

WESTERN MICHIGAN UNIVERSITY
FACULTY SENATE

CAMPUS PLANNING AND FINANCE COUNCIL
Minutes of Tuesday, 15 March 2016 at 3 p.m.
Faculty Lounge, Bernhard Center

Members present: Todd Barkman, Cheryl Bauman-Bruey, David Dakin, Thye Fischman (Western Student Association), Kieran Fogarty, Richard Gershon, Joshua Greenman (Graduate Student Association), Gary Mathews, Colleen Scarff, Jeff Spoelstra (for Harold Glasser), Jan Van Der Kley and Gay Walker

Guests: James Gilchrist, Vice Provost for Budget and Personnel and Chief Information Officer; Patti Van Walbeck, Associate Vice President for Business and Finance; and Linda Poquette, Business and Finance

Procedural Items

Welcome

Kieran Fogarty, chair, welcomed guests and council members to the meeting.

Acceptance of the Agenda

A motion was made by Bauman-Bruey to accept the agenda as presented, supported by Mathews. Motion passed.

Approval of the Minutes of 16 February 2016

A motion was made by Van Der Kley to approve the minutes of 16 February 2016, supported by Scarff. Motion passed.

Chair's Comments – Kieran Fogarty

Fogarty stated Barkman would present the report on the Subcommittee to Assess Incentive-Based Budget Models at WMU. This agenda item along with discussion would take most of the meeting time.

Information/Discussion Items

*Todd Barkman – CPFC Subcommittee to Assess
Incentive-Based Budget Models at WMU*

The council made the decision to form the 2015-16 subcommittee. Barkman furnished a report to members looking at incentive-based budget models at WMU before the Campus Planning and Finance Council meeting.

A motion was made by Gershon to accept the report as presented, supported by Bauman-Bruey. Motion passed.

The subcommittee met for nine sessions beginning in September 2015. Barkman provided the names of the committee members: Kelly Ackerson, Todd Barkman, Cheryl Bauman-Bruey, Barbara Frazier, Tycho Fredericks, Dawn Gaymer, James Gilchrist, Katherine Joslin, Jerry Kreuze, Sherine Obare, Colleen Scarff, Ann Tyler and Bret Wagner. Barkman reviewed the five charges named in the report and the subcommittee focused on initiatives to improve budgetary processes within Academic Affairs. Informational presentations were made by Jim Gilchrist, Dean Kay Palan, Dean Ming Li and Dean Dan Guyette regarding current budgeting procedures at WMU. The committee also became familiar with incentive-based models with the focus on Responsibility Center Models or RCM. The four presenters also talked about implementation of the RCM model at WMU. A question was presented as to whether the three deans had the same opinion for the responsibility based budget and Barkman stated that they were different.

In the report, discussion of revenue pertains to the General Fund or Fund 11 comprised of State appropriations and tuition charged to students. Institutional support units (President, Office of Business and Finance) receive General Fund allocations but are separate from Academic Affairs and distribution is largely determined by The Board of Trustees and President. Units within Academic Affairs that need to be funded in addition to the colleges include instructional support units (University Libraries, Extended University Programs, Office of Information Technology, Enrollment and other units named in the report). Barkman emphasized that approximately ninety-seven percent of the General Funds dedicated for instruction go to compensation for faculty, staff and graduate assistants.

Barkman provided the positives and negatives of the current budget model and pointed out that it ensures all expenses are covered under Academic Affairs, or AA, even if one unit shows a loss. However, for an academic unit that continues to grow and generates an increase in revenue, its budget could be cut so that all costs will be covered under AA. It was pointed out that if a college has an increase of students and extra money is not coming their way, the provost's office may provide a monetary increase.

The subcommittee evaluated an alternative – RCM, revenue based on the amount of Student Credit Hours, or SCH, generated. Under a RCM, or any budget model, funds still need to be allocated to institutional and instructional support.

Barkman explained different rates of tuition, i.e., differential, block, out-of-state tuition. Discussion followed regarding the General Education classes taught by the College of Arts and Sciences and how the bottom line was determined under RCM. Barkman explained what happened with a 5 percent decline in enrollment. Under that hypothetical scenario, CAS would decrease even more. Gilchrist added that funding is distributed by deans to each department and even if enrollment goes down, you still have the same amount of space and costs that have to be covered. AA has experienced big shifts in enrollment the last five years, creating a lot of anxiety. With the RCM budget, there is no stability. RCM looks good if you are experiencing an enrollment increase. Van Der Kley added that some colleges are based on their graduation rate.

Barkman then presented proposed initiatives:

1. Proposal to keep subcommittee under the arm of CPFC and report back to the council each year;
2. Units allowed to carry forward unspent money from year to year. Van Der Kley asked if the decision would be left at the department or the college level. The subcommittee did not have a strong opinion on this. Gilchrist added that a majority of the money was returned to the colleges and there needs to be accountability.
3. Enrollment incentives. AA has already implemented awards for an increase in enrollment.
4. Increase transparency of resource allocation within AA.
5. Work to determine true costs of programs.
6. Work to improve marketing of WMU academy. Our success is tied to how we are marketed to the world.
7. Simplify tuition structure and budgeting in AA: Eliminating flat based tuition is not possible at this time as it could cost up to 8 million dollars. Administration is looking at discontinuing the \$300 fee for students coming in.
8. Use planning more to inform resource allocation. Question as to why this isn't tied more to the Strategic plan.

It was also explained that when someone retires, the dean may take that money to hire someone where there is an increase in enrollment. When every college has less money each year, it is hard to replace anyone. If you partner with EUP, then you may benefit from EUP.

Grant production is spread unevenly across the University. Research has been declining over the last five years.

Van Der Kley commended the subcommittee for an exemplary report that is understandable. Scarff complimented the committee and noted that they were very collegial. Gilchrist also added compliments to the committee.

A motion was made by Van Der Kley to forward the report to the Faculty Senate Executive Board for approval, seconded by Mathews. Motion passed.

Van Der Kley – Updates

- On February 28, the former Wesley Foundation building was empty and there will be additional green space.
- WMed – A recent Higher Learning Commission site visit turned out well and WMed will be accredited early. The Liaison Committee on Medical Education is coming in at the beginning of next week.
- Miller College – Worked out a teaching process and continue to work with EUP. A plan should be in place for fall 2016. Van Der Kley said there are about 150 students. Students that are close to graduation want to work with WMU to finish their degrees.

Dakin – Project Updates

- Valley – Goldsworth Valley is fenced and the work is beginning with an estimated completion at the end of July.
- Physical Therapy Program – Setting the vision for the project with a space needed to start in summer II of 2018. Eight different locations are currently being evaluated.
- Business Technology and Research Park – There was an open public session with six attendees who contributed good input. The next step is to come back with a design.
- Stadium Drive Apartments are continuing.
- Haworth College of Business/ROTC to look for a place to teach leadership and teamwork.
- Design competition with Student Affairs on three Valley halls. There will be three presentations in the next month and a half.

Adjournment

Motion made to adjourn at 4:30 p.m. by Bauman-Bruey, supported by Mathews. Motion passed.

Linda Poquette
Recording Secretary