

# **EKU**

**EASTERN KENTUCKY UNIVERSITY**

**BUDGET ADVISORY COMMITTEE**

**RECOMMENDATIONS**

March 2018



# Budget Advisory Committee

## Charge

The committee was charged by President Benson to identify and recommend a set of strategies to address an anticipated budgetary shortfall of \$25 Million for fiscal years 2019 and 2020. Specifically, the committee was asked to engage faculty, staff, and administrators across the University to identify cost reduction measures in a collaborative and open manner.

## Members

David McFaddin, Co-chair

Tanlee Wasson, Co-chair

Burke Christensen (representing the EKU faculty-at-large)

Mary Clements (representing the Chairs' Association)

Melinda Compton (representing the Provost's Office)

Stephanie King (representing the Staff Council)

Mark Maier (representing the Office of Legal Counsel)

Brett Morris (representing Student Success)

Sarah Pitt (representing Human Resources)

Barry Poynter (representing Finance and Administration, including Auxiliary Enterprises and Athletics)

Matt Winslow (representing the Faculty Senate)

Sara Zeigler (representing the Deans' Council)

## Guiding Principles

When considering strategies, the committee used the following guiding principles:

- Protect students to the greatest extent possible, including scholarships, services, and programs
- Consider high-impact practices for student learning and success
- Support EKU's strong academic programs with opportunity for growth
- Shield the essential services identified by constituent groups, including Libraries, Tutoring Services, Student Employment, Information Technology, Registrar, e-Campus, and Public Safety

## Work Process

The Budget Advisory Committee (BAC) received its charge in November 2017 and immediately began working to develop a timeline for data collection and review. Three primary methods of data collection were identified: 1) small group meetings with each VP area and other constituent groups, 2) web-based survey, 3) review of data from the budget office, IT, and IR.

One of the first decisions by the BAC was on the approach to collecting strategies from each VP area. The chosen methodology was to ask each VP to submit a variable level proposal identifying specific strategies for reducing expenses at the 15, 20, and 25% levels. In order to ensure consistency in the information provided about each strategy, a template was developed that included the submission form, position information, and budget detail for each VP area. The BAC emailed each VP their specific templates on January 7<sup>th</sup> and requested submission of the completed templates by January 31<sup>st</sup>. Additional detail about this process is included in Appendix A.

The web-based survey asked respondents to identify priority programs and services that should be preserved and those that could be reduced or eliminated. The survey was open from December 9, 2017 to February 27, 2018. The committee reviewed responses from 382 faculty and staff. Members of the BAC met with constituent groups throughout January. In addition to the official committee meetings in Table 1, Dean Zeigler and Matt Winslow hosted three drop-in meetings for faculty to provide more opportunities to hear their concerns and recommendations.

**Table 1:** Group Meetings Schedule

Group	Tentative Date	Time
College of Science	January 8, 2018	1:30-3:30
Staff Council	January 9, 2018	10:00-12:00
Deans' Council	January 10, 2018	8:30-10:30
EARN Group	January 10, 2018	9:30-11:00
College of Health Sciences	January 11, 2018	9:00-11:00
Chairs Steering Committee	January 12, 2018	1:30-3:30
College of Letters, Arts, & Soc. Sci	January 18, 2018	9:00-11:00
Finance & Administration	January 18, 2018	1:30-3:30
College of Business & Technology	January 19, 2018	8:30-10:30
Open Faculty Forum	January 22, 2018	3:30-5:30
Department of Athletics	January 22, 2018	10:00-12:00
Student Success	January 22, 2018	1:00-3:00
Academic Affairs Direct Reports	January 24, 2018	8:00-9:30
Development & Alumni Relations	January 24, 2018	10:00-12:00
College of Education	January 24, 2018	2:00-4:00
Student Government	January 25, 2018	5:30-7:30
College of Justice & Safety	January 29, 2018	1:30-3:30
Engagement & Regional Stewardship	January 30, 2018	8:30-10:30

# University Summary

The Budget Advisory Committee (BAC) worked with the five Vice Presidents throughout January and February 2018 to identify strategies for reducing spending in their areas by 15%, 20%, and 25%. Through extensive dialogue with the VPs and their cognizant reporting units, the committee adopted a subset of strategies from each area to comprise the current set of recommendations for the University. In doing so, the BAC avoided an across the board approach in which all areas received the same level of reduction. Rather, the committee focused on identifying and accepting the strategies that would have the least impact on students and the operation of the University.

The strategies identified in this report will yield approximately \$25.1 Million in spending across the 2019 and 2020 fiscal years. Percent reductions in Table 2 are based on the unencumbered budget for each area. Expenses that are considered encumbered include student scholarships, debt service, utilities, contracts (Aramark, Banner, TouchNet), course fees, and library acquisitions.

**Table 2: Strategy Totals by VP Area**

VP Area	Strategies Total	Percent of Unencumbered Budget	Unencumbered Budget	Budget
Academic Affairs	\$ 13,223,550	12.4%	\$ 106,767,611	\$ 125,306,998
Student Success*	\$ 1,964,617	9.7%	\$ 20,244,484	\$ 75,553,151
Regional Stewardship	\$ 1,681,556	20.0%	\$ 8,425,853	\$ 9,388,908
Athletics	\$ 2,025,800	21.8%	\$ 9,310,472	\$ 9,310,472
Development and Alumni	\$ 460,322	14.9%	\$ 3,097,725	\$ 3,097,725
Finance and Administration	\$ 1,732,754	8.9%	\$ 19,476,876	\$ 44,232,844
University**	\$ 4,055,535	*	*	\$ 19,414,100
<b>TOTAL</b>	<b>\$ 25,144,132</b>	<b>15.0%</b>	<b>\$ 168,286,076</b>	<b>\$ 286,304,198</b>

\*All scholarships (\$36.3 Million), including Athletic Scholarships (\$6 Million) are included in the Student Success budget.

\*\*The "Strategies Total" for the University category represents strategies that were outside of individual VP areas, including University Counsel, Employee Reclassifications, and reduction in a Vice President. The amount yielded by these strategies is included in the table. The budget assigned to this category represents budget items outside of the VP areas such as Debt Service/Bad Debt/Contingency, University Counsel, and the President's office. Since the strategies in this area do not adhere to the budgets assigned to those areas, the other two columns do not apply.

## KEY STRATEGIES

- Increased Revenue: new online bachelor's degrees in Criminal Justice, Business Administration, Communication Studies and Sports Management
- Elimination of Vice President and other administrative roles
- Athletics reversion to pre-FBS bid level
- Closure of the regional campus in Danville
- Employee reduction: 96 filled positions, 57 vacant positions, and 37 RTP-partial lines<sup>1</sup>
- Academic Program Suspension: 12 degree programs, 2 certificates, 4 minors, and 3 concentrations
- The Committee is recommending a total of 505 strategies. The largest single strategy yields \$1,068,724 in reduced expenses, while the smallest strategy yields \$300. The average strategy reduction is \$50,215 and the mode is \$24,228.

<sup>1</sup> Since presentation of the report to the President's Council on March 9<sup>th</sup>, position numbers have shifted due to retirements and resignations. These numbers reflect those changes and are updated as of April 5, 2018.

## Academic Affairs

# \$13,223,550

The Provost and Deans Council used the 2016 program review list as a basis for reviewing degree production and enrollment in all academic programs. As a result of that review, 12 degree programs, 2 certificates, 4 minors, and 3 concentrations are recommended for suspension. All programs recommended for suspension have a 3-year and/or 8-year average degree production of less than 10, with the exception of the Associate Degree Nursing program (ASN).

The recommended program suspensions identified in Table 3 represent \$2.4 Million in expense reductions, with the majority from the ASN program at \$1.1 Million. The Deans' Council voted on and approved the suspension of these programs.

**Table 3: Program Suspensions**

College	Program	Degree	Recommendation
BT	Business & Marketing Teaching	BS	Suspension
EDUC	Deaf Studies	BA	Suspension
EDUC	American Sign Language Studies	MA	Suspension
HS	Family & Consumer Science Teaching	BS	Suspension
HS	Nursing	ASN	Suspension
HS	Nursing Administration	Concentration	Suspension
HS	PE and Health Teaching	Concentration	Suspension
CLASS	Economics	BA, Minor	Suspension
CLASS	Religion	Minor	Suspension
CLASS	Theatre	Cert (2), Minors (2)	Suspension
CLASS	BFA-Sculpture	Concentration	Suspension
CLASS	School Psychology	PsyS	Suspension
Academic Affairs	Individualized Studies	BIS	Suspension
BT	Risk Management & Insurance	BS	Transition: Students will transition to the BBA in Risk Management and Insurance.
Science	Chemistry	BA	Transition: Students will transition to the BS in Chemistry
Science	Mathematics Teaching	BS	Transition: This program will become a concentration embedded under the Mathematics BS program
Science	Mathematical Sciences	MS	Transition: Students will transition to the MA in Applied Mathematics

The ASN degree program was identified by the College of Health Sciences as a strategic suspension. The College of Health Sciences has intentionally reduced the number of enrolled students over the last several years. College leadership has indicated that strategic growth of the BSN program is a greater priority and that growth is limited in space and clinical placement opportunity by the continued offering of the Associates program. Additionally, most hospitals in the region require a bachelor's degree upon hire or within two years of hire. In order to better meet those needs, an increased focus on growth of the Baccalaureate program will increase the number of nurses at the requisite degree level for long-term employment in area hospitals. Additional details are provided in the BSN growth plan (Appendix B).

Academic Affairs leadership also identified 113 positions for elimination, as well as 37 RTP/ERTP partial lines<sup>2</sup>. Many of those lines were vacant as a result of the Provost's decision to hold most open Academic Affairs positions in Fall 2018.

**Table 4:** Academic Position Reductions

Position Type	Filled	Vacant	Total
Non-tenured Faculty	17	1	18
Tenure-track Faculty	10	35	45
Tenured Faculty	9	-	9
Academic Support Staff	25	16	41
Total	61	52	113

## KEY STRATEGIES

- Increased Revenue: new online bachelor's degrees in Criminal Justice, Business Administration, Communication Studies and Sports Management
- Position Reduction: 72 faculty positions, 41 academic staff positions and 34 RTP-partial lines
- Academic Program Suspension: 12 degree programs, 2 certificates, 4 minors and 3 concentrations
- Reorganization of academic support—combining departments, sharing administrative support staff, reduced Associate Dean and two Department Chairs
- Reduction in operating budgets
- Decreased graduate assistantships
- 50% reduction in faculty professional development funds

## ADDITIONAL STRATEGIES

- Rigorous annual program review with benchmarks for degree completion and enrollment
- New process for evaluation and approval of reassigned time through the Provost's office
- Evaluation and redeployment of part-time faculty budgets

<sup>2</sup> Since presentation of the report to the President's Council on March 9<sup>th</sup>, position numbers have shifted due to retirements and resignations. The numbers on this page reflect those changes and are updated as of April 5, 2018.

## Student Success

# \$1,964,617

Each unit within the Student Success area identified strategies in the individual areas: student affairs, career and co-op, first-year courses, university advising, retention and graduation, housing, and enrollment management.

### KEY STRATEGIES

- Reduction of freshman orientation
- Staff reductions and restructuring
- Reduce international student recruitment
- Modify the First Year Experience
- Cancellation of 3rd Party Contracts (Ruffalo Noel Levitz)
- Reduction in Student Health Services
- 23 staff lines

## Regional Stewardship

# \$1,681,556

Leadership within the area of Regional Stewardship identified expense reductions through technology changes, staff reductions, use of alternative funding, and closure of the regional campus in Danville.

### KEY STRATEGIES

- 13 staff lines
- Closure of the Danville Campus
- Reduction of University support for WEKU to the minimum staffing requirements based on the agreement with the Corporation for Public Broadcasting.

# Athletics

# \$2,025,800

The committee reviewed the strategies put forward by Athletics at the 15%, 20% and 25% levels. These were inconsistent with guiding principles of the BAC. As an alternative, the committee recommends a limited budget reversion to the pre-FBS conference bid budget, paired with a strategic team reduction.

## KEY STRATEGIES

- Roll back personnel and operational expenses to the 2014 level
- Elimination of the men and women's tennis programs

Rationale for personnel and operational roll back:

- During the bid for an FBS conference, significant increases in athletics expenditures were made to align with benchmarks in those conferences;
- Given the current budget restraints, the institution has decided not to pursue a FBS conference move;
- The success of athletic teams prior to 2014 indicate that the recent increases are not necessary to succeed in our current conference
- No reduction in scholarships is recommended to ensure the commitments to our student-athletes are fulfilled. This is consistent with the committee's position on not reducing student benefits.

Rationale for elimination of the men's and women's tennis programs:

- Two Kentucky comprehensives and several OVC peers have cut their tennis teams in recent years, thus reducing competition in the conference and increasing competition outside the conference
- There is a limited market for tennis in Kentucky and throughout the Midwest
- There has been less investment in Tennis than the other teams in recent years
- Tennis facilities are easily repurposed for other uses

## Development & Alumni Relations **\$460,322**

The Committee spent a considerable amount of time reviewing fundraising and expense data for Development & Alumni Relations, as well as discussing the nature and future of giving at the University. Development officers provided a great deal of feedback to the committee's questions related to unrestricted and general fund giving. The committee recognizes that during a capital campaign deferred gifts are an expected form of giving. However, the BAC recommends a refocusing of efforts on strategies that yield greater amounts of current, unrestricted spendable funds for academic colleges and programs, as well as the University's Annual Fund. It is also recommended that a University Annual Fund goal be established each year.

### KEY STRATEGIES

- 4 staff lines and Vice President for Alumni and Development
- Shifting costs for Foundation report to Foundation funds
- Solicitation of sponsorships for alumni events

## Finance & Administration **\$1,732,754**

The areas within Finance & Administration were significantly impacted and reduced by the 2013 reallocation and the outsourcing of custodial and grounds services in 2016. The magnitude of previous reductions in these areas limited strategies available during the current process. Additional cuts in many of these areas would greatly reduce necessary operational functions of the University.

### KEY STRATEGIES

- 12 staff lines
- Campus energy infrastructure improvements
- Extension of computer and laptop lease programs from 3-4 years
- Efficiencies in printing and mailing services
- Operational revisions at the Center for the Arts

# University Level Strategies

# \$4,055,535

In addition to the strategies put forth by each VP area, the committee identified some University level strategies to reduce expenses. These strategies include the strategic decision by the President to reduce the number of Vice Presidents from five to four, a savings of \$200,000.

- Employee reclassifications, which will yield more than \$1.2 Million in expense reduction
- Reduction of 26 administrative positions listed in Table 5, for more than \$1.8 Million in total savings (salary + fringe) and average savings of \$71,986 per position
- Reductions in underutilized scholarships and exchange agreements
- Reduction in the Post-secondary Waiver for employees at other Kentucky colleges and universities
- Appointment of a working group to evaluate the areas across campus that administer diversity services and initiatives and identify opportunities for increased efficiency.

Position Type	Number
Vice President	1
Asst./Assoc. Vice President	1
Associate Dean	2
Department Chairs	2
Director	6
Associate Director	2
Resource/Operations /Grants Administrator	7
Coordinator/Supervisor/Manager	5
<b>Total</b>	<b>26</b>

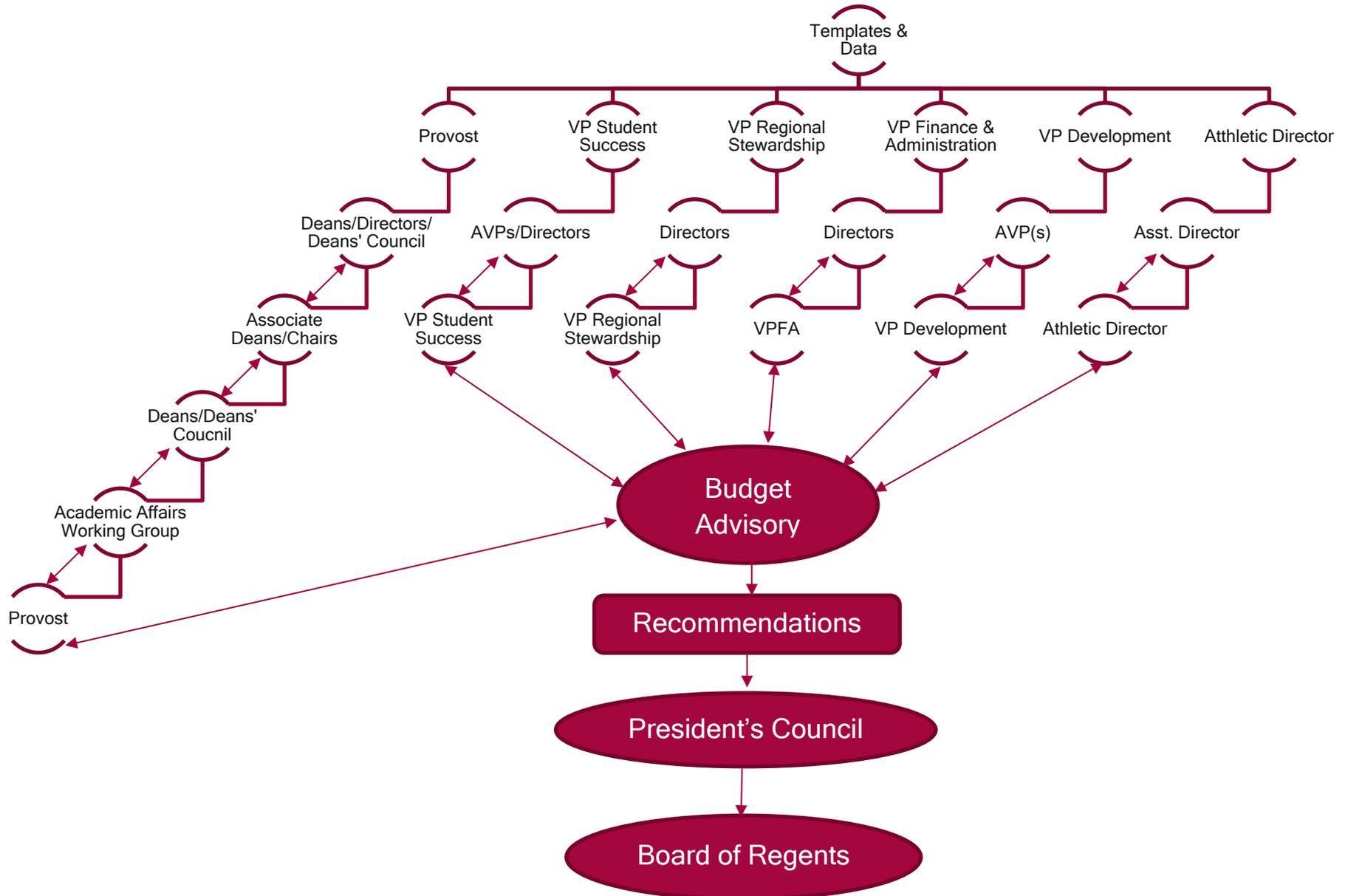
**Table 5: Administrative Position Reductions**

## Next Steps

- This report will be submitted to the President on March 9, 2018.
- The Board of Regents will review the report on April 6, 2018.
- The President will appoint an implementation team by May 1, 2018.
- The committee will ask the President to appoint a working group to address diversity initiatives by May 1, 2018.
- The current hiring freeze will end July 1, 2018. A revised hiring process that includes a 60 day review period for all vacancies, as well as an associated exemption process will be implemented at that time.

# Appendix A: Strategy Development Process

This chart is a visual representation of the process the Budget Advisory Committee committee used to develop the strategies included in the recommendations to the President's Council. Templates and data were provided by the committee to each of the Vice Presidents. The VPs engaged those in their units to identify strategies that were submitted back to the BAC. The BAC reviewed the strategies and additional data to provide feedback and requests back to the VPs. In most cases there were multiple rounds of feedback and revision within the VP area and between the VP and the BAC. Nearly every strategy included in the recommendations made by the committee originated within the VP area. All academic programs recommended for suspension were strategies proposed by the College and Provost.



Appendix B:  
**DEPARTMENT OF BACCALAUREATE AND GRADUTE NURSING**  
**ENROLLMENT PROPOSAL AND PROJECTIONS**

**Current State:**

Current enrollment for pre-licensure BSN students completing requirements for admission into the clinical portion of the program is 550- 600, with 320 current enrollment in the clinical portion of the program. There are approximately 100-120 students graduated each year with a BSN degree. Once the graduates from the BSN program pass the NCLEX licensure examination, they will be licensed as a Registered Nurse. The RN-BSN program, for graduates of ASN programs to complete their BSN, enrollment is approximately 400-450 students with 150-200 graduates per year.

**Proposed Partnership Role: Secondary School Partners**

Schools offer both career paths and dual credit. Schools partnering with ECU are excited to enhance work readiness and dual credit opportunities to assist students to earn college credit while still in secondary school.

Different Paths:

**Accelerated High School Student Pathway:** High school students will initially enter and follow the existing Health Sciences pre nursing or allied health Kentucky Career Pathway Program of Study. The pathway includes preparation for nursing assistant job opportunities State Registered Nurse Aid (SRNA) credentials. These credentials will continue to be important for many students, as many students will need to obtain employment which will be compatible with entering Eastern Kentucky University) ECU later and completing a college degree. The initial SRNA credentials alone, however, do not serve to meet the growing demand for Registered Nurses (RN) in the Commonwealth and the sector; they also do not provide the economic opportunities available with obtaining RN licensure. Adding an accelerated admission route is critical to encouraging these students to continue their education and being eligible to sit for professional licensure.

ECU recruiter/faculty and a professional advisor will help to recruit potential students into these pathways and will advise them on dual credit courses to take to accelerate their admission into nursing. For students who are engaged in the career pathway, dual credit courses will also be offered to accelerate their admission into a BSN nursing major at ECU. With following the pathways for allied health and the pre nursing SRNA, their interest in health care and nursing will be enhanced through intrusive advising, and those who continue into studies at ECU can have their career goals achieved faster. Students who take advantage of the opportunity offered will be able to complete enough dual credits to enter college with at least the equivalent of one semester of college credits, and possibly two. Students who follow the recommended enhanced pathway to include dual credits courses will be considered in a separate category as dual credit pre nursing students and so will be given an advantage for admission into one of the competitive ECU nursing programs.

Courses completed for dual credit are more economical than delaying coursework until after high school graduation. Students who meet the criteria for ECU scholarships will be able to take dual credit courses without incurring tuition costs. Students who meet the state criteria for the pre nursing pathway or who are completely general education courses will be eligible for those scholarships. Students who do not meet the criteria for the state or ECU scholarships are eligible for the reduced tuition rate offered by ECU (maximum of 1/3 KCTCS). Therefore, students who are advised into the dual credit courses and accelerated admission route will incur less student loan and other types of financial debt when completing a post-secondary degree.

How Secondary Students Will Receive Dual Credit/Post-Secondary Credit

The secondary students will receive dual credit/post-secondary credit through the established criteria of the Commonwealth and Eastern Kentucky University. Students who meet the GPA and ACT criteria for the ECU dual

credit scholarship can enroll in dual credit courses with tuition free and fee waived, and they will only need to supply the cost of textbooks. Students who meet the state criteria for GPA and ACT and who are enrolled in an approved pathway will also receive free tuition and waived fees, and they will only have to supply the cost of textbooks. Any other students who do not meet that criteria will have to pay the tuition, which is currently \$52.00 per credit hour. To help ensure their success in post-secondary education, students who meet the 3.0 or above GPA criteria, however, will be the ones recruited into the accelerated admission route as pre nursing dual credit students.

The dual credit/post-secondary credit courses will be made available to the secondary students through courses at the main ECU campus, through E presence technology, and through courses at the ECU Corbin Center. Students may take up to a total of 8 dual credit courses, which will provide an accelerated entry into the one of the ECU nursing programs. Intrusive advising will assist the students in selecting an individualized plan most suited for success with their career goals.

The NSC 242 Communication in Nursing Course will be offered to the secondary students through E presence technology. The course will be taught by an ECU nursing faculty member.

Furthermore, additional college credit courses will be available during the summer terms on the main ECU campus and also at the ECU Corbin Center to give students who desire summer credits a chance to further accelerate their entry into one of the nursing programs.

**Proposed Partners:**

We have a letter of support with Madison County Schools and Corbin High School. We are in the process of initiating this pathway.

**RN-BSN Pathway:** Those who complete an Associate of Science in Nursing (ASN) can continue and complete the BSN in ECU's 100% online program. Those who complete the BSN can continue to complete a graduate degree in a Nurse Practitioner program and obtain additional credentials. These career and educational stop out points also allow for a break in their education, if necessary for financial or personal reasons, without a loss of employment opportunities or a potential loss of credits.

During the partnership, ECU will collaborate with the secondary partners to develop the most efficient and cost effective parallel career pathway for students and future students in their schools who are interested in nursing and health sciences careers.

A recruiter/faculty member and a professional advisor can meet with potential groups of employees and facilitate their entry into college level studies. Those who are already RNs will be recruited into RN-BSN programs or into MSN Nurse Practitioner Programs offered by ECU which are 100% online and therefore compatible with adult learners' needs to maintain employment while obtaining their college education. These 100% online programs were developed and offered by ECU in response to requests from students and employers to serve the need of working students. Tuition reimbursement is available from the health care partners for employees who are continuing their education. Students are actively engaged in the work force while obtaining additional education or credentials, and they are reaping the benefits from tuition assistance and pay for employment. This route is better financially for students than entering into a lengthy educational program with long delayed financial compensation and more accrued debt. Thus, they may be able to obtain their education and credentials with less student loan and other types of financial debt.

**Proposed Partner:**

ECU DBGN program is in communication with KCTCS system to be the program of choice for their ASN graduates to seamlessly transition to our RN-BSN pathway.

Admissions	BSN	Actual/Projected Increase	RN-BSN	Actual/Projected Increase
2016-2017	120		130	
2017-2018	139	20%	147	20%
2018-2019	160*	15%	177	20%
2019-2020	184	15%**	212	20%
<b>Total Increase</b>	<b>64</b>		<b>82</b>	

\*To increase the number of admissions must be approved by Kentucky Board of Nursing.

\*\*Fifteen percent is the highest the pre-licensure BSN can grow. The availability of large rooms in Rowlett and Dizney buildings can only accommodate 90 student admissions each Fall and Spring.