

TO: The Eastern Kentucky University Faculty Senate
FROM: Senator Michael T. Benson
DATE: April 28, 2016
RE: May Campus Report

Make no mistake: the last month has been difficult as we have grappled with budgetary uncertainties and then the final verdict out of Frankfort: 4.5 percent cuts in state funding for each year of the 2016-18 biennial budget.

For us, that means a reduction of \$3.1 million in state appropriations for each of the next two fiscal years, with performance funding metrics yet to be determined looming on the horizon. Although there will be a 5% increase in tuition for 2016-17, we must not, and we will not, place the entire monetary burden on our students and their families to make up the shortfall. Neither, as Board Chair Craig Turner has indicated, will we make indiscriminate cuts in programs and services; rather, any changes we make will be in keeping with our commitment to academic excellence and student success as we adhere to our Strategic Plan.

As I have done throughout the recently completed legislative session, I pledge to keep you up to date and involve you in the decisions as we work through this process together.

In this regard, below is a note distributed to campus this morning which summarizes what happened at the Wednesday's Board of Regents meeting.

Dear Campus Colleagues:

Yesterday, our Board of Regents took some important steps to adjust to the budget challenges we face as an institution. Chair Craig Turner, and the full Board, offered their support to assist in decisions which will allow the University to remain focused on our core mission of teaching and learning, while also identifying efficiencies across every area of the University. As the Board and University leadership reviewed possible cost-saving and cost-avoidance measures, we addressed a total budget impact of \$11.1 million.

You have undoubtedly heard much discussion of the cuts to our state appropriation (a 4.5 percent reduction for each of the next two years, or \$3.1 million loss each year), but we must also address an additional estimated \$8 million increase due to retirement contribution mandates, fixed expenses, additional investments in financial aid, and yet-to-be-determined costs associated with Fair Labor Standards Act (FLSA) requirements. As we face these rising costs, the Board, following the parameters set by the Council on Postsecondary Education (CPE) approved a 5% tuition increase for 2016-17 that equals a total of \$209 semester/\$418 a year. This increase is below the cap set by CPE and represents \$3.8 million of increased revenue. To identify an additional \$7.3 million in savings, the Board reviewed and approved the following measures as our initial efforts in reaching our mandated reduction:

Faculty Workload, Lecturer and Adjunct Committee

A committee led by Faculty Senate Chair Dr. Shirley O'Brien will be charged with increasing efficiencies, reducing our institutional reliance on adjuncts and part-time faculty, reviewing faculty release accountability and evaluating faculty workload.

Tuition Waiver

The Board understands that ECU strives to meet the Strategic Plan's goal of providing excellent benefits and professional development opportunities. State statutes require the University to provide only six (6) hours in tuition waivers per semester, and, currently, ECU grants twelve (12) hours per semester. The Board directed a reduction of total number of hours per semester to nine (9). These hours may still be shared with dependents and spouses.

Vacation Accrual Policy

The Board approved an adjustment to the current vacation accrual policy. Beginning July 1, 2017, employees may only accrue one year of allowed vacation time. Existing accrued vacation time in excess of one year's allotment must be used by June 30, 2017, or will be lost. Employees will retain ECU time, holidays, and any additional time designated by the President.

University Cell Phones

The Board acknowledges that some positions require use of a cell phone. The University currently extends a cell phone or stipend to many ECU employees at a significant cost each year. Effective July 1, 2016, the future use of University-issued cell phones, or receipt of stipends, will be determined by the appropriate Vice President.

University Grants & Contracts

Each year, ECU provides over \$35 million in contractual services to the Commonwealth of Kentucky. While these agreements cover the direct costs of the programs, the University is reimbursed for the indirect cost required to support these agreements at rates far below our lowest federally-approved rate. Historically, the low reimbursement rates have been justified on the grounds that the state already provides support to universities through our state appropriations. The University has seen very little change in the indirect cost reimbursement rates over the past decade, while state support to universities continues to erode.

Even at our lowest approved indirect cost rate, the revenue lost by the University is approximately \$2.7 million each year. As a result of this disparity, the Board directed the University to seek an indirect cost reimbursement rate that asks agencies to assume their fair share of the burden. We fully recognize that this approach may jeopardize long-standing agreements. However, the looming prospects of further cuts and, more importantly, a move to a stronger performance-based funding model, mean that we will be less able to subsidize programs that do not contribute directly to our performance metrics.

It is our expectation that our state agency partners will recognize their obligation to fully support these programs. If so, the University could realize additional revenue of approximately \$1.5 million to the General Fund each year, which would allow us to shift our institutional resources toward programs that will more directly affect our likely performance metrics.

Hiring Freeze

The Board directed the University to lift the hiring freeze for student employment and grant-funded positions and authorized approval of additional hiring on a case-by-case basis as recommended to the President by Deans and Vice Presidents.

It is important to note as we assess our future spending, our current capital projects are funded through state appropriations and private partnerships, not tuition dollars, and we are fortunate we can continue the momentum of our campus revitalization through these creative financing options. Improvements to our facilities will allow us to continue to attract the best and brightest students from our service region and beyond.

In addition to each of these steps, the board will continue to review potential cost savings in the areas of athletics, regional campuses, travel, and employee benefits. As we continue to discuss these adjustments I have also formed a University Budget Review Committee, consisting of a balance of faculty and staff leadership, and I will share more details on the members of this committee soon. To elicit input from all areas of campus will be vital to this process as we work together in the coming weeks and months.

These decisions are not easy and all will be approached with a goal of limited impact to our students and our employees, but we simply must make adjustments now to build a solid future for our University. As Chair Turner said today: "Students are going to remain our primary focus. We will not compromise our academic standards, and our faculty and staff are our greatest asset."

Provost Search

Finally, as we navigate the turbulent times in which we find ourselves, I am pleased to announce that Dr. Janna Vice has agreed to remain in the Provost role until a permanent replacement is found. Her presence in this position will allow us to focus on our reaccreditation processes while forging ahead with identifying her successor. As I announced last week, Laurie Carter and Donna Corley have agreed to serve as co-chairs of the search committee and are in the process of formulating the committee, drafting a position announcement, and soliciting from campus your ideas as to what skills/attributes/experience our next ECU Provost must possess.

Laurie remains my chief deputy and will be charged with additional responsibilities as we formulate the best possible management structure moving forward. Performance-based funding will require that academic affairs and student success strategically align and work closely together as we meet the metrics set for all Kentucky institutions of higher education. Additional details about realignments will be forthcoming.

As more than 700 of our colleagues gathered Monday at historic Elmwood, I was reminded that our greatest strength lies in our unity as a family. Just as families pull together during tough times so will we – that is what Colonels do.

In times such as these, it is important to remember that what all of you along with your staff colleagues do here makes a difference – many times a life-changing difference. Never is that more evident than at our annual Scholars Assembly, which I was privileged to attend along with many of you on April 15.

As I listened to our deans and others talk about this year's honorees, and then heard from the students themselves, I was struck by the accomplishments of these outstanding scholars and inspired by their stories.

Consider just a few examples this year of student success:

- Allia Vaez, a chemistry (pre-med) major and the daughter of Dr. Jaleh Rezaie and Hossein Vaez, is the first and only student-leader intern selected by the Global Citizenship Alliance. She will join just a handful of other students from around the globe this summer for the Salzburg Global Seminar in Austria. It was Allia's participation through our Honors Program in the Seminar two years ago that made this possible. Allia, who while a student here has done so much to build bridges of goodwill between cultures, wants someday to work with the Doctors without Borders program. After this summer in Salzburg, she take a step toward that when she joins the master's degree program in global health at Duke University.
- Symone Purcell, the daughter of physician parents from just down the road in London and a biology (pre-med) major, learned recently that she was one of only 30 American and European university students and recent graduates selected for the prestigious John Lewis Fellowship. As a result, she will travel to Atlanta this summer to participate in the Humanity in Action Program, which is designed to educate, connect and inspire the world's future leaders in the fields of human rights and social justice. The participants are then expected to return home and initiate their own action projects on important issues within their own communities. She plans to pursue a medical career in rural Kentucky because that is where she sees the greatest need.
- Kara Canterbury, from Mount Vernon, enrolled at EKV five years ago only to prove to her family that college was NOT the place for her. Yet there she was two weeks ago at the Assembly to accept a College of Health Sciences Dean's Award for her impressive record of academic achievement and service. What happened? **You** happened. Kara shared how faculty, especially in our Child and Family Studies Program, took note of her love for children and helped to focus her passion and find her life's calling. Already, she has circled the globe to serve children and others in such diverse places as Zimbabwe, Botswana, South Africa, Haiti, Guatemala, Romania, Ukraine and Russia. But she hopes someday to join you and teach here on the Richmond campus because, to hear her tell it, she has never met so many loving and caring people as she has at Eastern. You took a girl who was out to prove she wasn't smart enough for school and gave her a purpose. And that put her on a path in life she readily admits she wouldn't have found on her own.
- Andrew Stofleth, a former Marine who graduated last December with a degree in public relations. Andrew spoke eloquently about how our faculty together with the leadership skills he gained through his experience in Phi Kappa Phi had helped him grow into a better

professional. If you happen to know Andrew, you know that he's a sturdily built 5-foot-2. So when he said, "You guys know how to make someone feel 6 feet tall," it was quite the compliment.

It's not just the support of our faculty and staff that makes these student success stories possible. In the months and years to come, private support, too, will play an increasingly large role in making our students' wildest dreams come true. And the news on that front is also encouraging.

I had noted in a previous report the \$1 million gift from Maribeth and Louis Berman to support a combination of academic and student-focused initiatives.

A few weeks ago, it was announced that the programming and operation budget at our new Student Success Center, designed especially to help our first-generation and minority students, is funded by a \$500,000 gift from Paul and Deborah Chellgren. The Chellgren Success Series will include seminars, symposiums, group training sessions and classes, among other activities that we believe will inspire our students and improve our retention and graduation rates.

Then, most recently, an anonymous couple, both of whom graduated from Eastern, bequeathed a total of \$1 million to support scholarship funds in elementary education and art.

These gifts and pledges, together with donations raised during the last fiscal year, total over \$12.7 million and represent the most successful two-year period of private fund raising in ECU's history.

Lastly, a shout-out to Dr. Beth Polin, professor of management, whose research on apologies with a team of two Ohio State professors has garnered considerable media attention in recent weeks.

And that brings me to this: even today, when the news is not always positive, still there is every reason to be encouraged and certainly no reason at all to apologize for what we do here at ECU. To the contrary, as we prepare to close the curtain on another successful academic year, we should all stand tall and be proud of what has been accomplished and of the students who leave here eager and ready to change the world.

Thanks for your continued service and best wishes for a productive and enjoyable summer.