

Business Affairs Officers Committee

Meeting Minutes

Wednesday, January 6, 2016

Members Present:

Rachel Beatty, Kathleen Blumberg, Jeff Bolton, Mary Beth Buchan, Linda Carter, Shelley Clifton, Dan Cooper, Warren Doucet, Elizabeth Elder, Joan Ferguson, Andrew Kaufman, Sausha Kellogg, Stuart May, Sheila Primas, Kimberly Rize, Lakshmi Sabapathy, Lisa Shrader, Catherine Siladi, Lara Trocchio, Arthurine Turner, Karen Vest, Donna Wells, Janie Williams-White, Marty Kuznia

Guests: President Roy Wilson, Rob Kohrman, Julie Denomme, Cindy Pellow

I. Call To Order

- a. Agenda Approval – Agenda was approved without changes
- b. Minutes from Previous Meeting – Minutes approved.

II. New Business

a. Meet and greet around the conference table with President Wilson

- President Wilson discussed implementation of his Strategic Plan (which is covered in detail <http://strategicplan.wayne.edu/>) and how BAO's are uniquely positioned to play a role in implementation as the budget must support the Strategic Plan.
- Proposed possible changes to the organizational structure where BAO's still report to their current Dean/Director but have a more robust relationship with Budget.
- Discussed the need for more data to assist in performance metrics. The university needs productive data analytics.
- Mentioned SOM and their diversity strides.

b. Budget Discussion - Rob Kohrman

- Rob commented on Hyperion, Phase 2. We will have more detailed tuition revenue budgets and a more centralized model. The new budget model will not be out in 2016 or 2017, although we may be running a parallel system in 2017.
- We paid \$11.5 million for the early retirement plan in 2015
- There are some structural imbalances. We have structural deficits and the amount of carry-forward funds is dropping.
- We can expect the President's Budget meetings in the 2nd half of April.
- For FY16 schools should expect to continue with quarterly meeting with Budget
- The State of Michigan is not happy about the Universities who raised their tuition higher than the cap that was set last year. The State is likely to reduce University's appropriation by an amount comparable to the amount of tuition collected above the cap.
- We will be using data analytics to clean up our data.
- President Wilson is part of the Land Grant Commission and is chair of Management, Analysis and Predictive Analytics. President Wilson wants Wayne State to get better at this.
- SASVA has been created by Mark Byrd – it is available on the Budget Office website. Rob invites us to explore it. We have a lot of tools at our disposal, we just need to use them.

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- Rob's best guess on the budget for the coming year is flat...He is concerned that he is being over-optimistic.
- The Summer Tuition Discount will be available to students for this coming summer.
- Rob suggested that possible spending restrictions will be implemented, as opposed to limiting tuition increases.
- Roster Reconciliations – Must be up to date twice per year. Perhaps roster reconciliations should be part of BAO evaluations.

c. Discussion of Personal Services Contracts and Honorariums – Julie Denomme, Cindy Pellow

We discussed the 20 question checklist

The focus is shifting away from control.

More important, is the individual economically dependent or independent?

Under the DOL interpretation, there are 6 main areas. Most workers are considered employees.

The Department of Labor will increase the number of audits we will be subject to.

We will be using a revised checklist. It will have a couple new questions – not yes or no questions.

Julie will continue to work with HR Consultants to make the determination

Electronic signatures work, but if one person in the approval chain does not do it electronically, nobody in the chain can.

Most can be completed by a WSU employee – Some Y/N questions will require discussion with the candidate.

It was suggested that BAO's should approve Personal Service Contracts – Julie agrees – it will likely be mandatory.

We can expect a rollout in mid to late February.

DOL independent contractor guidelines (to be reviewed in conjunction with IRS standards) Is someone an independent contractor or employee? That is the question.

There are six questions to factor into the answer.

1. Is the person an integral part of the Employer's business?
2. Does the worker exercise managerial skill that would affect his opportunity for profit or loss?
3. How does the worker's relative investment compare to the employer's investment?
4. Does work performed require special skills or initiative or managerial skills?
 - a. Not technical skills
 - b. Must use Managerial and Business skills
5. Is the relationship permanent or indefinite?

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6. What is the nature & degree of the employer's "contract"?

You can google the person to get more rationale, perhaps attach a business card or direct to a web page

Honorarium

An Honorarium is a gift, not compensation for work performed.

If an individual is performing services for the University and expects to be paid, a PSC checklist must be completed to determine employee or independent contractor status.

Just because the work is being performed outside the United States does not automatically make them independent contractor – WSU can have an employee that works outside of Michigan.

Julie is willing to discuss any difficult decisions that you may come up with and we can coordinate "training" sessions with anyone that wants their department to better understand the PSC checklist and the changes.

Meeting adjourned at 3:00pm.