



BUDGET AND FINANCE COMMITTEE

April 26, 2024

Minutes

The meeting was called to order at 10:00 a.m. by Governor Barnhill in Room 1540 at the Eugene Applebaum College of Pharmacy and Health Science, 259 Mack Avenue, Detroit, MI 48201. Secretary Miller called the roll. A quorum was present.

Committee Members Present: Governor Barnhill, (via video), Governors Gaffney, Kelly, Kumar, and Stancato; Linda Beale, Faculty Representative; Andrea Sankar, Faculty Alternate Representative; Hayden Johnson Student Representative, and Alexander Gilstorf, Student Alternate Representative

Also Present: Governors Atkinson, Busuito, and Land (via video); President Espy; Provost Clabo, Vice Presidents Ezzeddine, Obasi, Ripple, and Staebler, Chief of Staff Smiley; Interim Vice President Gielczyk, Associate Vice President Hafner, and Secretary Miller

APPROVAL OF MINUTES, MARCH 6, 2024

ACTION: Upon motion made by Governor Stancato and supported by Professor Beale, the minutes of the March 6, 2024 meeting of the Academic Affairs Committee were approved as submitted. The motion carried.

CONTINGENCY RESERVE

The administration requested a transfer of \$250,000 from the contingency reserve. These funds will be used to support the search for a new Senior Vice President for Health Affairs. The transfer, if approved, will utilize the remaining balance in the reserve, which will be replenished on October 1, 2024.

ACTION: Upon motion by Governor Kelly, and supported by Governor Gaffney, the Budget & Finance Committee recommended that the Board of Governors approve the transfer of \$250,000 from the Contingency Reserve, to be used to fund the search for a new Senior Vice President for Health Affairs. The motion carried.

FY 2024-2025 CAMPUS HOUSING ROOM AND BOARD RATES

Patricia Romer, Associate Vice President for Student and Auxiliary Services, presented the annual report on campus housing, and the recommendation for room and board rates for the coming year.

She spoke briefly about efforts to provide a positive experience for students, not only in their academic studies, but in efforts to make their on campus living experience positive as well. She provided impact data showing the positive relationship between on campus housing and student success. Looking at the numbers, occupancy has been increasing since the pandemic, and that trend is expected to continue.

Ms. Romer provided comparison data on rates for cost of attendance for first-year room & board rates at Michigan Public universities. WSU was just below the average cost (\$12,063) for MPUs, and she expects that to continue for the coming year.

The administration proposed, and the Wayne State Corvias Housing Partnership approved, a zero increase in housing costs for the coming year; housing will remain at 2023 rates. Housing has a number of financial incentives in place to encourage students to return to campus housing this year, and combines academic incentives in the residence halls as part of their strategy.

Changes are also occurring in certain housing facilities. Student athletes will be moving from University Towers to other undergraduate residence halls, and University Towers will become focused on supporting graduate students. Atchison Hall will be reopening in Fall 2024. Pilot programs for guest housing and roommate matching will be initiated as well. Turning to Board rates, Ms. Romer advised that the largest impact on rates comes from food costs, with a change in CPI of 2.2% from 2023 to 2024. Food away from home, another measure, increased 4.5% over the previous year. The university has been working with Aramark on meal plan options for the coming year that minimize increases, and provide a range of choices. An array of meal selections are also being incorporated, including vegan, halal and kosher, among many others, to meet the needs of Wayne State students and the broader campus community.

The administration's recommendation for board plans for 2024-2025 is a weighted average increase of 3.17%. The chart included in this document provides the details on each of the meal and block plans included in this recommendation.

Ms. Romer advised that with the already approved flat housing rates and the proposed dining rates, a typical first year student will see a 1.2% increase in their room and board package for next year. A typical upperclass room and board package is up just 1%.

Committee members expressed support and appreciation for the proposal. A question was raised on the current occupancy rate. Ms. Romer advised that it is currently at roughly 72%; prior to the pandemic, the rate was closer to 95%. It has been growing steadily, and they hope to return to the pre-pandemic numbers in the future.

ACTION: Upon motion made by Kelly and supported by Professor Beale, the Budget & Finance Committee recommended that the Board of Governors approve the FY 2025 board rates, as presented. All meal and block plans increase by 3% or 5% as proposed. The motion carried.

In 2017, the Board of Governors delegated the authority to the Corvias-WSU Housing Partnership to set annual room rates at 3% or less without further Board approval. FY2024-2025 rates remain flat; therefore, no action is required.

Based on the proposed board rates, along with approved room rates, increases are as follows:

- Typical first-year room & board package increase is \$138 to \$11,746 (1.2%) based on Ghafari double room and Weekly 15 + \$400/semester meal plan.
- Typical upperclass room & board package increase is \$108 to \$11,987 (1%) based on a Towers Residential Suites single and Block 110 meal plan.

2024-25 Room Rates

		2023-24	2024-25	
		Annual	Annual	Increase
Ghafari & Atchison Halls				
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%
The Towers Residential Suites				
	Suite Types			
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%

The Thompson Suites

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%

Chatsworth Suites

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%

Anthony Wayne Drive Furnished Apartments

Studio apartment single	\$13,387	\$13,387	0.0%
One-bedroom apartment single	\$13,934	\$13,934	0.0%
Two-bedroom apartment single per room	\$12,363	\$12,363	0.0%
Four-bedroom apartment single per room	\$10,655	\$10,655	0.0%

University Towers Unfurnished Apartments

One-bedroom unfurnished (can be shared by 2)	\$11,187	\$11,187	0.0%
Two-Bedroom unfurnished (can be shared by up to 4)	\$12,857	\$12,857	0.0%
Three Bedroom unfurnished (can be shared by up to 6)	\$17,289	\$17,289	0.0%

	2023-24	2024-25	Increase
University Towers Apartments – Furnished Shared (per bed)	Annual	Annual	
One-bedroom	-	\$12,865	-
Two-Bedroom	-	\$7,394	-
Three Bedroom	-	\$6,628	-

Meal Plans	2023-24 Annual	2024-25 Annual	Increase	Increase per Semester
Warrior Pass + \$150 Warrior + \$50 One Card Dollars	\$4,600	\$4,738	3%	\$69
Weekly 15 + \$300 Warrior + \$100 One Card Dollars	\$4,600	\$4,738	3%	\$69
Block 175 + \$425 Warrior + \$125 One Card Dollars	\$4,600	\$4,738	3%	\$69
Weekly 14 (new plan)	-	4,000	-	-
Block 110 + \$425 Warrior + \$125 One Card Dollars	\$3,580	\$3,687	3%	\$54
Block 75 + \$225 Warrior + \$75 One Card Dollars	\$2,160	\$2,225	3%	\$32
Block Plans				
15 Block (carry over Fall to Winter)	\$129	\$135	5%	\$6
30 Block (carry over Fall to Winter)	\$245	\$257	5%	\$12
45 Block (carry over Fall to Winter)	\$360	\$378	5%	\$18

FY 2024-2025 SCHOOL OF MEDICINE TUITION RATES

The administration presented its recommendation for FY2024-25 tuition and fee levels for the School of Medicine students enrolled in the M.D. program. Enrollment has remained steady, at approximately 300 students, for many years. This year's application pool is more than 9000 candidates, up 12% from the prior year. Applications from underrepresented students are also up. Building the class is a complex process; many students apply to more than one program, and receive multiple invitations. Students must make their enrollment decision by May 1st.

The tuition recommendation proposes an increase to resident tuition of 5.5%, or \$2080, and a 1.5% increase, or \$990, for non-resident students, for the coming year. In reviewing comparison information for other Michigan medical schools, it is anticipated that even with approval of the recommendation as proposed, Wayne State School of Medicine will maintain its position as the most affordable within Michigan for residents and in the state. Wayne State's SOM tuition rates have been modest during years when inflation has been climbing; over the past 4 years, the CPI has risen significantly.

The recommendation includes the same % increase to the School's student service fees. The recommendation is supported by Dean Sakr, who advised the committee that the increase is important and that the university is working hard to keep the cost of college as low as possible for WSU students. President Espy thanked Dean Sakr and the finance team for their work and collaboration on developing the recommendation, which took considerable effort to reach.

ACTION: Upon motion made by Governor Kumar and supported by Professor Beale, the Budget & Finance Committee recommended that the Board of Governors adopt increases in the FY2024-2025 base tuition rate of 5.5% for resident students and 1.5% for non-resident students in the MD program.

It is further recommended that the Board of Governors adopt an increase of 5.5% in the Student Medical Support Fee (an annual fee) and the Student Service Fee (a per term fee).

With the term conversion in 2022 (one term to four term), 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.

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

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.

Details for the current and proposed tuition and fees by program year and residency can be found in the Tables below.

TABLE 1: Flat Tuition Rates

Year in MD Program	Residency Status	Annual Rate (>40 credits)			Per Credit Hour (<40 credits)			Percent Change
		FY 2024 Tuition	Proposed FY 2025 Tuition	Dollar Change	FY 2024	Proposed FY 2025	Dollar Change	
M1	Resident	\$37,895	\$39,975	\$2,080	\$759	\$801	\$42	5.50%
M1	Non-Resident	\$66,008	\$66,998	\$990	\$1,319	\$1,339	\$20	1.50%
M2	Resident	\$37,895	\$39,975	\$2,080	\$759	\$801	\$42	5.50%
M2	Non-Resident	\$66,008	\$66,998	\$990	\$1,319	\$1,339	\$20	1.50%
M3	Resident	\$37,895	\$39,975	\$2,080	\$759	\$801	\$42	5.50%
M3	Non-Resident	\$66,008	\$66,998	\$990	\$1,319	\$1,339	\$20	1.50%
M4	Resident	\$37,895	\$39,975	\$2,080	\$759	\$801	\$42	5.50%
M4	Non-Resident	\$66,008	\$66,998	\$990	\$1,319	\$1,339	\$20	1.50%

Table 2: Student Medical School Support Fee

Year in MD Program	FY 2024 Annual Fee	Proposed FY 2025 Annual Fee	Dollar Change	Percent Change
M1	\$1,024	\$1,080	\$56	5.50%
M2	\$1,024	\$1,080	\$56	5.50%
M3	\$1,024	\$1,080	\$56	5.50%
M4	\$1,024	\$1,080	\$56	5.50%

Table 3: Student Service Fee

Year in MD Program	FY 2024 Per Term Fee	Proposed FY 2025 Per Term Fee	Dollar Change	Percent Change
M1/M2/M3/M4	\$385	\$406	\$21	5.50%

AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2023

Tamaka Butler, Assistant VP and Controller, presented a brief summary of the university's financial highlights, which follow the conclusion of the university's annual audit, conducted by external auditors Plante Moran. The firm audited the combined university and foundation financial statements and issued an unmodified opinion, the highest level of assurance provided by an external audit firm that the statements accurately depict the university's financial position as of year-end.

The consolidated summary of revenues, expenses and changes in net position for the university and the foundation showed an overall increase of \$229.7 million in total revenues; total expenses increased by \$19.3 million, resulting in a change in net position, year over year, of \$210.4 million.

Operating revenues saw an overall increase of \$6.9 million in fiscal year 2023 compared to 2022. This included a decline in net tuition and fees, which arose from a gross increase in student tuition and fees of about \$1M offset by an increase in scholarships and financial aid of \$9.7M. Grants and contract revenue saw an overall increase of about \$12.4M. Non-operating and other revenue increase by \$222.8M, which included a slight increase in state appropriations, offset by a decline in capital appropriations. The university entered into a contract with the State of Michigan to partially fund the new Health Sciences building for \$100M in fiscal year 2023, and received and recognized revenue for the first portion of those funds, \$50M, in revenue. Investment income increased by \$73.3M related specifically to the University only; this does not include the foundation.

Turning to expenses, operating expenses saw an increase of \$8.8 M, which included increases in compensation and benefits as well as some inflationary cost increases. Increases in the category of supplies, services and other were about \$29.6M, driven largely by the return to campus as things began to normalize. Scholarships saw a decline of about \$39M, primarily related to the conclusion of the distribution of federal economic relief funds (HERF) in 2022.

In summary, total net position saw an overall increase of about \$143M, with both the foundation and the university seeing some increases. The unrestricted net position saw an increase of about \$47M, from \$277M in FY 2022 to \$324.9M in 2023. The majority of these dollars are committed or designed for specific programs, projects or functions.

In response to a question on the performance of the new OCIO, VP Ripple advised that the investment committee of the Foundation Board meets regularly, and they are very pleased with the OCIO's performance.

Governor Kelly reminded the committee that the Board's Audit Subcommittee, which met in February received a presentation on the audit from Plant Moran and the finance staff, and formally approved the audit at that meeting.

INFORMATIONAL REPORT: MAJOR CAPITAL PROJECTS SUMMARY

Interim AVP for Facilities, Planning and Management, Amr Abdel-Azim, provided some additional background information on the written report summarizing current major capital projects.

Discussions have begun on the planning and design phase for the new Health Sciences building, which will be one of the largest buildings on campus when completed. It will serve as the flagship for research on campus, and will include state of the art facilities. The focus is to build and accommodate interdisciplinary research space to maximize collaboration.

Mr. Azim also reported on progress for the Valade Jazz Center, which is on schedule for completion in August 2024. A preview event was held April 10th to wide success. Much excitement was expressed by the attendees, who commented on the acoustics and planned amenities.

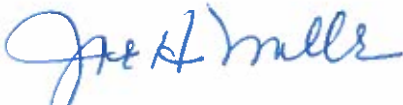
PURCHASING EXCEPTIONS

There were no questions on the Purchasing Exceptions report.

ADJOURNMENT

With no further business, the meeting adjourned at 10:49 a.m.

Sincerely,



Julie Miller,
Secretary to the Board of Governors