



Budget and Finance Committee

June 5, 2020

Special Meeting

MINUTES - DRAFT

The meeting was called to order at 9:12 a.m. by Governor Barnhill via virtual format. Secretary Miller called the roll. A quorum was present.

Committee Members Present: Governors Barnhill, Kelly, Kumar, Stancato and Thompson; Linda Beale, Faculty Representative, Paul Beavers, Faculty Alternate Representative; Jasmine Coles, Student Representative and Amina Khalique, Student Alternate Representative

Also Present: Governors Busuito, Gaffney, and O'Brien; and President Wilson; Provost Whitfield; Vice Presidents Burns, Cooke, Lanier, Lessem, Lindsey, Schweitzer, Staebler, and Wright; and Secretary Miller

APPROVAL OF MINUTES, MAY 1, 2020

ACTION: Upon motion made by Governor Stancato, and supported by Governor Thompson, the Minutes of the May 1, 2020 meeting of the Budget and Finance Committee were approved as submitted. The motion carried.

CONTINGENCY RESERVE

Interim VP Rebecca Cooke reported that there were no proposed transfers from the FY 2020 contingency reserve this month.

SCIENCE HALL ROOF REPLACEMENT

Mr. Davenport advised that Science Hall, located at the corner of Cass and Warren, was constructed in 1949. The building provides space for the Department of Nutrition and Food Science, several general purpose laboratory and lecture classrooms, and science storage. A partial roof replacement occurred in 2011, but other sections and elevations of the roof on the building require replacement. There is a comprehensive plan to replace the rest of the roof elevations with a complete tear off or a build-up system that will protect all of the areas directly below the roof.

Governor Thompson asked how much is in the deferred maintenance reserve and how the projects are prioritized.

Mr. Davenport advised that the reserve has approximately \$4 million for this fiscal year. The funds will be used for critical infrastructure needs that include roofing and elevator projects, which are of most concern. Part of those funds will also be utilized for the vivarium project and another critical project related to compliance concerns. Information is taken from the Site Lines deferred maintenance study to prioritize the spending plan. It is a study that was undertaken to determine the weak points within the building environment including mechanical/electrical/plumbing deficiencies, as well as building envelope deficiencies. Governor Thompson asked for the number of projects that were identified in the study and how were they prioritized. Mr. Davenport noted that after review of the report from Site Lines, a facility condition index score was developed. This is a more scientific way of looking at deferred maintenance and the University is a few months away from a final standardized approach. The team looks at deficiencies that tie back to roofs, elevators and some mechanical equipment that are critical in nature for the particular fiscal year. Projects are very limited in nature right now, primarily because of limited funding and the deferred maintenance category. At the top of the current list is the Science Hall roof, and the roof at Manoogian, elevator renovations and the vivarium project. On the billion dollar list there are literally hundreds of projects.

Governor Thompson asked whether classes are held in the building and for clarification of the funding allocation. Does the \$4 million balance end at the end of the fiscal year? Mr. Dadey confirmed that classes are held in the building and regarding funding, there is an annual allocation to deferred maintenance and if not spent, it carries over to the next year. Governor O'Brien asked whether projects will use up the entire \$4 million balance by August 30th. Mr. Davenport confirmed that will likely happen. Governor O'Brien then referred to the allocation of \$4 million for deferred maintenance allocated each year, and asked for the initial balance for the deferred maintenance that the division gets every year. Mr. Dadey noted that for the fiscal year 2020, that allocation was \$4.6 million, and the same amount will be allocated in the fiscal year 21 budget. The number fluctuates and can be reduced to balance the budget.

ACTION: Upon motion made by Professor Beale and supported by Governor Thompson, 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 replacement of Science Hall Building roof with a project cost not to exceed \$850,000. Funding for this project will be provided from the Deferred Maintenance Reserve. The motion carried.

SCOTT HALL VIVARIUM UPDATE

The building, located on Canfield, was constructed in 1968. It has 455,000 square feet of classroom, office, research labs and facility support spaces. The Vivarium itself is 10,000 square feet, and was expanded in 1985 and upgraded in 1997. This particular facility is accredited by the Association for Assessment and Accreditation of Laboratory and Animal Care and the University has been maintaining that accreditation since it was constructed. This particular space is not compliant, and has HVAC issues, problems around the bottle washing area and work space constraints. The previous \$500,000

dollars for funding was for schematic design, design development and construction documents and that information was used to develop this budget.

President Wilson noted that prior to the study, approximately \$5 million in repairs were estimated. The results of the study came in at a much higher amount, closer to \$7 million. Understanding the current financial situation, VP Lanier and the researchers worked really hard to identify the absolute minimum repairs needed to meet what is required for accreditation. Governor Thompson noted that the board materials list the funding sources, including the strategic initiative funds, but that fund is not listed on the material presented at the meeting. What are those funds? President Wilson advised that VP Lanier noted a shortfall of \$300 to \$350,000 in the project's funding sources and asked for assistance in finding funds to fill this gap. The Strategic Initiative fund is a discretionary fund under the President's purview that can be used in such cases. Governor Thompson asked why there was no notification of the change in the documents given to the board and the materials presented at the meeting. VP Cooke apologized for the error, and explained that the change occurred after documents had been finalized

Governor Thompson asked what animals are in the Vivarium, what happens to them, and for the remaining balance in the Strategic Initiatives Fund. President Wilson noted the animals are predominately mice and, in response to a separate question, there are no dogs. The balance of the fund is approximately \$100,000.

ACTION: Upon motion made by Governor Stancato, and supported by Governor Kelly, the Budget and Finance Committee recommended that the Board of Governors authorize the President, or his designee, to approve spending for construction documents, bid solicitation, and awarding construction contracts to make improvements to the Scott Hall Vivarium for a project cost not to exceed \$3,965,000. Funding for this project will be provided from the School of Medicine, the Department of Research, Deferred Maintenance, and Strategic Initiative Funds. The motion carried.

MAJOR CAPITAL PROJECTS

Mr. Davenport noted that all projects except for one are experiencing delays due to the COVID pandemic. The only exception would be the arena. The arena is on pace to be completed in September of 2021, primarily because it started early due to favorable weather conditions over the winter. Some projects are experiencing labor shortages as well. The Gateway project in particular is experiencing a shortage of electricians. Professor Beale asked about the STEM learning center, noting the interior completion date by June 30th and exterior completion by October 1st and asked whether the building is expected to be used in the Fall semester. Mr. Davenport noted that the occupancy permit is being issued towards the end of September and that is due to the six week delay due to the COVID pandemic. They are hoping to improve that date and will work with the academic side to understand the critical nature of making this building available for Fall semester. There is some flexibility, but details need to be worked out.

Governor O'Brien noted that on item 15, University Towers deferred maintenance and improvements, it says that Corvias is managing the work. She asked if that meant they are handling the bidding and the construction, and whether they are using union labor? Mr. Davenport confirmed that they are handling the bidding and construction, and that they typically use union labor, but he will have to confirm. Governor O'Brien had been previously informed, on another project, that non-union workers were used and mistakes were made. The union had to step in to fix the mistakes and the University had to pay twice.

Governor O'Brien asked whether the University ever received the money from the State for their portion of the STEM building. Mr. Dadey noted that the State has the last dollar in, and payment depends on how far along the expenditures are on that project. He will look into this issue and advise. Governor O'Brien asked for clarification on the use of the parking lot by the MDOT for bridge construction and the \$522,000 lost from that space. Mr. Davenport noted that the State of Michigan, MDOT, provided the University with the \$522,000, and the University pays the contractors as needed. The University will also receive a newly paved parking lot and refreshed parking equipment. The site is being used for MDOT construction staging and when done, they will assist in renovating that space.

PURCHASING EXCEPTIONS

AVP Ken Doherty advised that this is an informational report, and asked if there were any questions. Professor Beale asked how long the N95 masks supply is expected to last. VP Lanier noted that the supply is limited depending on demand and potential increase in infections going into the Fall semester. There is flexibility, with additional supplies in place. Mr. Doherty noted that 60,000 non-medical, washable and reusable cloth masks have been ordered. There will be a distribution of 20,000 (3 each) to all faculty and staff, housing has 12,000 on order and the Dean of Students, David Strauss, has 30,000 on order for the non-residential students. These are not N95 masks, they are the cloth masks that CDC recommends be used if individuals are not in a healthcare environment. Mr. Doherty noted the masks are Wayne State warrior branded and are available for the Board. Governor O'Brien asked whether, in these financially conscious times, communication has gone out university wide to limit purchases. Mr. Doherty noted that the President put out an email to the entire campus regarding limiting non-essential purchases. VP Miller will forward a copy of that email to the Board.

FY2021 TUITION AND FEE RATES

President Wilson noted that both the administration and the Board of Governors take decisions on tuition very seriously and those decisions are never entered into without a thorough review of their impact on students. The administration's recommendation is to freeze tuition rates for the upcoming year, basically because these are very challenging economic times, due to the Coronavirus. The University does not want to add to student's financial burden or deter anyone from enrolling. Many students work and go to school and

may have had their income disrupted due to the pandemic. The University also wants to give students as much certainty as possible in these uncertain times, and locking in tuition early and with no increase helps students to plan. Wayne State is already a great value. A freeze on tuition helps maintain that value and it is also consistent with other Michigan public universities who have announced plans to keep tuition flat. Given the uncertainty regarding employment opportunities and social distancing policies, now is an optimum time for students to focus on earning credits toward an undergraduate or graduate degree and to position themselves for future opportunities. A college degree is still the surest path to a healthy and prosperous life and a 0% tuition increase is added incentive. There will be significant impact on the University's budget in holding tuition flat. The University will spend the next several months reviewing the budget, discussing options with members of the campus community, and building a recommendation on the budget for the Board's consideration in September. Tuition will be one piece of building that budget, enrollment is another and there is hopeful news with enrollment as numbers are ahead of last year thus far. Strong enrollment will help offset the loss of dollars that would have been generated through a tuition increase. State appropriations are another component and the State is uncertain about its own budget. Cuts for next year are expected. Understanding the potential consequences of a tuition freeze and the uncertainties that lay ahead, the University remains committed to this tuition freeze and to the work ahead for the next several months.

VP Cooke presented several informational charts detailing tuition revenue over time and the amount of money used for financial aid. Financial aid that comes directly out of the general fund is the tuition money that is given back to students in the form of aid. Over the last five years net tuition revenue has only increased 2%.

Wayne State's tuition tracks closely to the average of tuition across the state's schools. For this year, Wayne State is just below University of Michigan and Michigan State and just above everyone else. From what is known thus far about the other schools' tuition decisions, Central Michigan University, Michigan State University, Oakland University, Saginaw Valley State University, and Western Michigan University have all either actually approved a tuition freeze or have announced that they are planning to vote on a tuition freeze. So far, the only school that has voted for an increase is Michigan Tech. VP Cooke then provided a list of remaining institutions that have not yet made a decision or announced a decision on tuition rates.

Governor Kelly asked, with respect to the pending schools, whether the University believes some of them will continue with the same tuition next year. VP Cooke indicated that she did not know what is likely to happen. President Wilson advised that the likelihood, just from conversations, is that most of the pending or at least some will freeze tuition. Governor Kelly noted that if the University raises tuition, it would be among the minority of the Michigan public universities. VP Cooke agreed, then presented charts with information on cost of attendance for Wayne State students. In response to a question from Professor Beale, VP Cooke confirmed that all fees will stay the same.

Governor Thompson noted that the proposal says that the tuition will remain the same for undergraduate and graduates and most professional students. She asked, excluding the

medical school, will every other professional school tuition remain unchanged? VP Cooke confirmed that, other than the medical school, the tuition for the other professional schools remains unchanged.

ACTION: Upon motion made by Governor Kelly and supported by Governor Thompson, the Budget and Finance Committee recommended that the Board of Governors approve FY 2021 tuition rates and mandatory fees as presented below. In summary, Wayne State University will freeze FY 2020 rates for FY 2021. Tuition and fee rates will remain unchanged for undergraduates and graduate and most professional students, with the exception of School of Medicine MD program students, previously approved by the Board of Governors in May 2020.

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

WAYNE STATE UNIVERSITY FY 2021 TUITION RATE RECOMMENDATION				
Category & Level	Resident - per Credit Hour			
	FY 2020	FY 2021	\$ Diff.	% Diff.
Undergrad- Lower Division	\$397.05	\$397.05	\$0.00	0.00%
Undergrad- Upper Division	\$471.19	\$471.19	\$0.00	0.00%
Graduate (General Programs)	\$678.55	\$678.55	\$0.00	0.00%

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 remain unchanged from FY2020 rates for all undergraduate students and all graduate and professional students (excluding School of Medicine MD program students, who are charged a separate fee). The student services fee rate is also proposed to remain unchanged from FY2020 rates for undergraduates and for graduate and professional students (MD program is charged a rate based on their class level, approved separately). The table at the end of this document details the specific changes for all Wayne State University tuition rates and mandatory fees for FY 2021. The Board of Governors, at the May 1, 2020 meeting, approved the tuition and fees for the School of Medicine's MD program. They are listed in the schedule for informational purposes only.

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

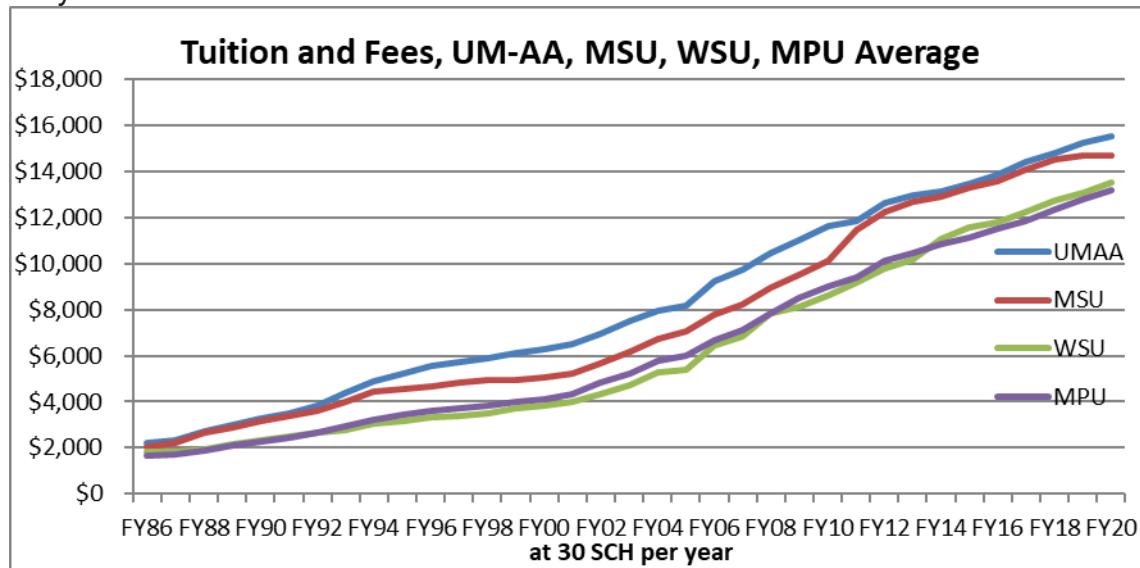
In terms of total tuition and fee cost for resident lower division students, a student taking a full semester load of 15 credit hours will experience a 0 percent increase.

The following table summarizes the total tuition and fee amounts per semester at various credit hour load levels:

Resident Lower Division Undergraduate (Tuition and Fees)	FY 2020	FY 2021	Change	Change per Week (based on 15 weeks / semester)	% Change
Per Credit Hour per Semester	\$670.03	\$670.03	\$0.00	\$0.00	0.00%
3 Credit Hours per Semester	\$1,539.77	\$1,539.77	\$0.00	\$0.00	0.00%
6 Credit Hours per Semester	\$2,844.38	\$2,844.38	\$0.00	\$0.00	0.00%
12 Credit Hours per Semester	\$5,453.60	\$5,453.60	\$0.00	\$0.00	0.00%
15 Credit Hours per Semester	\$6,758.21	\$6,758.21	\$0.00	\$0.00	0.00%

Wayne State University Tuition and Fee Rates vs. Other Michigan Public Universities

Wayne State tuition has tracked the median for the Michigan public universities (MPU) for many years. In some years the MPU average has exceeded Wayne State's undergraduate tuition and fee rates. Over the last several years, Michigan State's tuition and fees have tracked much closer to the University of Michigan than Wayne State.



It is further recommended that all current differential tuition rates will remain unchanged from FY 2020 rates for undergraduates and for most graduate and professional students, as shown on the proposed FY 2021 tuition and fees chart at the end of this document. No new differential tuition rates are proposed at this time. There are no additional tuition and fee recommendations.

Wayne State University Proposed FY 2021 Tuition and Fees								
Category & Level	Resident				Non-Resident			
	FY2020	FY2021	\$ Change	% Change	FY2020	FY2021	\$ Change	% Change
Undergraduate - Lower Division								
Tuition Rates								
All Schools (other than listed below)	\$397.05	\$397.05	\$0.00	0.0%	\$909.40	\$909.40	\$0.00	0.0%
Business	\$424.44	\$424.44	\$0.00	0.0%	\$936.79	\$936.79	\$0.00	0.0%
Kinesiology - Education	\$424.44	\$424.44	\$0.00	0.0%	\$936.79	\$936.79	\$0.00	0.0%
Engineering and CLAS - Sciences	\$403.97	\$403.97	\$0.00	0.0%	\$916.31	\$916.31	(\$0.00)	0.0%
Fine, Performing and Communication Arts	\$424.44	\$424.44	\$0.00	0.0%	\$936.79	\$936.79	\$0.00	0.0%
Public Health - CLAS	\$424.44	\$424.44	\$0.00	0.0%	\$936.79	\$936.79	\$0.00	0.0%
Nursing	\$424.44	\$424.44	\$0.00	0.0%	\$936.79	\$936.79	\$0.00	0.0%
Mandatory Fees								
Student Services Fee - all undergrads (per credit hour)	\$37.82	\$37.82	\$0.00	0.0%	\$37.82	\$37.82	(\$0.00)	0.0%
Registration Fee (per semester)	\$235.16	\$235.16	\$0.00	0.0%	\$235.16	\$235.16	(\$0.00)	0.0%
Other Student Fees (per semester)								
Engineering Support Fee - Lower Div., Full-Time	\$100.00	\$100.00	\$0.00	0.0%	\$100.00	\$100.00	\$0.00	0.0%
Engineering Support Fee - Lower Div., Part-Time	\$50.00	\$50.00	\$0.00	0.0%	\$50.00	\$50.00	\$0.00	0.0%
Sciences Support Fee - Lower Div., Full-Time	\$50.00	\$50.00	\$0.00	0.0%	\$50.00	\$50.00	\$0.00	0.0%
Sciences Support Fee - Lower Div., Part-Time	\$25.00	\$25.00	\$0.00	0.0%	\$25.00	\$25.00	\$0.00	0.0%
Honors Support Fee - Lower Div., Full-Time	\$50.00	\$50.00	\$0.00	0.0%	\$50.00	\$50.00	\$0.00	0.0%
Honors Support Fee - Lower Div., Part-Time	\$25.00	\$25.00	\$0.00	0.0%	\$25.00	\$25.00	\$0.00	0.0%
Undergraduate - Upper Division								
Tuition Rates								
All Schools (other than listed below)	\$471.19	\$471.19	\$0.00	0.0%	\$1,083.52	\$1,083.52	\$0.00	0.0%
Business	\$513.68	\$513.68	\$0.00	0.0%	\$1,126.00	\$1,126.00	\$0.00	0.0%
Kinesiology - Education	\$513.68	\$513.68	\$0.00	0.0%	\$1,126.00	\$1,126.00	\$0.00	0.0%
Engineering and CLAS - Sciences	\$478.16	\$478.16	\$0.00	0.0%	\$1,090.48	\$1,090.48	\$0.00	0.0%
Fine, Performing and Communication Arts	\$513.68	\$513.68	\$0.00	0.0%	\$1,126.00	\$1,126.00	\$0.00	0.0%
Public Health - CLAS	\$513.68	\$513.68	\$0.00	0.0%	\$1,126.00	\$1,126.00	\$0.00	0.0%
Nursing	\$617.81	\$617.81	\$0.00	0.0%	\$1,230.13	\$1,230.13	\$0.00	0.0%
Mandatory Fees								
Student Services Fee - all undergrads (per credit hour)	\$37.82	\$37.82	\$0.00	0.0%	\$37.82	\$37.82	\$0.00	0.0%
Registration Fee (per semester)	\$235.16	\$235.16	\$0.00	0.0%	\$235.16	\$235.16	\$0.00	0.0%
Other Student Fees (per semester)								
Engineering Support Fee - Upper Div., Full-Time	\$350.00	\$350.00	\$0.00	0.0%	\$350.00	\$350.00	\$0.00	0.0%
Engineering Support Fee - Upper Div., Part-Time	\$175.00	\$175.00	\$0.00	0.0%	\$175.00	\$175.00	\$0.00	0.0%
Sciences Support Fee - Upper Div., Full-Time	\$100.00	\$100.00	\$0.00	0.0%	\$100.00	\$100.00	\$0.00	0.0%
Sciences Support Fee - Upper Div., Part-Time	\$50.00	\$50.00	\$0.00	0.0%	\$50.00	\$50.00	\$0.00	0.0%
Honors Support Fee - Upper Div., Full-Time	\$50.00	\$50.00	\$0.00	0.0%	\$50.00	\$50.00	\$0.00	0.0%
Honors Support Fee - Upper Div., Part-Time	\$25.00	\$25.00	\$0.00	0.0%	\$25.00	\$25.00	\$0.00	0.0%

(table continued on next page)

Wayne State University Proposed FY 2021 Tuition and Fees								
Category & Level	Resident				Non-Resident			
	FY2020	FY2021	\$ Change	% Change	FY2020	FY2021	\$ Change	% Change
Graduate Programs								
Tuition Rates								
All Schools (other than listed below)	\$678.55	\$678.55	\$0.00	0.0%	\$1,469.75	\$1,469.75	\$0.00	0.0%
Business, Engineering, Information Sci.	\$787.55	\$787.55	\$0.00	0.0%	\$1,578.75	\$1,578.75	\$0.00	0.0%
Kinesiology - Education	\$771.44	\$771.44	\$0.00	0.0%	\$1,562.64	\$1,562.64	\$0.00	0.0%
Global Executive Track - Engineering	\$1,575.09	\$1,575.09	\$0.00	0.0%	\$2,366.29	\$2,366.29	\$0.00	0.0%
Fine, Performing and Communication Arts	\$712.47	\$712.47	\$0.00	0.0%	\$1,503.68	\$1,503.68	\$0.00	0.0%
Law (Graduate Programs)	\$1,055.56	\$1,055.56	\$0.00	0.0%	\$1,158.00	\$1,158.00	\$0.00	0.0%
Medicine	\$845.26	\$845.26	\$0.00	0.0%	\$1,595.71	\$1,595.71	\$0.00	0.0%
Nursing	\$925.72	\$925.72	\$0.00	0.0%	\$1,716.93	\$1,716.93	\$0.00	0.0%
Pharmacy and Health Sciences	\$771.44	\$771.44	\$0.00	0.0%	\$1,562.64	\$1,562.64	\$0.00	0.0%
Mandatory Fees								
Student Services Fee - all graduates (per credit hour)	\$54.56	\$54.56	\$0.00	0.0%	\$54.56	\$54.56	\$0.00	0.0%
Registration Fee (per semester)	\$315.70	\$315.70	\$0.00	0.0%	\$315.70	\$315.70	\$0.00	0.0%
Professional Programs								
Tuition Rates								
Law (JD Program) 1st, 2nd Year and Unranked	1,055.56	1,055.56	\$0.00	0.0%	1,158.00	1,158.00	\$0.00	0.0%
Law (JD Program) Final Year	1,035.87	1,035.87	\$0.00	0.0%	1,138.31	1,138.31	\$0.00	0.0%
Medicine (MD Program) 1st, 2nd and 3rd Year - Per Credit Hour	681.00	712.00	\$31.00	4.6%	1,227.00	1,258.00	\$31.00	2.5%
Medicine (MD Program) 4th Year - Per Credit Hour	681.00	712.00	\$31.00	4.6%	1,417.00	1,258.00	(\$159.00)	-11.2%
Medicine (MD Program) 1st, 2nd and 3rd Year - Annual Flat Rate	34,039.00	35,571.00	\$1,532.00	4.5%	61,414.00	62,949.00	\$1,535.00	2.5%
Medicine (MD Program) 4th Year - Annual Flat Rate	33,210.00	35,571.00	\$2,361.00	7.1%	69,109.00	62,949.00	(\$6,160.00)	-8.9%
Pharmacy (Pharm.D Program) All Years	771.44	771.44	\$0.00	0.0%	1,562.64	1,562.64	\$0.00	0.0%
Mandatory Fees								
Student Services Fee (per credit hour) Law, Pharmacy	54.56	54.56	\$0.00	0.0%	54.56	54.56	\$0.00	0.0%
Student Services Fee (per credit hour) MD All Years	26.00	27.00	\$1.00	3.8%	26.00	27.00	\$1.00	3.8%
Registration Fee (per semester) Law, Pharmacy	315.70	315.70	\$0.00	0.0%	315.70	315.70	\$0.00	0.0%

The motion carried.

ADJOURNMENT

There being no further business, the meeting was adjourned at 9:59 a.m.

Respectfully submitted,

Julie H. Miller
Secretary to the Board of Governors