

WESTERN MICHIGAN UNIVERSITY
FACULTY SENATE

CAMPUS PLANNING AND FINANCE COUNCIL
Minutes of 19 November 2019 at 3 p.m.
Bernhard Center, Faculty Lounge

Members present: Todd Barkman, Cheryl Bruey, David Dakin, Betty Dennis, Keith Hearit, Lynne Heasley, Claire Herhold (Graduate Student Association), John Jellies, Valerian Kwigizile, James Penner, Colleen Scarff, Jan Van Der Kley, Udaya Wagle, Xiuye Xie

Members absent: Patricia Vander Meer, Geoffrey Lindenberg, David Hoskins (Western Student Association)

Advisory members present: Chris Cheatham, Tony Proudfoot

Guest: Nicole Kalmbach, Director of Business Operations, Division of Student Affairs

Procedural Items

Welcome and Introductions

Council Chair Valerian Kwigizile called the meeting to order at 3 p.m. and welcomed guests and council members.

Acceptance of Agenda

A motion was made by Kwigizile to accept the agenda as presented, supported by Bruey. Motion carried.

Approval of the Minutes of 15 October 2019

A motion was made by Wagle to approve the minutes of 15 October 2019, supported by Van Der Kley. Motion carried.

Council Chair Remarks – Kwigizile

The chair thanked the members for putting their time and efforts on the council. He urged members to look at the council role statement. He appreciated the help of the newly formed Agenda Committee (Kwigizile, Bruey, Barkman, Van Der Kley) on his new role as chair. Kwigizile mentioned the e-mail received from the Faculty Senate regarding a Memorandum of Action on the role of faculty in the upcoming WMU Capital Campaign. CPFC needs to review MOA-09/05 Faculty Input to and Participation in the Development and Fund Raising Process. It is not a new charge but an addition to charge #7. An update will be provided at the next meeting on December 3 in room 204.

Discussion/Information Items

Charge #2: Review and report on the Strategic Resource Management budget model progress and provide input into the next phase of the transition to a new model for WMU. Strategic Resource management modeling effort – Colleen Scarff, Chris Cheatham and Nicole Kalmbach

Scarff reported that modeling is completed. Revenue and cost groups work is completed and rules are available online <https://wmich.edu/budgetmodel/rules>

Rules are as follows:

Revenue Allocation

- State appropriation, tuition and course fees will be allocated to the college responsibility units (RU's) as follows:
 - State appropriation allocated by college of primary program based on head count.
 - Undergraduate tuition excluding differential tuition will be pooled and netted with institutional financial aid.
 - 72.5% allocated to college of instruction based on student credit hours
 - 27.5% allocated to college of primary program based on head count
 - Graduate tuition allocated to college of program of study.
 - Differential tuition allocated to college assessing the tuition
- Facilities and administrative cost recoveries will be allocated based on the current administration approved guidelines recommended by the Research Policy Council:
 - Colleges – 90% (College 70%, Department 10% and Primary Investigator 10%)
 - OVPR research initiatives –10%
- Assigned Revenues (i.e.: course fees, departmental revenues and auxiliaries) allocated directly to unit that is assessing the fee (no change).

Cost Allocation

- Direct Operating Expenses, including responsibility unit specific service and support (i.e.: dean's office, advising, already in college budget – current practice no change), will be allocated directly to each responsibility unit.
- Costs for space including maintenance, custodial services, utilities purchased and debt service will be allocated based on net assignable square footage unless it is included as a direct expense to a unit (this is a change). 94% space is claimed and costs are pooled for existing debt services. Any new debt services going forward need to be a conversation with the provost and president.
- General fund service unit expenses (indirect expenses allocation) will be allocated to the college RU's and auxiliary units as part of the University participation assessment.
 - College RU's will be assessed on revenues at a rate to cover 98% of general fund service unit expenses
 - Auxiliary units will be assessed on revenues at a rate that will be sufficient to cover 2% of general fund service unit expenses
 - Designated fund activities that currently participate in the annual general fund chargeback model will continue to be assessed at current level until assessments are determined for all funds.

Unexpected costs will need to be planned for by each college. The purpose of this model is to be better stewards of the facilities.

Subventions

- Year 1 Subventions (transition year)—all units (RU's and Service units) are held harmless from impacts of SRM – not enrollment. This includes auxiliary

units that may result in a deficit due to space cost allocations that currently are not assessed.

- Year 2 and after:
 - Provost to determine method to use to allocate subventions to the colleges within college pool resources
 - The president, with input from the cabinet after the provost has consulted with the deans, will decide how to strategically determine the method to use to distribute to service units any revenue growth or revenue decline allocations to the central pool
 - Auxiliary units that need subvention due to space cost allocations will need to determine a financial plan to cover those costs or submit a request for consideration of on-going subventions. The president and cabinet will determine whether it is a priority for WMU to maintain the auxiliary activity and if the subvention is to be provided.

Proudfoot stated that factors used for redistribution during times of growth will be ones of strategic and formula driven. The subvention formula is still being created. Allocation is a topic for discussion on how to formulate with 3 years enrollment being the current thinking recommended by Van Der Kley. Given the Michigan demographic, enrollment and need for smoothing, 1-2 years would be too short for budgeting projections. On student success, Proudfoot stated that this model aligns with student persistence and success. The cost of growth has to be strategic when looking at enrollment and this goes into strategic initiatives and values for WMU. Van Der Kley stated the need to focus on enhancing the educational experience including lab fees and equipment, as these items also contribute to student success.

University Participation Assessment, Strategic Initiatives and Renewal/Replacement Reserves Determined by SDSC [Strategic Direction and Steering Committee]

- College RU's will be assessed a University participation assessment on total general fund revenue (course fee revenue including enrollment fee will be moved to the general fund and does cover differential tuition) and will be sufficient to cover:
 - General fund service unit expenses
 - Strategic initiatives fund
 - Renewal/replacement reserves
 - Auxiliary unit subventions
- University strategic initiatives will be held harmless in times of declining revenues (establishing a \$3M minimum) but will be increased as revenue growth occurs in proportionate share of the central pool increase. President requested initiatives brought forward for funding consideration can be one-time requests, multi-year commitments (ie: program seed money), or permanent funding requests.
- Academic Affairs strategic initiatives (under the discretion of the provost – amount not determined) will be a separate account from the University strategic initiatives and will be established with a tax increase over 3 to 5 years to build the reserve (\$2M target). The advisory group will discuss how to implement.

- Renewal/replacement reserve will be a separate account from strategic initiatives and will be established with a tax increase over 3 to 5 years to build the reserve (\$4M target). This reserve will be held harmless in times of declining revenues and will be used for both deferred maintenance and technology infrastructure needs.

Other

No other discussion was noted by Kwigizile.

Adjournment

A motion to adjourn was made by Bruey and supported by Penner at 4:40 p.m. Motion carried.

Respectfully submitted by Jennifer Heilmann, Recording Secretary