

WESTERN MICHIGAN UNIVERSITY  
FACULTY SENATE

CAMPUS PLANNING AND FINANCE COUNCIL  
Minutes of Tuesday, 21 October 2014, at 3 p.m.  
Faculty Lounge, Bernhard Center

**Members present:** Raja Aravamuthan, Todd Barkman, Cheryl Bauman-Bruey, David Dakin, Kieran Fogarty, John Jellies, Denise Keele (for Harold Glasser), C.R. Krishna-Swamy, Kathleen Langan, Glen (Pat) Langworthy, Gary Mathews, Dennis McCrumb, Colleen Scarff, Jan Van Der Kley and Gay Walker

**Guests:** Chief Scott Merlo, WMU Department of Public Safety, and James Gilchrist, Vice Provost for Budget and Personnel and Chief Information Officer

**Also present:** Richard Gershon, Faculty Senate Vice President; Patti Van Walbeck, Associate Vice President for Business and Finance; and Linda Poquette, Business and Finance

*Welcome*

Council Chair Kieran Fogarty called the meeting to order at 3 p.m.

*Acceptance of the Agenda*

A motion was made by McCrumb to accept the agenda as presented, supported by Langan. Motion passed.

*Approval of the Minutes of 16 September 2014*

A motion was made by Walker to approve the minutes of 16 September 2014, supported by Scarff. Motion passed.

*Chair's Comments – Kieran Fogarty*

Council Chair Fogarty welcomed everyone to the meeting.

**Information/Discussion Items**

*Public Safety Update – Scott Merlo*

Chief Scott Merlo began by giving his background. He has been spending time evaluating and meeting with everyone and offered to reach out and talk with organizations if anyone feels that it is necessary. He is looking for opportunities to meet with faculty, staff, students and student organizations. In addition, he has met with public officials, the Kalamazoo County Sheriff's Department and Kalamazoo Public Safety. He is interested in community policing, building relationships and believes students should be first. Employee relations, succession training and retention are also important.

*WMU Budget Update – Colleen Scarff*

Colleen Scarff, Executive Director of University Budgets, provided an overview on the budget basics for WMU. A budget is a plan on allocating resources for the fiscal year, a tool for making allocation decisions in implementing the strategic plan and provides measurability and accountability.

Scarff explained that the annual operating budget has three components:

- 1) General Fund - Main operating fund and revenue comes primarily from tuition and State appropriations. The Board of Trustees approves the budget;
- 2) Auxiliary Fund - Provides a service to students, faculty or staff where a fee is charged for services, such as dining units, Miller Auditorium, and Sindecuse Health Center and these funds are self-supporting.
- 3) Designated Fund – Program accounts that are self-supporting and designated for specific purposes.

The General Fund Budget Allocation process was provided in the presentation along with the General Fund Annual Budget Cycle. The budget cycle includes the enrollment and what is funded through the State. Once that information is received along with enrollment and tuition increases, the budget goes to the WMU Board of Trustees in June or July for approval and then the budget request is submitted to the State of Michigan for approval in mid-October.

WMU uses an Incremental budget model: a) allocations are based upon the funding levels of the previous year; b) only new revenue is allocated, and any budget cuts are typically made as a percentage across-the-board, and c) widely used budget model in higher education as the majority of any new revenues is committed to personnel costs. It was noted that at this time there is not a lot of new revenue.

Scarff provided information on other budget models and factors to consider in each model.

*Academic Affairs Budget Model – James Gilchrist*

Vice Provost James Gilchrist provided a handout on "Principal Fund Types in Academic Affairs" to council members. Academic Affairs is responsible for the management of budgets for all degree-granting colleges and specific units. Enrollment Management (admissions, registrar, student financial aid and first-year experience) is one of the units under the umbrella of Academic Affairs. The Enrollment Forecasting Committee, that is charged with enrollment data and predictions for the following fall term, forecasts the budget model. Not only is budgeting for Academic Affairs but other units such as Office of Information Technology, Extended University Programs, Office of Institutional Effectiveness and others. Most of the budget is held in the colleges.

Gilchrist gave an overview of the funds accounting, what's done and reported to the State of Michigan.

**Fund 11** - General fund obtained from tuition and appropriations and includes a base budget year in a fixed amount. An example would be a one-time allocation for start-up funds or salary savings. When it is spent, it is gone and not replaced. Gilchrist explained that budget cuts usually apply to Fund 11 only.

**Fund 23** – Designated funds where revenue is obtained from sources that are committed to a specific purpose such as class fees, technology fee to OIT and Center for English Language and Culture for International Students tuition.

**Fund 43** - Auxiliary Funds – A designated revenue source such as Telecommunications in OIT where students pay for phones and internet.

**Fund 24** – Gift money is typically restricted. Funds are usually designated to certain colleges or scholarships and the guidelines of the donor have to be followed.

**Fund 28** – Grant and Contract Funds monitored by the Grants and Contracts department.

An explanation of special budget allocations/distributions was provided by Gilchrist:

**Summer Budget Models** – This model uses historical enrollment data. The budget office calculates enrollment targets for each college along with spending limits. If the colleges overspend they have to pay back. If the revenue is high and not spent, the college keeps the majority of the money.

In response to a question, Vice President Van Der Kley stated summer budgets were used as the summer classes were not using resources as well - data was analyzed, behavioral pattern was followed and it then went to responsibility and the summer budget models were formed.

**EUP Revenue Share Model** – Tuition is transferred to EUP and a percentage goes back to the general fund, EUP overhead and a return to colleges and departments. EUP must pay for all buildings and regional centers, including bonds, EUP staff, operations and IT expenses. EUP also funds 11 tenure track and 9 term positions and holds reserves for positions in the event enrollment declines. It was noted that students save money by taking EUP courses.

**Fund 11 Year End Carry Forwards** – Unprotected and rolls to Provost's Office. Return of carry forwards usually occurs but not at 100 percent. Differential tuition is protected for their particular college and is never rolled over to the Provost's Office.

**Budget Cuts and Reallocation** – When budget cuts and/or reallocation occurs, the provost consults with the provost's council on the model used for the cuts. Funds may be re-allocated among units or to special projects to reflect priorities. Gilchrist provided examples on budget cuts and reallocations. It is not always across the board in different colleges. Money may be reallocated by the number of students in each department. Other units (libraries, admissions, registrar, financial aid, IT, etc.) are based on size and their role in the strategic initiatives. A handout detailing principal operation indicators was distributed and Gilchrist explained how the cuts were made.

**Fund 11 Protected Money** – Examples of what cannot be cut are IT technology contracts (Kronos, Banner, etc.), financial aid stays in their accounts, library acquisitions and others.

Fogarty reminded council members that this meeting was an overview of the funds and specifics will be looked into at another meeting.

#### Action Item

*Setting the 2014-15 CPFC Priorities – Kieran Fogarty*

Fogarty would like to have and provide information before the meeting when possible. He requested a motion to go paperless on materials for the council's meetings.

A motion was made by John Jellies to go paperless for the agenda, minutes and handouts when possible, supported by Pat Langworthy. Motion passed.

#### Other Business

No other business

#### Adjournment

A motion was made to adjourn at 4:30 p.m. by Denise Keele, seconded by C.R. Krishna-Swamy. Motion passed.

Linda Poquette  
Recording Secretary