

Minutes of
THE FACULTY SENATE
OF
ARKANSAS TECH UNIVERSITY

This Special Session of the 2020-2021 Faculty Senate was held at 3:00 p.m. on Tuesday, September 22, 2020 on WebEx. The following members were present:

Dr. Alejandra Carballo	Dr. Scott Jordan
Dr. Jon Clements	Dr. Sean Huss
Dr. Michael Davis	Dr. Sean Reed
Dr. Pam Dixon	Dr. Jeremy Schwehm
Dr. David Eshelman	Dr. Asim Shrestha
Dr. V. Carole Smith	Dr. Jamie Stacy
Dr. Shellie Hanna	Mr. Steven Junker
Dr. Newt Hilliard	Dr. Brendan Toner
Dr. Carey Ellis Laffoon	Dr. Masanori Kuroki
Dr. Cynthia Jacobs	Dr. Efosa Idemudia

Absent: Dr. Randy Kelley

Guests: Mr. Walter Branson, Interim CFO, Dr. Barbara Johnson, VPAA, Ms. Pat Chronister

I. CALL TO ORDER Dr. Clements called the meeting to order.

II. Mr. Walter Branson's Remarks:

Mr. Branson introduced himself and discussed his background briefly. He emphasized Faculty Senate involvement was important to him because of his strong believe in Shared Governance. He acknowledged that the budget is everyone's issue, and there will be many places where we will need to look for solutions. Mr. Branson's opening remarks included the following points.

- We have a multi-million-dollar gap in our budget. The goal should be to have recurring revenue so there are no one-time expenses.
- His vision imagines a 'reinventing' of the campus for the future, as opposed to a budget exercise.
- We are looking at 5-year models with the goal that we want to create a budget that will ensure that we do not have to cut again. He believes a larger cut that would enable ATU to balance the budget would be better than a series of smaller cuts over time.
- He indicated a desire to free up some monies for investment and growth opportunities.
- Strategic cuts will be more beneficial than an 'across the board' approach.
- Cuts would not just come from academic programs. This is a university-wide plan.

Mr Branson went over his PDF entitled ‘Budget Plan & Calendar’ and went over the following bullet points:

Process

-Put programs and function in buckets – 20% of budget in each bucket 1-5

1. Enhance through additional resources – prioritized and present ROI
2. Maintain with no change in resourcing
3. Modify through reduced resourcing
4. Transform underperforming programs and functions
5. Phase out or merge – prioritized and present ROI

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6. Add initiatives such as
 - Raises
 - New programs
 - Other

In the ‘Process’ category, when talking about ‘buckets’, he emphasized that these are not just academic programs, but rather university-wide programs. A sixth bucket was included, and he indicated that this bucket could actually cost us money.

He will be holding open forums to the following stakeholders:

Communication and Information Distribution

- EC
- Faculty Senate
- Staff Senate
- Open Forums
- Budget Advisory Committee
- Students
- Trustees
- Donors
- Elected Officials

The current plan includes the following calendar:

Calendar

Sept 2 – initial discussion with EC members
Sept 9 – EC further discussion with more defined gap
Sept 16 – give numbers to EC to start classification
Sept 16 – feedback on principles and goals due from EC
Sept 17 – Budget Advisory Committee
Sept 22 – Faculty Senate
Sept 23 – Staff Senate
Sept 23 – Student Government
Sept ?? – Graduate Student Council
Sept 28 – Oct 4 – open forums
Oct 15 – board meeting to approve resolution regarding initial parameters
Nov 20 – analysis due from EC members
Jan 15 – first round of budget presentations – Deans
Jan 22 – second round of budget presentations – ECs and follow up
Jan 29 – third round of budget presentations – ECs and follow up
Feb 5 – committee final follow up and recommendation formulation
Feb 8 – committee forwards recommendation to EC
Feb 10 – EC first discussion of recommendation
Feb 15 – EC all day retreat to discuss recommendation
Feb 19 – EC forwards recommendation to President
Mar 18 – Board meeting to set plan

Dr. Sean Huss asked about Faculty Input during the process, citing that it seems faculty involvement is not included on the schedule after October 4.

Mr. Branson indicated his assumption that would come down from the Deans as they are communicating with their units, and cited faculty involvement on the Budget Advisory Committee.

Dr. Barbara Johnson indicated that she would be meeting with the Deans this week to discuss how they can make sure the faculty are involved in the process.

Dr. Sean Huss indicated that more involvement in the process would generate less surprise and ‘blow back’, and Dr. Johnson and Mr. Branson agreed. Mr. Branson indicated a willingness to work with any senate budgetary committee.

Dr. Sean Reed read the following questions from constituents:

- What dollar amount are we targeting for this cut? What is the worst-case scenario? What is the best-case scenario?
- Will the cuts be determined at the program level or college level?
- What criteria will be used to determine where the cuts will be made?
- How many faculty lines do you anticipate us losing in this round of cuts? How many staff lines? Will attrition and retirement buyouts be able to generate that many open lines?
- I had a constituent who wanted to mention biggest concern is faculty salaries and benefits. In this person’s view, ATU should give greater consideration to *faculty* salaries. According to the faculty survey from last year, most departments have significant faculty overloads due to freezes on new hires and also due to vacated positions for which there was no replacement. Faculty have had to accept freezes and low salary increases with more work load for some time. This constituent is of the opinion that tuition increases and administrative cuts should be considered before looking at faculty salaries and benefits. This constituent also pointed out that overloads are indeed a salary ‘cut’ because compensation for these overloads is minimal. Finally, the constituent would like to see the issue salary compression given more consideration outside of the Senate.

Mr. Branson indicated that retiring faculty would create revenue, while reminding that we are not allowed to encourage or discourage anyone from taking advantage of those programs. He does not know which positions will or will not be refilled. It depends on where they come across. Faculty lines vs. staff lines has *not* been a topic of conversation to date. He emphasized that there are no preconceived notions regarding college level vs. programmatic level changes. There has not been pre-discussion in this process regarding some of these issues. He did acknowledge that salary levels and compression are issues that need discussion. Salary and benefits is an important issue, and it isn’t an issue that just pertains to faculty. He also indicated that compression is an issue that doesn’t just affect faculty.

Dr. Sean Huss asked how we are looking into non-revenue-generating programs, citing Student Services and Enrollment Management. Mr. Branson indicated that looking at peer institutions would be a good start.

Dr. Erica Wondolowski: Will our adjunct faculty be targeted in these budget adjustments?? These faculty members often have little to no protections, and little to no benefits, but are the lifeblood of many programs.

Mr. Branson and Dr. Barbara Johnson reiterated that there have been no preconceived notions about who is to be targeted.

Dr. Justin Moss: Are we doing anything to try to get a more equitable distribution of funds from the state?

Mr. Branson indicated that we would continue to have those discussions, but that he has been in similar situations at other institutions. He is aware that our President and others have proposed solutions that would be harmless to other institutions, and we won't give up, but shouldn't hold our breaths here.

Mr. Branson went through a Budget Projection spreadsheet that is a working document which includes two 5-year plans for both the Russellville and Ozark campuses. One plan includes *no tuition increase*. The second plan outlined a *2% tuition increase*.

SPREADSHEET #1 (*no tuition increase*).

Dr. Jeremy Schwehm:

What percentage of our current budget is instructional expenses (e.g., academic affairs, faculty salaries, delivery of instruction) and how much is institutional expenses (e.g, support services, etc)? We learned through the HLC process the percentage of the University budget dedicated academics was lower than it should be. Will this be addressed in the budgeting process?

Mr. Branson indicated that we don't have those numbers now, but they will get that to us. Laury Firoello agreed to get that to out as a breakdown. Mr. Branson indicated that this was something we should look at.

Mr. Steven Junker:

Under expenses, what category do adjuncts fall under? Extra Labor?

Laury Fiorello indicated they fall under *Professional*.

Mr. Branson indicated that there are a number of things we pay for with year-end surpluses. As we go forward, he feels that we will have to have a budget that will cover these expenses. He went over these items under *Budget Items to be Implemented*.

Mr. Branson emphasized plans for a Maintenance Reserve – we are falling farther and farther behind on deferred maintenance. He believes the 1Million in his budget would allow us to move forward.

Salary Increase, Maintenance Reserve, Program Improvement and Technology Infrastructure Support would be tied to State Funding B&C.

Insurance premiums will go down next year, but will probably climb up over the next few years.

Mr. Branson added additional revenue in Fiscal year 2023 as a result of the possibility of increasing fees for a new Student Union &Rec Ctr fee.

This is a 5-YEAR version of the plan. Projections have been made according to enrollment expectations.

\$24,570,604 is the 5-year gap (15.73%) in this scenario.

SPREADSHEET #2 plans for a 2% increase

\$17,483,641 (11.20%) is the 5-year gap in this scenario.

Dr. Jon Clements emphasized that draconian cuts now could be devastating for some people.

Ms. Angela Black:

What is the number we need to cut? \$12.7 million gap now, but a potential \$24 million gap in a few years, what is the magic number this year?

Answer: Our goal is to identify this and cut the vast majority of this *now*. Dr. Jon Clements again emphasized that we must be concerned how this may affect people. Mr. Branson agreed.

Mr. Steven Junker:

I see you're proposing a 2% tuition increase. Why did you pick 2%? And how much does that affect the average student?

Answer – 2% is close to the rate of inflation. We have to be concerned with price-sensitivity, or we start to lose students.

Dr. Jon Clements indicated that other institutions pretend to have lower tuition, but inflate their fees. Mr. Branson indicated that this may be a big discussion in the legislature this year – they may clamp down on that.

Dr. Theresa Cullen: What role will fund raising and grants play in proposed solutions to the gap?

Answer: this really has to be recurring money to fill the gaps. Endowed scholarships and professorships could play a role. Most grants are just one-time money. We need recurring money.

Dr. Georgeanna Wright:

Would love to know what "compression" means in this context.

Answer – if new faculty are hired at the CUPA average, but if there is no ability to address Full Professors and that change, so new faculty effectively get hired at higher salaries and they get closer and closer to people who have been here longer. This works with Classified employees as well, if the state raises the minimum wage.

Dr. John Jackson:

Is there any discussion of a longer-term buy out for retirement say on a 2 to 5-year plan that would allow the cuts to be spread out longer through attrition?

Answer: No.

Anonymous question:

Are negotiations open to changing titles/reducing the number of deans and VPs in Student Affairs?

Answer: Anything is on the table. I think that would be good input to come from the senate.

Dr. Sean Huss suggested that we amend the agenda for this meeting to allow us to form a volunteer Senate Budget Committee. Dr. Jamie Stacy so moved. Dr. Jeremy Schwehm seconded – a vote was taken and the motion was carried.

Dr. Jeremy Schwehm, Dr. Sean Huss, Dr. Newton Hilliard, Dr. David Eshelman, Dr. Julie Mikles-Schluterman, Dr. Jason Warnick, Dr. Jamie Stacy, and Dr. Jon Clements all volunteered to work on the Senate Budget Committee.

Adjournment

Dr. Sean Reed– motion to adjourn. Dr. Jeremy Schwehm seconded. Meeting adjourned.

Respectfully Submitted,



Jon Clements, D.M. President



Sean Reed, D.M.A. Secretary