



## Budget and Finance Committee

April 28, 2023

### Minutes

The meeting was called to order at 9:47 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 Stancato; Linda Beale, Faculty Representative and Jane Fitzgibbon, Faculty Alternate Representative; Cordelia Krajewski, Student Representative and Hayden Johnson, Student Alternate Representative

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

### APPROVAL OF MINUTES, MARCH 8, 2023

**ACTION:** Upon motion made by Governor Stancato and supported by Governor Kelly, the minutes of the March 8, 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.

### AUDITED FINANCIAL STATEMENT

VP Massaron invited Ms. Tamaka Butler, Senior Associate Vice President of Finance & Deputy Chief Financial Officer, to present a report on the annual audit conducted on the university's financial statements.

Before beginning her report, Ms. Butler advised that the university's financial statements were audited by Plante Moran and the partner, Katie Thornton was present at the meeting to take questions. Ms. Butler then began with fiscal year 2022 highlights from the audited financial statement audit. questions.

Plante Moran issued a clean opinion on the University's financial statements, which is the highest form of assurance that can be provided by an external audit firm.

She reviewed several of the changes from FY 2022 compared to FY 2021. Revenues, expenses and changes in net position for the combined University and Foundation during this period, saw total combined revenues of \$860 million for fiscal year 2022. That represented a decrease of \$193 million compared to fiscal year 2021. Total expenses saw an increase of \$42.2 million for a total of \$926.9 million dollars at September 30, 2022. The net of the two resulted in a net decrease of \$66.9 million. Compared to the prior year amount, this represents a change of approximately \$235.6 million in total net position.

The combined University and Foundation highlights for fiscal year 2022 included an increase in operating revenues of \$32.1 million with a decline in net tuition and fees; gross tuition and fees were \$4.8 million. This was partially offset by a decline in scholarship allowances of about \$2.8 million. There was an increase of \$23 million in grants and contracts revenue, and department auxiliaries saw an overall increase of about \$11 million. Ms. Butler attributed this to winding down of the Covid 19 pandemic restrictions and a return to campus in 2022. Non-operating and other revenues saw an overall decrease of about \$225.5 million, attributable to a decline in investment income, specifically the unrealized loss in 2022 compared to unrealized gains in 2021 for both the University and Foundation. Ms. Butler noted that the Federal Economic Relief Fund had an increase of \$16.7 million related to the higher education emergency relief fund's final component of the total awards in fiscal year 2022.

Operating expenses had an overall increase of about \$48.5 million. There was a decline in compensation and benefits, and an increase in scholarships expenses of about \$23.5 million related to the final component of the Federal Economic Relief funds. With the realization of the final component for student financial awards in 2022, and the \$6 million student debt forgiveness expensed in fiscal year 2022, there was an increase in supplies and services of \$26.6 million attributed to the return to campus. There was also an increase in those corresponding revenues.

There was an increase in research, grant and auxiliary activity and some operating maintenance funds. Ms. Butler noted that the increase of \$26.6 million was below the fiscal year 2019, pre-Covid amount for this category. The total net position saw a decline of \$66.9 million. The Foundation's net position decreased \$61.4 million. The net decrease for the university is \$5.5 million, however, if there had not been a loss investment income, there would have been an increase in fiscal year 2022's net position.

Governor Kelly asked for an explanation for the decrease in revenue for the Foundation. VP Massaron advised that although there was an increase in investment income, there was also an unrealized loss, which was the market value as of September 30.

Governor Gaffney asked if increases in unrestricted funds and unrestricted net position were due to inflows of federal and state monies. Ms. Butler confirmed that these were due to the HERF funds coming in in fiscal year 2022 that influenced the unrestricted net

position of September 30. Governor Barnhill then asked for a summary of the story behind the report's numbers in terms of the overall financial position of Wayne State University.

Ms. Butler advised that the activity for fiscal year 2022 would have had a positive result without the unrealized loss from investment income. Operating expenses outpaced operating revenues, but the University was returning to pre-Covid numbers on the revenue side and maintaining expenses. The decrease in compensation and benefits indicates that they have been holding and managing numbers closely since Covid. VP Massaron then thanked his team who worked on the report and Ms. Butler for all her hard work on analyzing the numbers.

### **ANNUAL REPORT ON LONG-TERM INVESTMENT (ENDOWMENT)**

VP Massaron introduced Bethany Gielczyk, Senior Associate Vice President of Finance and Deputy CFO, to present the report. Ms. Gielczyk advised that the annual report on long-term investment, the endowment is managed by the Wayne State University Foundation and their Investment Committee. VP Massaron explained that the Foundation Investment Committee is a broad network of diverse experts and recognized former BOG member Denise Lewis for her work on the committee. Her commitment and the Foundation's commitment to DEI in broadening both the participation in and on the Foundation board is reflected in the report.

Ms. Gielczyk explained that the Foundation Investment Committee manages the University endowment assets. They engage with an outsourced Chief Investment Officer, from the Common Fund. The Common Fund is in the second full year of managing the portfolio and as part of that transition, the board approved a new investment policy statement last fall, in November. The primary focus on that change in investment policy was a change in asset allocation. The largest change was a reduction in the diversified pool, which dropped from 18 to 10% and an increase in equities, which increased from 52 to 60%. She added that there were changes within each of those asset classes as part of that policy change.

A major piece of that investment policy change was to drive long-term growth. The previous target was inflation plus 5% and that has been increased to inflation plus 5.5%. Pursuant to long-term growth, the policy change included a move to a larger proportion of illiquid assets in order to get that larger growth over time. Data through February of 2023 was presented on previous losses, more than half of which were recouped this fiscal year.

Endowment performance is exceeding its benchmark. The updated policy also include a provision indicating that the University will provide comparison information for universities with like-size endowments, utilizing data from NACUBO's, (the National Association of University Business Officials) annual endowment study.

Professor Beale asked whether, given University focus on social mobility and access, there is room for the Foundation investments to focus on companies that have good ESG

policies. Ms. Gielczyk advised that it will be part of the conversation at the next Investment Committee meeting. She added that they are also working with the Common Fund to talk about what the firm is doing already, and what is built into their ESG policy. Governor Barnhill asked that the board be kept updated on those talks.

Governor Gaffney asked about page 6 of the report regarding total investments. He asked whether the statement "The Foundation's endowment portfolio continues to grow and provide funds to support the University's mission" is referring to scholarships. Ms. Gielczyk confirmed that it did mean scholarships and advised that the Investment Committee analyzes the balances, and a recommendation is brought to the board for funding to support scholarships, endowed professors, and other items supporting the academic mission. VP Massaron added that the Foundation has a broad array of dollars that are used for every different type of mission across the institution. Governor Gaffney then asked about the percentage that is used for scholarship assistance for students. VP Massaron advised that scholarships are the largest portion and that a report will be prepared for the Board, so that they can see these allocations by category.

#### **TREASURY UPDATE: ANNUAL INVESTMENT UPDATE**

VP Gielczyk next presented the Annual Investment Update, which focuses on the cash pool investment program. She explained that the cash pool is the University's working capital, and that the Board approved a new asset allocation policy, which governs the cash pool, in 2018. The university uses New England Pension Consultants (NEPC) and an OCIO (Outsourced Chief Investment Officer) to oversee the funds. Ms. Gielczyk advised that this is the fifth full year under the new asset allocation policy and the current and actual policy are in alignment.

Going on, Ms. Gielczyk explained that bond proceeds are drawn down for whichever project they are allocated to, and that the University recently received the first \$50 million allocation for the School of Medicine project from the State of Michigan, and that will be held as part of the cash pool and tracked separately. The investment policy statement has a benchmark index for each asset type and the funding is invested in three separate ways, for a balanced portfolio. The first year is cash equivalent, the second is fixed income, and the third is a revenue generating portion, at just over \$600 million total.

Governor Barnhill asked about the circumstances that led to the new asset allocation, the objective and whether it should be revisited. Ms. Gielczyk advised that the goal of the 3-tiered investment strategy in a non-competitive environment was to generate more income on that overall balance while also maintaining both liquidity and conservative cash availability. VP Massaron added that the strategy needs to be revised and there will soon be a new AVP for Treasury who will take the lead. Governor Kelly noted the yield was 3% and asked for the current rate of inflation. Ms. Gielczyk advised that as of February for the current year, it was 6% and the overall goal for the fixed income strategy was not to keep up with inflation.

## FY 2023-2024 CAMPUS AND HOUSING ROOM AND BOARD RATE

Ms. Gielczyk next presented the update and recommendation on campus housing and room and board rates for the coming year. She reminded the Board that the University does not have a requirement to live on campus and that the University must provide students with quality services to remain competitive in the external market. The University has not resumed pre-pandemic revenue generating levels in campus housing and expenses are increasing. Some of the costs that previously would have been borne 100% by the Auxiliary funds are now being covered by General Funds. Before bringing any recommendation on rates forward to the Board, the University first negotiates with its public/private partner, Corvias. Current campus housing occupancy has not returned to the pre-pandemic levels. One dorm is closed, and the occupancy level at the Anthony Wayne Drive Apartments is approximately 67%, and 90% in the unfurnished apartments, which mirrors that in Midtown.

The Board delegated the authority to the Corvias partnership to set annual room rates as long as they were equal to or below 3%. This is the first year that as part of that negotiation, the University has created differentiated rates, approved by the Executive Review Committee of that partnership, and nothing exceeds 3%. The partnership agreed to keep rates for all of residence hall rooms, and the dorm-style rooms at 0% both in an effort to address cost containment and attract additional occupancy. Anthony Wayne Drive has higher demand suites and apartments and rate increases for those units range between 1.5 and 2.5%, closer to market. The unfurnished apartments are competitive with the overall Midtown market and are increasing 3%.

On the board side, inflation has impacted both food and labor in the dining costs. Food overall through February was up 9.5% over a year ago and there have been conversations about quality with Aramark; the Student Dining Advisory Committee will be revived. A potential rebranding in general of Wayne State dining is also under consideration..

Ms. Gielczyk advised that the 2020 contract extension with Aramark included KPIs with targets for the company to hit or face fiscal risk. That provision was postponed as part of the pandemic, but will be reimplemented. Customer satisfaction with catering and dining, and a focus on increasing retail sales and overall marketing will be stressed. Last year, the University's board rates went up just over 3% and the University's costs went up 6% and dining absorbed that balance. This year, given the inflationary increases, the administration's proposal is 4.25 % increase on the 3 mandatory meal plans, higher rates for smaller bases and higher rates on voluntary plans. The University will experience a 7.5% in increase. The dining auxiliary service line will absorb that differential while absorbing less than what the overall inflationary costs have been over this year.

Residential hall room rates increases will be 0%. A typical 1<sup>st</sup> year room and board benchmark package, assuming these proposed dining rates, will go up \$180, or about 1.65%, well below average, which has been in the 3 or 4% range. A higher class of room, such as a Chatsworth-type suite with a voluntary plan will go up \$184 or a 1.65%.

President Wilson asked for information about the Michigan State University rate increase that they just adopted. Ms. Gielczyk advised that Michigan State approved an increase of 7% across the board for cost of attendance for new students and are holding rates flat for returning students. Governor Kelly asked where the Wayne State University stands in relation to other MPUs for 2023. Ms. Gielczyk advised that MSU is the only University reporting at the time and date of today's the meeting, and added that even if other universities end up in the 3% range, that overall average should surpass Wayne State University and place WSU below the state-wide average for room and board..

Governor Gaffney asked when a survey was last done to solicit the student population's views on the food service in general. Ms. Gielczyk responded that a survey was done the year before Covid but will resume as part of the KPI process, and the next survey will be done in Fall 2023. In response to a question from Governor Gaffney about Aramark's contract renewal, Ms. Gielczyk advised that the Aramark contract was renewed through 2025. Governor Gaffney asked if current Aramark employees could be rehired if the University ends its contract with Aramark. VP Massaron advised that there would be great effort to keep continuity there. Provost Kornbluh advised that there have been ongoing conversations with Aramark regarding quality standards and that they will be formulating a plan for next year that will also assist in getting housing back on track.

Governor Kelly asked about reasons why students are not coming back to housing. Ms. Gielczyk advised that a consultant has conducted student surveys on this matter, and the responses include affordability, students taking fewer classes in person, a preference for suite style rooms where students do not have to share, and the overall student experience.

Ms. Dunham noted there are fewer students to recruit from as there are fewer returning residents in the past few years. She reported that a \$1000 incentive is in place for students who are currently living on campus and will return to one of the more traditional residence hall-style rooms. She commented that that has paid off double the amount that the consultants initially thought it would with an uptick in applications for returning residents to the residence hall-style rooms. Governor Kelly asked if she had any predictions for the upcoming year. Ms. Dunham advised that the University is ahead in the number of applications received, with about 340 applications received campus-wide. About 240 of those are returning to residence hall-style rooms. She added that the cancellation deadline is June 30. VP Massaron advised that there are many plans being implemented to drive up occupancy.

VP Staebler added that the apartments in Midtown are generally full but retail and restaurants are struggling with lack of daily workers in the community and less student traffic with dorms underutilized. He noted that the Provost, CFO and Dean of Students and others recognize that a general revitalization of campus will help solve these problems and there is an entire committee working on that. This fall there will be a big kickoff and a lot of different activities undertaken to try to drive more people on campus 24/7 to revive that pre pandemic feeling, but it will take a few years for that to work. Governor Barnhill advised that the Board should take some time to visit and experience living and eating in the dorms.

**ACTION:** Upon motion made by Professor Beale and supported by Governor Stancato, the Budget and Finance Committee recommended that the Board of Governors approve the FY 2024 board rates, as shown in the tables below. As proposed, all meal plans increase between 4.26 and 5.88%. The motion carried.

Note: In 2017, the Board of Governors delegated the authority to the Corvias-WSU Housing Partnership to set annual room rates at 3.0% or less without further Board approval. Because the 2023-24 room rate increases range from 0% to 3%, no Board action is required.

### Room Rates

		<b>2022-23</b>	<b>2022-23</b>	
		<b>Annual</b>	<b>Annual</b>	<b>Increase</b>
<b>Ghafari &amp; Atchison Halls</b>				
Single Occupancy room with private bath		\$9,259	\$9,259	0.0%
Large Single Occupancy room with private bath		\$10,232	\$10,232	0.0%
Double Occupancy room with private bath		\$7,008	\$7,008	0.0%
Triple Occupancy room with private bath		\$5,968	\$5,968	0.0%
<b>The Towers Residential Suites</b>				
	<b>Suite Types</b>			
Double Occupancy room with shared bath	A	\$7,340	\$7,340	0.0%
Single Occupancy room with private bath	E and G	\$9,860	\$9,860	0.0%
Double Occupancy room within a suite	B and C	\$8,146	\$8,146	0.0%
Single Occupancy room within a regular suite	C, D and F	\$8,407	\$8,407	0.0%
<b>The Thompson Suites</b>				
Single Occupancy room with shared bath		\$9,562	\$9,562	0.0%
Double Occupancy room with shared bath		\$7,156	\$7,156	0.0%
Triple Occupancy room with shared bath		\$6,171	\$6,171	0.0%
<b>Chatsworth Suites</b>				
Single Suite with private bath		\$9,679	\$9,679	0.0%
Double Occupancy room in 4-person suite w/shared bath		\$8,712	\$8,712	0.0%
Double Occupancy room in 6-person suite w/shared bath		\$8,388	\$8,388	0.0%
<b>Anthony Wayne Drive Furnished Apartments</b>				
Studio apartment single		\$13,189	\$13,387	1.5%
One-bedroom apartment single		\$13,728	\$13,934	1.5%
Two-bedroom apartment single per room		\$12,061	\$12,363	2.5%
Four-bedroom apartment single per room		\$10,395	\$10,655	2.5%

**University Towers Unfurnished Apartments**

One-bedroom unfurnished (can be shared by 2)	\$10,861	\$11,187	3.0%
Two-Bedroom unfurnished (can be shared by up to 4)	\$12,483	\$12,857	3.0%
Three Bedroom unfurnished (can be shared by up to 6)	\$16,785	\$17,289	3.0%

<b>Meal Plans</b>	<b>2022-23 Annual</b>	<b>2023-24 Annual</b>	<b>Increase</b>	<b>Increase per Semester</b>
Warrior Pass + \$150 Warrior + \$50 One Card Dollars	\$4,412	\$4,600	4.26%	\$94
Weekly 15 + \$300 Warrior + \$100 One Card Dollars	\$4,412	\$4,600	4.26%	\$94
Block 175 + \$425 Warrior + \$125 One Card Dollars	\$4,412	\$4,600	4.26%	\$94
Block 110 + \$425 Warrior + \$125 One Card Dollars	\$3,396	\$3,580	5.42%	\$92
Block 75 + \$225 Warrior + \$75 One Card Dollars	\$2,046	\$2,160	5.57%	\$57
<b>Block Plans</b>				
15 Block (suitable for both semesters)	\$122	\$129	5.74%	\$7
30 Block (suitable for both semesters)	\$232	\$245	5.60%	\$13
45 Block (suitable for both semesters)	\$340	\$360	5.88%	\$20

**FY 2024 SCHOOL OF MEDICINE TUITION RATES**

VP Massaron advised that the School of Medicine tuition is being brought forward now, ahead of the rest of the institution, because of the timing in which their semesters begin. The University benchmarked other institutions, and has reviewed the average median of students to ensure balance in what the marketplace is doing to support the academic mission. The administration’s recommendation is for a rate increase of 3% for in-state and out-of-state students.

VP Massaron presented comparison charts that showed the University has the best deal for medical students in the state, both in terms of quality and price. Governor Gaffney asked how much revenue will be generated from the medical school tuition at 1% increase. VP Massaron advised that each 1% represents about \$500,000.

Governor Barnhill asked how much of the conversation around overall tuition rates helps attract students versus causing them to apply elsewhere. Dean Sakr advised that conversations with students indicate that they consider the cost of attendance, being in Detroit, which is becoming increasingly a more expensive, and funding for scholarships. The school allocated approximately \$8.9 million for about 5 years; during this period there has been a minimum of 2 tuition increases. The Dean advised that the University continues to be very attractive to students, and continues to do well by them. The school



saw a 100% match rate this year, following an approximate match rate of 98% for the last 7 years. Overall, students are satisfied with their education, with the outcome of that education. Students would like to see the amount of scholarships dollars available keeping pace with the percentage of tuition increases.

Governor Kelly asked, if the rate was approved, where the School would rank for tuition as compared with the other medical schools. Dean Sakr advised that currently, the University is \$6,000 less than the next public school in Michigan and \$12,000 less than the most expensive public school, University of Michigan. The 3% increase will put the School of Medicine at about \$12,000 less than U of M, with the anticipation that other schools will also raise their tuition this year.

Governor Kelly asked whether the increase would place the University above the average in the United States. VP Massaron confirmed that it will, and noted that in the last year, the School of Medicine held their budget constant like the rest of the institution, and SOM students were not given the same increase over the last several years that the rest of the university's student body received.

**ACTION:** Upon motion made by Governor Kelly and supported by Governor Stancato, the Budget and Finance Committee recommended that the Board of Governors adopt increases in the FY 2024 base tuition rate of 3 percent for resident students and 3 percent for non-resident students:

It is further recommended that the Board of Governors adopt an increase of 3 percent in the following MD Program student fees:

- Student Medical School Support Fee (annual fee)

Details for current and proposed tuition and Student Medical School Support Fee by program year and residency status are shown in Tables 1.1 and 1.2 (tuition) and in Table 2 (Student Medical School Support Fee).

With the term conversion in 2022 (one term to four terms), all students registered for at least 10 credits per term will be charged a flat term rate (annual rate/four terms) along with associated fees. All students registered for less than 10 credits per term will be charged per credit hour along with associated fees.

It is recommended to change the Student Service Fee (SSF) per credit hour to a single annual fee structure. The School of Medicine now operates on a flat fee tuition structure, and all fees at the SOM are flat fee rates with the exception of the Student Service Fee. Changing this fee to a flat fee structure will align with other medical school tuition and fee assessments and increase satisfaction among students. All students will be assessed a flat fee of \$385 per term (4 terms in total).

As part of this resolution, the Board of Governors authorizes the President or his designee to adjust tuition rates and fees for special or joint programs or where otherwise appropriate.

Finally, this tuition recommendation applies only to students enrolled in the School of Medicine MD Program and is not an indication of rates for the general student body or an obligation by the Board of Governors regarding the rates that will be set for the rest of the University's programs.

The motion carried.

**TABLE 1**

<b>Year in MD Program</b>	<b>Residency Status</b>	<b>FY 2023 Tuition</b>	<b>Proposed FY 2024 Tuition</b>	<b>Dollar Change</b>	<b>Percent Change</b>
M1	Resident	\$36,791	\$37,895	\$1,104	3.00%
M1	Non-Resident	\$64,085	\$66,008	\$1,923	3.00%
M2	Resident	\$36,791	\$37,895	\$1,104	3.00%
M2	Non-Resident	\$64,085	\$66,008	\$1,923	3.00%
M3	Resident	\$36,791	\$37,895	\$1,104	3.00%
M3	Non-Resident	\$64,085	\$66,008	\$1,923	3.00%
M4	Resident	\$36,791	\$37,895	\$1,104	3.00%
M4	Non-Resident	\$64,085	\$66,008	\$1,923	3.00%

**TABLE 1.2: Per Credit Hour Tuition Rates**  
 Students enrolled in less than 40 credit hours

Year in MD Program	Residency Status	FY 2023 Tuition	Proposed FY 2024 Credit hour	Dollar Change	Percent Change
M1	Resident	\$737	\$759	\$22	3.00%
M1	Non-Resident	\$1,281	\$1,319	\$38	3.00%
M2	Resident	\$737	\$759	\$22	3.00%
M2	Non-Resident	\$1,281	\$1,319	\$38	3.00%
M3	Resident	\$737	\$759	\$22	3.00%
M3	Non-Resident	\$1,281	\$1,319	\$38	3.00%
M4	Resident	\$737	\$759	\$22	3.00%
M4	Non-Resident	\$1,281	\$1,319	\$38	3.00%

**TABLE 2: Student Medical School Support Fee (Annual)**

Year in MD Program	FY 2023 Annual Fee	Proposed FY 2024 Annual Fee	Dollar Change	Percent Change
M1	\$994	\$1,024	\$30	3.00%
M2	\$994	\$1,024	\$30	3.00%
M3	\$994	\$1,024	\$30	3.00%
M4	\$994	\$1,024	\$30	3.00%

**ADMINISTRATIVE FEE FOR NON-ENDOWMENT CASH GIFTS**

VP Massaron advised that this is a joint recommendation coming forward from VP Ripple and himself. The recommendation is continuation of a 2% fee on non-endowment cash gifts. The fee has been in place for a long time and was built into the ongoing budget of VP Ripple’s division. Professor Beale asked if there are productivity measures that make sense for fundraising activities. VP Massaron advised there are several KPIs that are being updated, and VP Ripple added that there are measurements that Development tracks on a monthly basis with all frontline fundraising groups. He advised that he will be happy to share those measurements with the committee.

Governor Gaffney asked for an explanation of the other fee on the endowment. VP Massaron advised that an endowed gift paid out from the Foundation at 5% will incur a 1.25% fee used for the ongoing administration of the endowment for fundraising purposes.

**ACTION:** Upon motion made by Governor Stancato and supported by Governor Gaffney, the Budget and Finance Committee recommended that the Board of Governors approve, retroactive to March 23, 2023, the continuation of the 2.0 percent administrative fee for non-endowment cash gifts to support ongoing costs of the Division of Development and Alumni Affairs as authorized by the Board of Governors at their March 23, 2018, meeting and documented in bullet eleven of the Report of Actions, Board of Governors Meeting - March 23, 2018. The motion carried.

## **MATTHAEI TENNIS COURT RENOVATION**

This project is a recommendation for improvement and resurfacing of the University tennis courts, which are in poor condition and unused. The surrounding grounds and fencing are not up to par for the prestige of the University. The University now rents space from the University of Detroit Mercy for the tennis teams' competitions. Water runoff from adjoining building during the winter attributes to the destabilization of the overall court and the proposed project will fix and restore all the elements. The Department of Athletics has committed to contribute up to \$500,000 dollars in donor funds, with the balance contributed by the University capital plan. Bids have been received and the project will come in at approximately \$1.5 million, with a contingency maintained through construction.

Governor Kelly asked if there are intramural tennis teams at the University. VP Massaron noted that there is a team, and the Athletic Director committed to providing a schedule to the Provost and the Finance department to ensure the courts will be available for public use.

The Provost and the Athletic Director have also been meeting about expansion of intramurals. In response to a question from Governor Kelly about competition with other universities, VP Massaron advised that the team finished as the runner-up in the conference last year. President Wilson advised that the team is in the top 10 in the country. Governor Kelly asked if the restoration will bring the courts up to the NCAA standards, noting that the recommendation only describes it as becoming playable. VP Massaron confirmed that the courts will be up to the NCAA standards, and the tennis team will no longer have to play at the University of Detroit.

President Wilson advised that there are some indoor tennis courts in the Duchene facility, which will probably be used for intramural tennis, and that most of the intercollegiate matches are played outside. VP Ripple noted that the men's team actually won the GLIAC conference last weekend. Governor Gaffney asked how much the courts are being used

by the general population of students. VP Massaron noted that the Athletic Director is eager to involve the campus community in using the courts, and that least a third of the playing hours available will be for the general public of the university.

**ACTION:** Upon motion made by Professor Beale 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 to design, solicit bids, and award contracts for the proposed Tennis Court Renovation, located at 5101 John C Lodge, with a project cost not to exceed \$1,880,000. Funding for this project will be provided by Series 2020 Bond funds and Athletics Designated Funds. The motion carried.

### **INFORMATIONAL REPORT: MAJOR CAPITAL PROJECTS SUMMARY**

VP Massaron highlighted a few of the items on the Major Capital Projects report. He advised that the DeRoy pond was filled as part of testing of the pipes and mechanicals. There will be further underground construction to repair the air intake, within the scope of the project. The School of Medicine building is moving forward, with next steps including selection of an architect and other contractors necessary and the provost, the Dean, the VP of Finance and VP of Research are working through the assumptions on the space. The lead banker has been selected and is prepared to go to market. This firm is a local, minority-owned bank in the city which has done work for the University in the past. State Hall is on pace for completion. There is one piece of equipment outstanding, but the project will remain on schedule and under budget.

Governor Gaffney asked whether there will be a celebration when State Hall opens. Provost Kornbluh confirmed there will be a grand reopening. Ms. Krajewski asked if there is a contingency plan in the event State Hall could not open for the start of the fall semester. Provost Kornbluh advised that the Registrar has backup for the classes. VP Massaron advised that the 1<sup>st</sup> floor technology will not be available at the start of the semester, but that those classes are already planned to be held elsewhere, until that technology's arrives. The rest of the building and the building itself will be fully open and operational. He noted that the Hilberry opened with construction on the second phase of that project underway. Governor Gaffney asked about food offerings in State Hall. VP Massaron advised that when the building opens, it will be fully vended. The plan for food will depend on demand and he added that the buildout has the electrical and plumbing available to allow for expanded food options if appropriate.

### **PURCHASING EXPCEPTIONS**

Professor Beale posed questions about items 11 and 12. On item #11, she asked if there was an effort to secure an improved vendor for 2023 and beyond, and for clarification on the dates for item #12. Mr. Doherty advised that this particular award is for the event in May and the RFP will go out in 2023 so that the 2024 awards will be based on a competitive bid. Thes service anniversary award events ceased during the pandemic and when they resumed, it made sense to go with the previous company used.

Professor Beale asked if there is a way to measure how well received they are by the recipients. Associate Vice President Hafner advised that has been a highlight of the Employee Recognition program. She advised that employees look forward to getting the program booklet and being able to select a gift based on their years of service and/or retirement and it has been well received, with positive feedback based on this vendor. Professor Beale suggested that surveys may be a way to substantiate that impression; AVP Hafner advised that could be done as part of the competitive bid process.

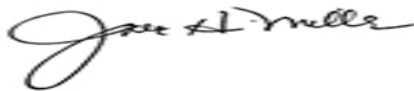
Professor Beale asked for information about item #12, a contract through OVPR with Faith Based Genetics Research Institute related to separation services. President Wilson advised that this is a partnership between Hayley Thompson, of KCI, and a faith-based group headed by Bertram Marks and Bishop Edgar Vann and aims to get more African Americans involved with personalized medicine. Professor Beale asked why a research institute would be the appropriate group to use for developing collaborations with community groups. President Wilson responded that it was at their request for help with scientific expertise.

Governor Kelly asked about item number 6, the Home Portal Service, why there was money put into this service and whether this project is through the School of Social Work. VP Massaron advised that Michigan Health endowment funding was provided for this purpose. AVP Doherty advised that he would forward that summary and clarification to the board.

## ADJOURNMENT

There being no further business, the meeting adjourned at 11:01 am.

Respectfully submitted,



Julie H. Miller  
Secretary to the Board of Governors