January 16, 2009

Re: Follow-up to Forum on Budget

Dear Colleagues,

We had a standing room only turn out yesterday at the forum. Many asked very good questions and hopefully went away better informed. Yesterday’s update reflected my current knowledge of the situation and described the actions that we have taken and will be taking. Admittedly, conditions are changing fairly rapidly, and we must respond to those changes. It is obvious that everyone on campus is very concerned about the state’s economic condition and its effect on the university. I will do my best keep you updated on the budget situation.

This memo represents a detailed summary of the forum. The deans and I have been working on it for more than a week and I had originally thought I would send it out on Monday. However, after reflection, the memo serves a very useful purpose in reinforcing and recording yesterday’s presentation. It describes not only what we are doing in the Provost Division, but also the planning directed by the Chancellor.

This is a long memo because the context and actions are very complex. So, please bear with me and set aside sufficient time to digest all that is here.

**The Current Context**

**The Reversion.** As I think you know, the governor announced a call back (reversion) of a portion of our original state appropriated budget for 08-09. The reversion is not a permanent cut, but it is a one-time reduction to the budget that was allocated. To this point, all divisions within the university have given back 5% of their budgets. **[Flash: On Wednesday we were notified by General Administration to revert 6% of our 08-09 budget and plan on another 1%. As I said in my opening, the situation is very fluid.]** The Provost Division has been able to handle its contribution (more than $3.5 million) centrally because we foresaw hard times and held back funds in July. With the full concurrence of the Chancellor, deans and others, I held all new faculty lines (20), new dollars we were scheduled to receive from enrollment growth funding and reserve funds that were going to be distributed to colleges. So, academic units have been spared the effects of the reversion---thus far. Should the governor call back more funds, the deans and directors will be forced to contribute to the reversion. All are planning for that possibility by slowing spending and perhaps establishing a rainy day fund.

**Next Year**. We face significant challenges next year when we will incur permanent reductions to our core budget and potentially a reversion on top of that cut. In early December the General Administration notified all universities to prepare 3%, 5% and 7% permanent budget reduction scenarios for the 2009-2010 budget. For WCU that amounts to approximately $2.9, $4.8 and $6.9 million, respectively. If reductions reach these larger levels, cutbacks will inevitably affect personnel expenditures because they represent 77% of the university budget. Since the Provost Division consumes the lion’s share of the total university budget, any such reduction will have significant impact on us.

Although we do not know the magnitude of the cut that we will have to absorb, and may not until March or even April, the Executive Council and leaders within the Provost Division have been busy developing contingency plans. To be on the safe side, Chancellor Bardo directed all institutional division heads to prepare an 8% budget reduction to their state appropriated accounts. Since the state appropriation equals approximately $95.5 million, the 8% scenario amounts to approximately $7.6 million. As you can see, we are certainly in a serious situation that demands all of our best efforts.

While we are prepare our 8% scenario, we are considering lots of possibilities that may be unnecessary when the actual magnitude of the cut is known. I will share our plans with you as soon as I know the magnitude of the cut that we are facing. We hope that we know our reduction in time so the deans, directors and I can engage our constituents in meaningful dialogue. During this time of uncertainty, I ask that you trust that your leaders are doing their very best to protect the core mission of the institution and its future. The deans and directors within my division are fully prepared to explain keep you informed the best they can as we continue our planning. They will be meeting with their respective units to provide updates and field questions.

**The Foundation of the Budget**

As you may be aware,the WCU budget allocation is tied to our annual expected student credit hour (SCH) production. You may not, however, be aware that WCU has fallen short of its annual target (approximately 205,000 SCHs) for the last three years by an amount ranging from 11,000 to 12,000 SCHs. This year the situation may be even worse; based on fall’s SCH production and the estimate for spring, we believe we will miss the target this academic year by more than 16,500 SCHs. *Prior to the downturn in the economy GA was willing to let us grow into our budget. But the climate has changed.* As we face this severe economic downturn, the General Administration and the Legislature may take note of this imbalance and conclude that we have too many positions and too much money. On the basis of this analysis, it is not unreasonable to conclude that we are over funded by 25 to 30 faculty positions and the accompanying support dollars associated with those lines.

Simply put, *we are under producing in our resident programs.*Other performance indicators show this as well. For example, if we look at our student faculty (S/F) ratio, a number that compares the number of full-time equivalent faculty to the number of full-time equivalent students, we see the same indications (administrators often use the S/F number to get a quick feel for the appropriateness of staffing levels within an organization). Currently, WCU’s S/F ratio is 13 to 1, one of the lowest, if not the lowest ratios in the system. By comparison, ASU and UNC-W two of our competitors and peers, have a 17 to 1 ratio. We must begin immediately to address this imbalance; increasing our **instructional productivity and efficiency** is an important part of this effort.

**A Proactive Approach**

**Increase S/F Ratio.** Although we do not know the magnitude of our budget cuts for 2009-10, we do know that our budgeted SCH and actual SCH are out of balance. We can correct this imbalance by becoming more productive and efficient using the S/F ratio as a metric to evaluate our performance. Therefore, the deans, department heads and I will be taking actions to increase the WCU S/F ratio to a level similar to ASU and UNC-W. The variables most directly related to S/F ratio are number of faculty and class size. However, there are many other variables that play a part including size of the curriculum, class scheduling, concentrations within the major, faculty load etc. The deans will begin immediately working with department heads to attack the problem on multiple fronts to increase our productivity and efficiency with an ever watchful eye on quality.

As we begin the process of right-sizing, I want to assure all that we are NOT going to move reflexively toward a higher teaching load. We are committed to our integrated learning model (QEP) so it is vital that we create time outside of class for faculty to be engaged. Further, we are committed to the teacher/scholar model which also requires time outside of class. Therefore, we will continue our march toward a 3/3 load for individuals who are productive in all areas of teaching, scholarship and service.

However, we will also adopt the differentiated staffing model as a strategy to manage our faculty resources more effectively. Instead of requiring each faculty member to have the same teaching/scholarship/service load each semester, department heads and deans will assign individuals differential loads in these areas to take advantage of individual faculty strengths and interests. We will shift from the historic model that requires individual faculty to do the same things to a model that focuses on departmental outcomes. All faculty will be required to do equivalent work, but they may concentrate their efforts more in one area than another.

**Reduce Instructional FTE.** I am setting a goal to reduce our current instructional FTE (582.25) by at least 30. Most of these cuts will be vacant positions, but not all. The deans and I will review all of our staffing and eliminate those positions that have the least impact on our future. Reducing instructional staff will help bring us back into balance and will at the same time drive an increase in our average instructional salary (AIS), a number that, along with the S/F ratio, also has significant budgetary implications for us.

Like the S/F ratio, the AIS at WCU is lower than our peer system institutions, and since our budget is in part derived from the AIS, increasing this number is an important part of our strategy. Currently our AIS ($73,983) ranks 11th in the system and is $1,100 below Pembroke, $1540 below ASU, $3308 below UNC-A and $3613 below UNC-W. Bringing our AIS more in line with ASU, UNC-A and UNC-W means that our state budget in the future will contain more funds for faculty salaries, academic support, IT, the library and other areas of institutional support.

**Fall 2009 Schedule.** We are faced with a very difficult situation. The fall 2009 class schedule is being built now without us knowing the extent of our budget reduction. And we can’t wait until March or April. So, we must act now. The deans and I believe the only fiscally responsible action is to bring our staffing in line with our budget. So, we have developed a number of strategies that are designed to accomplish that goal. I have directed the deans to implement these strategies to create the most efficient schedule possible. As you review the strategies below you will recognize that each is designed to increase our S/F ratio.

**Strategies for Fall Semester 2009**

* All *class enrollment caps* (i.e. the maximum number that can register for a class) will be set at the maximum room capacity. Any variance must be approved by the dean and reported to the Provost with an appropriate rationale. [Additional furniture will be purchased for rooms where capacity can be increased.] Cross-listed courses are to be treated as one section. Only seminars and upper division courses with small enrollments will be scheduled in rooms with a capacity of less than 30. Lecture sections should only be scheduled in rooms with capacities of 30 or greater. The general enrollment expectations for course type is as follows:

Lecture, PE Outdoor (includes distance face to face) Classroom Capacity

Seminar 25

On-line 25

This standard applies to graduate and undergraduate courses.

* Classes will be scheduled across the entire day and evening according to the guidelines approved by the Council of Deans.
* At least 80% of the Tenured, Tenure-track and multiyear term faculty will be expected to teach 100-200 level courses.
* Deans will conduct an audit of all faculty release time within their college and adjust where appropriate.
* Deans will review rotation of courses to balance efficient use of resources and appropriate student access.
* Low enrolled courses will be cancelled unless required for student graduation.

**Long-term Curricular Actions.** Faculty load, class size, efficient and effective scheduling, graduation rate, student retention, and effectiveness of academic advising are all influenced by the quality and size of the curriculum. Too often, majors (I am speaking of both undergraduate and graduate programs) become bloated and students have a difficult time navigating the requirements or even enrolling in required courses. We fail to evaluate the curriculum as a whole to assure that it is sufficiently deep to meet intended student outcomes without going beyond what is necessary to do so. We fail to match our philosophical desires for the ideal with the reality of our resources.

For example, we develop more and more concentrations to conform to individual faculty interests without regard to sufficient funding or interest on the part of students. As a result we create heavier teaching loads for faculty because someone has to offer all of the courses in the required curriculum---even when course enrollment is small. Oh, the things we do unto ourselves! Our faculty must fully discuss their major and decide upon its primary purpose and do it well. This budget crisis is a blatant reminder that it’s just not practical to have as many required courses and/or as many concentrations as some of our majors have.

Our *Liberal Studies* program suffers a similar problem. We have continued to add on to it without evaluating the whole curriculum in relationship to our intended outcomes. Over time the goal of our liberal studies program has morphed beyond what was originally intended or required by accreditation. It has become bloated and seems to have taken on a life of its own rather than providing a foundation of life skills and knowledge that integrates into a student’s major.

If we are truly to become efficient, productive and effective, all faculty must critically evaluate our curriculum. Therefore, I am asking each dean to lead the process within their colleges/school to do the following:

* Require each department to establish for each major its primary purpose, focus and intended student outcomes.
* Review the size of each major with the goal of creating an efficient, leading edge and integrated curriculum whose requirements are sufficiently deep and broad to meet disciplinary requirements but are not excessive.
* Evaluate all concentrations within the major and eliminate any that divert resources away from the primary goals of the major.
* Identify all courses not taught within the last 6 semesters and purge them from the curriculum.
* Contribute to the discussion and review of Liberal Studies helping to define its role and its relationship to the major.
* Through the leadership of the Dean of the Graduate School, review all master’s programs in relation to the strategic goals of the university and resource availability.
* In conjunction with the Assistant Vice Chancellor for Undergraduate Studies, evaluate the impact of spreading the freshman seminar across fall and spring semesters to balance the use of faculty resources.

This has been a very long memo, but I wanted you to know the full context of the budget situation as well as what the academic leadership is planning. I hope I have given you a better understanding of the challenges we face and have reassured you that your academic leaders are working hard on your behalf. ~~I hope that you will attend the Academic~~ **~~Forum on Thursday, January 15~~~~th~~ ~~at 3:30 p.m. in the UC Theater~~**~~. After I give an update, we’ll be able to discuss anything in this memo or anything else you wish to raise.~~

As I close, I want to remind you that we are a very strong institution. We become even stronger when we work together to solve common problems. This is a time when our unified efforts are needed. Although this is a time of challenge, it is also one of opportunity. It requires us to stop and consider what we are doing and what we have done in the past. I ask all of you to consider how change can make us more effective. If we are wise and make decisions around the primary criterion of preparing distinguished graduates, our institution will be stronger in the future. I look forward to working with you to accomplish this goal.

Sincerely,

Kyle Carter, Provost and Senior Vice Chancellor