as soon as possible. The administration wanted to complete that portion of the work first, realizing that they would be seeking additional funding authorization at a later date.

ACTION — Upon motion by Governor Pollard and seconded by Governor Kelly, the Budget and Finance Committee recommended that the Board of Governors authorize the President, or his designee, to increase the project budget from \$1,000,000 to \$2,500,000 to complete the renovation and upgrade of eight research laboratories in the Engineering Building. Funding for this \$1,500,000 increase will be provided from the Depreciation Reserve (\$600,000), the Research Facilities fund (\$600,000), and the Office of the Provost (\$300,000). The motion carried.

Scott Hall Roof Replacement

There were no questions regarding the Scott Hall Roof Replacement, and Governor Massaron called for a vote.

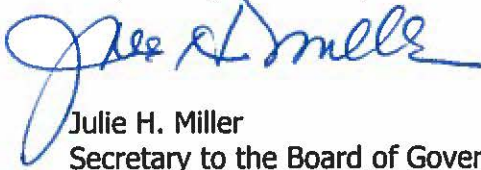
ACTION — Upon motion by Governor Pollard and seconded by Governor Thompson, the Budget and Finance Committee recommended that the Board of Governors authorize

the President, or his designee, to award contracts to replace the penthouse roof of Scott Hall for a project cost not to exceed \$550,000. Funding for this project will be from the deferred maintenance reserve which had a balance of \$2.9 million as of April 1, 2015. The motion carried.

ADJOURNMENT

There being no further business, the meeting adjourned at 9:22 a.m.

Respectfully submitted,



Julie H. Miller
Secretary to the Board of Governors