



Budget and Finance Committee

June 25, 2021

DRAFT - MINUTES

The meeting was called to order at 10:35 a.m. by Governor Barnhill via video conference. Secretary Miller called the roll. A quorum was present.

Committee Members Present: Governors Barnhill, Gaffney, Kelly, Stancato and Thompson; Paul Beavers, Faculty Representative, Linda Beale, Faculty Alternate Representative; Zachary Thomas, Student Representative, Tony DiMeglio, Student Alternate Representative

Also Present: Governors Busuito, Kumar, and Land; and President Wilson; Provost Clabo; Vice Presidents Burns, Cooke, Lanier, Lessem, Lindsey, Schweitzer, Staebler, and Wright; and Secretary Miller

APPROVAL OF MINUTES, APRIL 30, 2021

ACTION: Upon motion made by Governor Thompson, and supported by Governor Kelly, the Budget and Finance Committee approved the minutes of the April 30, 2021. The motion carried.

CONTINGENCY RESERVE

The administration submitted a request to fund a search for a Dean for the College of Fine, Performing and Communication Arts.

ACTION: Upon motion made by Governor Kelly, and supported by Governor Barnhill, the Budget and Finance Committee approved the proposed transfer of \$150,000 to fund the search for a Dean for the College of Fine, Performing and Communication Arts. The motion carried.

FY2021-2022 TUITION AND FEE RATE RECOMMENDATION

VP Cooke introduced Tamaka Butler, Senior Associate Vice President of Finance and Deputy Chief Financial Officer to present the FY2022 recommendation on tuition and fees rates. As background for the presentation and discussion, Ms. Butler began with a summary of the FY21 General Fund Budget and the current General Fund Budget projection for FY 22. General Fund revenues primarily consist of tuition and fees and State appropriations, which comprise 93% of the general fund budget. In FY 21, the general fund budget totaled \$670.6 million. Expenses for the same period were \$683.1 million, 65% of which were compensation costs. This resulted in a FY 21

budget shortfall of \$12.5m, which was covered with one-time funds. As this did not address the structural deficit, that shortfall will roll into FY22. The FY22 budget assumptions include a 2% non-base increase in state appropriations, a projected enrollment decline of 3% and a tuition and fee increase of 3.9%, recommended by the administration. With those assumptions, the University is anticipating State appropriations of \$4.5 million, tuition and fees of \$2.3 million, and an increase to institutional financial aid. With this proposed budget, the projected total increase in revenues is \$5.7 million for FY22. The current expense projection is \$35 million and includes items that increase each year - debt service, insurance, utilities and compensation increases. The net of the current revenue and expenses produces a budget shortfall of approximately \$29 million or 8% of the budget available for reduction.

Peer University comparisons of tuition and fee rates for Michigan Public Universities in FY21 ranked WSU 6th in the lower division and 4th in the upper division. FY22 rates recently approved by Michigan Public Universities range from 0% at the University of Michigan to 4.2% at Oakland University. Seven Michigan Public Universities have not yet approved their FY22 rates. Tuition and fees for Wayne State University have been consistently lower than both University of Michigan Ann Arbor and Michigan State University and has tracked more closely to the Michigan Public University average.

Following Ms. Baker's presentation, Governor Barnhill asked for a motion from the committee regarding the administration's recommendation on FY 22 Tuition and Fees.

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 2022 tuition rates and mandatory fees as presented below. In summary, the base tuition and fees for Wayne State University are increased by 3.9 percent for undergraduates and 3.9 percent for graduates and most professional students, with the exception of School of Medicine MD program students, previously approved by the Board of Governors in April. The motion carried, with a vote of 6-1. The full recommendation follows below.

A brief summary of the tuition rate increases for a resident student in general programs is shown in the table below:

Proposed 2022 Tuition and Fees

WAYNE STATE UNIVERSITY FY 2022 TUITION RATE RECOMMENDATION				
Category & Level	Resident - per Credit Hour			
	FY2021	FY2022	\$ Diff.	% Diff.
Undergrad-Lower Division	\$397.05	\$412.53	\$15.48	3.90%
Undergrad-Upper Division	\$471.19	\$489.57	\$18.38	3.90%
General Graduate Programs	\$678.55	\$705.01	\$26.46	3.90%

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 3.9 percent for all undergraduate students and 3.9 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 3.9 percent for all undergraduates and 3.9 percent for graduate and professional students (MD program is charged a rate based on their class level, approved separately).

A table will be included in the Proceedings of the Board of Governors meeting of June 25, 2021 with the details of all specific changes for all Wayne State University tuition rates and mandatory fees for FY 2022. The Board of Governors, at the April 30, 2021 meeting, approved the tuition and fees for the School of Medicine's MD program.

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 4.2%, as currently projected.

ORBITRAP ECLIPSE MASS SPECTROMETER TO ENABLE QUANTITATIVE MULTIPLEXED PROTEOMIC MASS SPECTROMETRY RESEARCH, EDUCATION, AND OUTREACH GRANT FOR WAYNE STATE UNIVERSITY

Vice President Lanier advised that the Orbitrap Eclipse Mass Spectrometer is awarded to WSU through a highly competitive shared instrumentation grant program from the National Institutes of Health. The full cost of the specialized instrumentation is fully provided through the grant award. This particular instrument is at the leading edge of technologies for tissue and disease biomarker analysis that will further enable discoveries through WSU's research programs across campus and expends the resources for student training and development that otherwise would not have been possible.

ACTION: Upon motion made by Governor Gaffney and supported by Governor Kelly, the Budget and Finance Committee recommended that the Board of Governors authorize the President or his designee, to approve a contract not to exceed \$1.29M to ThermoFisher Scientific to procure an Orbitrap Eclipse Mass Spectrometer which will be housed in the Proteomics Facility Core Laboratory, 2105 Scott Hall, Wayne State University. The motion carried.

GEORGE L. BEECHER HOUSE HVAC IMPROVEMENTS

VP Cooke called on Rob Davenport, Associate Vice President of Facilities, Planning and Management, to provide an overview of the project. The house was constructed in 1893, acquired by the University in 1968 and is on the National Registry of Historic Places. The current heating and cooling system for the building consists of a boiler and heat registers for heating and window air conditioners for cooling. There is no opportunity right now for managing air quality, temperature and humidity. An HVAC system similar to what is in place at the Tierney House would manage these systems, does not require traditional duct work, and thus would not impact the building's historical nature. While the source of funds listed is deferred maintenance, this project does qualify for HEERF funding.

ACTION: Upon motion made by Governor Kelly and supported by Governor Gaffney, the Budget and Finance Committee recommended that the Board of Governors authorize the President or his designee, to approve spending to design, solicit bids, and award contracts for the Beecher House HVAC Improvements located on 5475 Woodward Ave with a project cost not to exceed \$825,500. Funding for this project will be initially provided by the Deferred Maintenance Reserve. Since this project qualifies for the HEERF funding, the Deferred Maintenance Reserve fund will be reimbursed. The motion carried.

FY 2021-22 UNIVERSITY TRANSIT PASS

Vice President Ned Staebler presented an overview of a new transit program that will be included in the October 1, 2021 general fund budget.

VP Staebler advised that the transit plan was initially considered for implementation in 2020, but was delayed because of COVID. With the delay, the cost of the program has been reduced. The transit plan provides an opportunity for Wayne State students, faculty and staff to have unlimited free access to use DDOT, SMART, the QLine and MOGO services. He explained that the plan has been in development for several years while gauging demand and learning campus transit patterns. More than \$3 million dollars has been donated to the effort by SMART, DDOT, MOGO and others. VP Staebler also thanked the Provost and Interim Provost for funding they have provided during the development phase. He noted that feedback mechanisms have allowed them to measure the impact of the plan. The feedback received also informed the future implementation of the program which will include a unified card for all services. The transit pass will provide all WSU students and employees the opportunity to ride free on DDOT and SMART buses, the QLINE streetcar and MOGO bikes. Funds will come from a reduction in the University's shuttle service, which will be redundant as shuttle routes run on more frequent public transportation routes. Pre-pandemic estimates of riders were roughly 375,000 trips in an academic year, at a cost of \$750,000. A new baseline will need to be established for more accurate estimates of ridership in 2021-22. Without the transit pass, a single fare costs \$2.00; a 31-day pass is \$70. There will be funds available for marketing to advertise the program. While DDOT does not allow advertising on buses, there may be opportunity for Wayne branding announcing the partnership. VP Staebler commented that as a public institution, he believes the University has an obligation to support and invest in public transit.

Governor Thompson asked for clarification on how the reduction in shuttle buses, partially or fully, will affect the net increase in cost. VP Staebler noted that assessments will be ongoing with the measuring of ridership in the coming months. Professor Beale asked what amount will continue to be allocated to the shuttle services even with this provision. VP Staebler advised that there will be one less shuttle, and that he did not yet have a dollar amount, as costs are based on transit patterns. Governor Thompson asked about the program's impact on parking. VP Staebler advised that he has been in consultation with Jon Frederick, Director of Parking and Transportation, and they will be keeping an eye on parking and future revenue. Governor Kelly asked about the shuttle frequently used by Mike Ilitch School of Business students and whether they would have to now take public transportation. VP Staebler noted that they will take public transit, which runs much more frequently than the WSU shuttle, but the university will rethink the shuttle or another variation of the shuttle depending on demand.

INFORMATIONAL REPORT: MAJOR CAPITAL PROJECTS SUMMARY

The information report on major capital projects was presented. There were no questions.

PURCHASING EXCEPTIONS

The informal report on purchasing exceptions was presented. Professor Beale asked for clarification of the type of collaboration the University has with the faith-based Genetic Research Institute, and what the \$150,000 of purchases included. VP Lanier advised that this collaboration is a component of the University's broad longstanding effort for community engagement and outreach programs for research partnerships going forward. The funds are coordinated through the Population Studies and Disparities program in the NIH designated Comprehensive Cancer Center on campus for near term staffing needs and community-university research education sessions to seed program development and grant submissions. There were no further questions.

ADJOURNMENT

There being no further business, the meeting adjourned at 11:28 a.m.

Respectfully submitted,



Julie H. Miller,
Secretary to the Board of Governors