



Budget and Finance Committee

December 2, 2022

Minutes

The meeting was called to order at 10:05 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, and Thompson; Linda Beale, Faculty Representative and Jane Fitzgibbon, Faculty Alternate Representative; Ibrahim Ahmad, Student Representative and Cordelia Krajewski, Student Alternate Representative

Committee Members Absent: Governor Stancato

Also Present: Governors Busuito, Kumar, and Land; President Wilson; Vice Presidents Burns, Ezzeddine, Poterala Massaron, Lanier, Schweitzer, Staebler, and Wright; and Secretary Miller

APPROVAL OF MINUTES, SEPTEMBER 30, 2022

ACTION: Upon motion made by Governor Thompson and supported by Governor Kelly, the minutes of the September 30, 2022, Budget and Finance Committee were approved as presented. The motion carried

CONTINGENCY RESERVE

The Contingency Reserve had no activity to report.

BLOCK TUITION STRUCTURE

Vice President Massaron advised that the discussion of this proposal to reform the university's current tuition structure is the culmination of work that the Provost, and his team, and VP Massaron and his team have been working on for the past year. That work has included meetings with the Academic Senate, the Student Senate and all of the Deans across campus, and is part of initiatives discussed to increase student success

To illustrate the concept of block tuition, VP Massaron advised that if a student were to take 11 or fewer credits they would pay by the credit and if that student took credits

between 12 and 18, it would be one block/fixed price. In the university's current tuition structure, students pay by the credit hour. The block tuition proposal preserves the existing lower and upper division rates, the resident and nonresident rates and the tuition differentials, which exist in multiple ways across the fee structure. He advised that this structure does not save the university money, and that ultimately, if the proposal is adopted, the University will have to have to spend money in additional financial aid. The timeline for the transition in the proposal is that the block rates will be effective Fall 2023, applying to the Fall 2023, Winter 2024 and Spring/Summer 2024 semesters

The plan includes additional financial aid awards to be made available for part time students to alleviate some of the costs pressures this structure has for students attending less than full-time. Statistics show that across all of the University programs that students taking 9 to 11 credits were most unlikely to graduate and the goal as an institution, under the president's leadership, is to improve these statistics, and this is a next step. This is an investment in the students and in student success.

In terms of additional support services that might be needed, VP Ezzeddine advised that students taking additional classes may need additional support to manage their additional coursework load. These services include access to the Academic Success Center through the Warrior 360 program and block scheduling which will be described more fully later in the meeting.

VP Massaron advised that in order for the university to implement the necessary changes and complete the considerable work required for this transition, a decision on whether to move forward with this proposed change needs to be made now. The offices involved include not only the Financial Aid office, the Registrar's office, and the Bursar's office, but the academic units as well. VP Massaron recommended that the Board adopt the motion to transition to Block Tuition in the rates to be presented this summer. He added that certain programs will be exempted from this structure, or have a modified structure. Those modifications may take the form of additional financial aid or reduced rates.

An example of a program where modifications would be warranted is in the College of Nursing, where certain tracks encourage students to take only 9 credits. Those students will still have that option and will receive increased financial aid. Another example is a student on probation, who may be encouraged to take fewer credits as they developed the baseline skills and receive success coaching needed to be successful. He advised that the board will be given nuanced programmatic elements with the proposal in the summer.

Provost Kornbluh added that research shows that students who take a full load actually get better grades than the students who take a smaller load. He stated Wayne State will be the 11th Michigan Public University to move to Block Tuition and added that Michigan State made that move a few years ago. He believes that this structure is the path for the university to go from 60 to 70% graduation rates, and implement best practices to support student success. He added that the policy related to this block

tuition structure is based on the input of the Academic Senate and Student Senate and he expressed his appreciation to them for the time they spent on the process.

Governor Thompson thanked the administration for explaining the block tuition program. She asked if there is was a way of projecting the 60 to 70% graduation rate increase, and what the impact could be over the next 5 years. VP Massaron added that when the Provost discussed how to improve graduation rates, his focus was on moving the 32% of students who currently take 12 to 13 credit hours up to the 15 credit hour range. VP Ezzeddine added that the focus is also on the 24% of students who begin as full time, remain full time and continue to make progress. Provost Kornbluh advised that this is an incredibly good time to be making this change, with the state moving from providing the lowest levels of support for students with financial need to one of the highest. VP Ezzeddine added that it will also allow for programs to offer credit bearing internships that are not currently offered due to the cost to the students. Paid internships prevent students from also having to worry about working to pay their tuition.

Governor Kelly asked about the impact similar universities experienced with the model and asked when the impact in graduation rates could be seen. Provost Kornbluh advised that the impact could be seen in 4 years. The intervening variable may be the two years of a pandemic class that would impact the 60% because there were many incentives for students to leave. The largest impact will begin with this incoming freshman class. While additional financial aid from the state will be available for incoming freshmen, it will not be available for sophomores, juniors, and seniors. Institutional aid will be an offset to help existing students graduate. The hope will be that graduation rates will stay around 60 to 62% over the next three years and then begin to increase.

VP Ezzeddine advised that Eastern Michigan University did not see any negative impact by implementing block tuition last year and they did not incorporate any of the incentives that Wayne State is planning. From a cost benefit, this will drop the tuition costs for Wayne State University from 4th to 10th for lower division and 7th for Upper Division among University peers.

Governor Kelly asked about efforts to communicate the plan to the community and stakeholders and what type of buy-in has been received. Provost Kornbluh responded that the staff, especially those who work in student success, responded with a standing ovation, and the Academic Senate has been advocating for this. The Student Senate was generally very supportive in a large meeting. He advised that weekly conversations will continue through the fall. He added that this change will also make the tuition and financial aid system more transparent to students and parents and it agreed that it will require a lot of communication. There has been no negative feedback from any of the stakeholders.

Governor Kelly asked about the expected negative feedback from the students who could not take more credits because of their personal situation. Provost Kornbluh advised that in most cases, there will be an offset that could include additional financial

aid. There will also be additional communication with the advisors to make sure the students' schedule is in their best interest and that financial issues will not impact their success. VP Massaron agreed with Governor Kelly that some students will be upset, but reiterated that the hard statistics show that students taking 9-11 credits are significantly more likely to not graduate, and to end up with additional debt. Professor Beale advised that one of the key issues for Academic Senate was the additional financial aid and the acknowledgement that there will need to be some exceptions. She noted that appropriate support, either through financial aid or an exception in some way is needed. As long as the University provides that type of financial support to make it more possible for students to succeed, she believes this is a much better approach to tuition.

Student Representative Ishmael Ahmad advised that some of the same concerns were raised at the Student Senate, but it was the view of the majority of those on Student Senate that this program will be beneficial to the university and lead to increasing graduation rates for the overall student population.

Governor Barnhill asked VP Ezzeddine what the communication roll-out will be, and whether any additional resources will be needed to support that communication plan for students. VP Ezzeddine advised that they have been working with the marketing team to create awareness of the program for current and prospective students. Those plans will be ready to roll out, once approval for the tuition plan is received. He added that part of the reason for requesting approval at this time is to put that communication plan in place well in advance of the implementation of the new tuition structure next June.

Governor Gaffney commented that he supports this change, although he was skeptical at first. He believes that there could be as many as 5000 students who will have a significant adjustment to this, as they currently take the lower level of credits. He urged that these students be tracked and don't leave the University due to inadequate explanation of the new tuition structure. Provost Kornbluh advised that students with economic needs will not see any significant increase because their financial aid is based on cost of attendance and will be offset. The students who will see a negative impact have more economic resources and the University will be paying attention to them as well.

Governor Kelly expressed concern that this change could provide an incentive for colleges to expand courses hours, for example from a 2 hour into a 3 hour course, with the effect of giving students a net of less education.

Provost Kornbluh advised that changes made to credit hours will not be made to give students a net of less education but an increase in areas where students will benefit. He gave the example of a recommendation from the American Mathematical Association that calculus be taught at four or five credits. The University teaches it at 3 credits because the math department cares about students and does not want to charge them more money. This is the type of area that will be examined. Under President Wilson's leadership, we made a commitment that degrees need to be around 120 hours. In expanding the credits for some of these lower-level courses, the majors will have to

adjust. There will be no expansion of the total number of credits required. He added that there will be meetings scheduled with the leadership of each college and with the whole faculty in January to discuss those educational implications.

Governor Kelly asked VP Massaron whether, if the program was adopted, there would be a potential increase to the amount received from the legislature because of the University graduation rate, and could that offset the net effect. She asked if that was the motivation for this program.

VP Massaron advised that it was not his motivation. He noted that the legislature did care about the metrics instituted by Governor Snyder and that they have moved away from graduation rates. He advised that the University demonstrating its ability to continue to have success, particularly among Pell students and first generation students, is more important. VP Lindsey noted that the legislature has not used metrics in the last three budget cycles and had they used them, the University would not have been rewarded as it should have been. He noted that the messaging about increased graduation rates has been well received by lawmakers and the block tuition structure is a better fit within the context of a better presentation for Wayne State in Lansing.

ACTION: Upon motion made by Professor Beale and supported by Governor Thompson, the Budget and Finance Committee approved the adoption of the proposed Block Tuition Structure. The motion carried.

3T PRISMA FOR NEUROSCIENCE RESEARCH GRANT FOR WAYNE STATE UNIVERSITY NATIONAL INSTITUTES OF HEALTH S10 OD028724-01

VP Stemmler advised that proposal before the committee is for an instrument funded from a grant from the National Institute of Health. The grant was put together by several faculty and Provost Kornbluh. This equipment will complement an existing instrument that is 12 years old, with dated technology, but brought in about \$4,000,000 a year in research funding, and over the 12 years, about \$50 million. He advised that this instrument will bring in new capabilities that will span the entire university with users from the Institute of Gerontology to the Med School, to engineering, to the CLS.

Governor Thompson asked what research the instrument will be used for. VP Stemmler advised that it covered research from addiction studies to aging studies and brain scans.

ACTION: Upon motion made by Governor Thompson 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 \$3.23 million to Siemens Prisma to procure a 3T PRISMA scanner, a modern 3T human magnetic resonance imaging system (MRI) which will be housed in the MR Core Research Facility at Wayne State University. The motion carried.

UPDATE ON ELEVATOR MAINTENANCE

VP Massaron advised that he heard the concerns expressed across the University about elevator maintenance and repair, and wanted to take some time to provide an update and to share the data driven approach that they are shifting to in facilities planning and management. He introduced Rob Davenport, Associate VP for Facilities, for the report.

Mr. Davenport advised that there have been a lot of changes in the past few years related to elevators, and one of the most important going forward is a change in the maintenance company servicing elevators for the university, to Kone, made in January 2021. Kone provides a live interactive dashboard, which gives the university up-to-date and current information on the state of the elevators. Mr. Davenport explained that there are 25 elevators on 24/7 live feed and those elevators automatically report any problems and a response is initiated for service calls when a problem is reported. The dashboard showed that over the last 6 months there were more than 800 preventative maintenance events and 75 repairs were noted..

In 2021, when the Kone program took hold, the campus was not nearly as populated as it is today. As the population returned to campus in July and August, service calls dropped, and the repairs became less frequent, so the trend is moving in a positive direction. For the last six months, at least through September, Mr. Davenport reported that trend continued. He believes this is attributed to a good preventive maintenance program and the response time from the Kone and maintenance teams. He advised that funding for elevators over the last few years was more than \$12 million, which has helped immensely to bring greater reliability across the university. Looking to the future, Mr. Davenport advised that elevator upgrades in the next five years will be significant, with \$2.5 million dollars allocated for 2023 alone, and that number could increase. He cautioned that the amount of work completed relies on the availability of vendors and labor market and resources available, and added that there will be more to come as the five-year capital plan was finalized.

Mr. Davenport next reviewed a chart with some facts about elevators on campus. There are 165 elevators across campus, and elevators break down on average at least 4 times a year, with each breakdown taking an average of 4 hours to be fixed. The ideal "uptime" to strive for is 99.5%, and over the past 6-8 months, the update for Wayne State averaged 90%. He believes the new service providers and management plan are working well. Professor Beale asked for clarification on how the number of calls corresponded to the number of elevators on campus. Mr. Davenport clarified that the numbers provided on the chart in question represent a snapshot in time where an elevator could be down for 5 minutes or two weeks, depending on the issue. The dynamic occurs in how many are running at a moment in time versus how many elevators are on campus.

Professor Beale then asked about number of elevators that had been not useable for a period greater than a month, in the last year. Mr. Davenport advised that the number

was in the 10% range. There are 15 elevators under some sort of modernization or repair that went beyond a day or were project based.

Governor Kelly noted that the elevators do not all have the same usage. She advised that it will be helpful to know how much downtime was experienced for the elevators that are the most used.

Mr. Davenport advised that he will put those statistics together, but his preliminary information identifies Old Main, FAB and Anthony Wayne Drive which have had elevators experiencing a lot of problems, and the numbers are not favorable.

Professor Beale asked about the planned projected work for prioritization of those projects. Mr. Davenport advised that prioritization will come by way of frequency of use and the type of machine. Elevators with motorized relays are the priority and there are 25 of those. VP Massaron advised that there are some exceptions to this process, and as an example, indicated that with the completion of the engineering of the Art building, the elevator was finished to comply with the Americans with Disabilities Act and not necessarily because of frequency of use.

HELEN L. DERoy AUDITORIUM REFLECTING POOL REPAIR

Mr. Davenport advised that the next project for consideration is for repairs to the De Roy reflecting pool, with a proposed completion date by the end of July 2023. The restoration includes cleaning the reflecting pool itself and the bridges on either side of the building, and cleaning up the grounds and the concrete and hard surfaces around DeRoy. Professor Beale asked about sources of funding for this project; Mr. Davenport advised that the DeRoy Foundation has expressed some interest.

VP Massaron advised that normally a project would not be presented before funding was in place. However, maintenance provided up to this point has not been up to standards, and in order to get foundation support for this type of project, there needs to be basic deferred maintenance and other types of investments in the building to help rebuild that relationship with partners that support this building.

Vice President Burns noted that the DeRoy family is watching closely and are interested in the building's legacy, and the DeRoy name on campus. They potentially can provide some support but want to make sure the university is committed to keeping that structure intact. Mr. Davenport advised that the reflecting pool also serves as a roof for the classrooms below and those rooms are affected during heavy rain events. Governor Thompson asked about the evaluations that were done in 2012 and then in 2020 and wondered why this has taken so long to come forward, and how it fits into the university's priorities? VP Massaron advised that there are two pieces to that question. First, he believes that the university needs to provide fuller insight into its strategy to address maintenance and capital investments. In terms of capital investments, there has been dramatic and substantial investment in the STEM building, for example, and

the University is also in the process of improving its largest classroom space, State Hall, which is immediately adjacent to the building under discussion.

In terms of prospective students, it is important to realize that the condition of DeRoy is less than desirable next to those restored structures which will not leave a good impression on the general community. And as mentioned before, the pool also serves as the roof of basement classrooms that are in use and subject to water leaks from the pool. Delaying repairs could further deteriorate the steel work on the bridges.. The project is at an emergent state given the exposed steel , and the leaks in the basement.

Mr. Davenport advised that campus maintenance has been improving and the draft of the five-year plan will look at the DeRoy reflecting pool and other mechanical/electrical concerns that are important to address, along with other competing interests. Mr. Ahmad asked if there is a target amount that is expected from the DeRoy Foundation. Mr. Davenport advised that there is not. VP Burns advised that there have been discussions, and that the most expected would be \$1,000,000 for this project and that is on the high side. With no further questions, the following action was taken.

ACTION: Upon motion made by Governor Gaffney and supported by Professor Beale, 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 repairing the Helen L. DeRoy Auditorium reflecting pool located on 5203 Cass Avenue with a project cost not to exceed \$2,000,000. Funding for this project will be provided by the Deferred Maintenance Reserve and an expected contribution from philanthropic sources.. The motion carried.

INFORMATIONAL REPORT: MAJOR CAPITAL PROJECTS SUMMARY PURCHASING EXPCEPTIONS

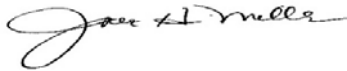
Governor Barnhill advised that in the interest of time, he asked if there were any questions from the committee on the two informational reports. There were none.

Governor Gaffney thanked Mr. Davenport for the work and the report on the elevators, and commented that it provides concrete evidence of the work being done every day.. President Wilson added that he was very pleased that two projects the committee acted on have been goals of his since he arrived at the University, the adoption of block tuition, and repairs to the DeRoy Reflecting pool, and he added his appreciation for the Board's support of those projects.

ADJOURNMENT

There being no further business, the meeting adjourned at 11:06 am.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Julie H. Miller".

Julie H. Miller
Secretary to the Board of Governors