Advisory Committee

Charge: This committee was charged with developing recommendations to the President's Council that will address financial challenges facing the university.

Committee: The membership on this committee represents the University well. Members have been dedicated, vocal, passionate, caring, and diligent. The work has been difficult emotionally and in terms of accomplishing the task but the members of the committee haven’t wavered in their commitment to EKU and finding a way to best position the University going forward.

Timeline:
December 1st: Initial Meeting
December 1-8th: Data Request Submission and meeting schedule
December 15th: Complete survey development and template for data collection
December 15th: Launch web-based survey
January 8-February 9: Meet with constituent groups
January 31st: Proposals due to committee
February 23rd: Complete draft recommendations
February 26-March 2nd: Share draft recommendation with constituent groups
March 9th: Recommendations to the President’s Council
Student Focused

"I love the staff and how personable the environment is. I have made numerous friends and had fantastic professors that helped me achieve the goals I set for myself."

Zachary Hollins
Class of 2016
Expected Budget Impact

- Increased KERS Obligation: $10 million
- Expected KTRS Increase: $2-3 million
- Decreased State Funding
  - Mid-year FY 18: $650,000
  - FY 19-20: $4,060,769 (6.25%)
  - FY 19-20 Additional Cuts: $350,000 (Center for PA, Model Lab)
- Decreased Tuition Revenue: $4-$6 million

TOTAL BUDGET IMPACT: $21-23 MILLION

COMMITTEE GOAL: $25 MILLION
Implications & Proposals

- All areas of University submitted strategies for consideration;
- Implementation of these strategies will result in the reduction of both staff and faculty positions;
- Strategies are for campus-wide implementation during FY 19 and FY 20;
- The committee’s recommendations avoid an “across the board” reduction and focuses on the long term health, size and growth of the University;
- The Budget Advisory Committee received variable level proposals from each VP area.
  - Strategies for reduction at the 15, 20, & 25% levels were reviewed by the committee and aggregated in full committee recommendation;
  - The committee has worked extensively with the VP units to review, clarify, and update the strategies included in the final recommendations;
University Summary

- In collaboration with each VP unit the committee has identified a total recurring savings of $25.1 Million.

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

*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: **153** total positions, **96** filled positions, **57** vacant positions, and additional **37** RTP-partial lines

• 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.
**Academic Affairs**

$13,223,550

- **Recommended Program Suspension**
  - 12 degree programs, 2 certificates, 5 minors, and 3 concentrations
  - Reductions associated with these suspensions represent $2.4 Million of the Academic Affairs reduction, with the Associate Degree Nursing at $1.1 Million

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

• Increased Revenue: new online bachelor's degrees in Criminal Justice, Business Administration, Communication Studies and Sports Management
• Position Reduction: 113 faculty and staff positions (52 vacant) and 37 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 for the university
• Honors program efficiencies
• Increased class capacities where feasible to reduce the number of sections offered
• Software reductions—EAB, Digital Measures, Tableau
• Increased enrollment and revenue in summer terms
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

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.
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 and Alumni Relations

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.

PRIMARY 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

$460,322
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

$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.

KEY STRATEGIES

• Employee reclassifications, which will yield more than $1.2 Million in expense reduction

• 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.
University Level

$4,055,535

- Reduction of 26 administrative positions for more than $1.8 Million in total savings (salary + fringe) and average savings of $71,986 per position

<table>
<thead>
<tr>
<th>Position Type</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vice President</td>
<td>1</td>
</tr>
<tr>
<td>Asst./Assoc. Vice President</td>
<td>1</td>
</tr>
<tr>
<td>Associate Dean</td>
<td>2</td>
</tr>
<tr>
<td>Department Chairs</td>
<td>2</td>
</tr>
<tr>
<td>Director</td>
<td>6</td>
</tr>
<tr>
<td>Associate Director</td>
<td>2</td>
</tr>
<tr>
<td>Resource/Operations /Grants Administrator</td>
<td>7</td>
</tr>
<tr>
<td>Coordinator/Supervisor/Manager</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>26</strong></td>
</tr>
</tbody>
</table>
Next Steps

• 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.
Questions?

http://budgetadvisory.eku.edu
- Budget Report
- Budget Presentation