

ANSWERS TO WOUFT QUESTIONS FOR 4.14.2021:

1) What is the rationale for the restructuring, when for the first half of this fiscal year WOU is doing far better than last year?

Western Oregon University has not been appropriately sized in terms of its workforce and programs for some time. Steadily declining enrollments over recent years has not been met by measures that adequately lessen WOU's *ongoing* obligations. The arrival of the pandemic and an even sharper decline in enrollments has magnified this problem and hastened the University's need to address it. The steps WOU has taken in several areas of restructuring have been painful but have been done in an effort to position the University for *long term* viability and success beyond the spotlight the pandemic has shone upon our campus and beyond the one-time fiscal help the federal government has provided.

As to the premise that the University is doing far better than last year, context is necessary. Although the receipt of one-time funds (HEERF I, HEERF II) has improved WOU's FY21 financial picture, as compared to a dismal FY20, we continue to have a significant structural deficit as a result of a decade of steady enrollment declines. A structural deficit is not solved by one-time funds.

More specifically, in FY20 the Education & General Fund had a \$9.6M operational loss and left us with a starting fund balance in FY21 of \$6.2M. All else being held equal, if spending were to continue at the same pace as last year, we would deplete our fund balance before the end of FY21. We will cover a significant part of our budget deficit this year with: (1) temporary, COVID-related S&S savings of about \$1M, (2) difficult personnel cuts to all three employee groups, and (3) reimbursement of payroll expenses from one-time federal funds via HEERF II.

Long-term, a structural deficit is not solved by one-time funds but by structural changes such as adjusting the size of the university's workforce and programs to match the size of its student body. That is difficult work, but the future of the university depends on building a sustainable foundation from which we can move forward.

2) What are you planning to do with the \$12.5 million you're getting from the American Rescue Plan, or for that matter, the \$7.5 million they got from the December 2020 stimulus plan?

WOU received \$4,281,683 from HEERF I. Of that \$2,140,842 went directly to students (as required), leaving \$2,140,841 for institutional use. \$1.8M was used to reimburse faculty payroll (as mentioned above in Question 1). The remaining \$340K was used for COVID-related expenses (PPE, cleaning supplies, etc.) and Academic Affairs' priority one expenditures (included in prior PDF).

WOU received \$7,059,840 from HEERF II: CRRSAA (the funds referred to as December 2020 stimulus plan). Of that, a minimum of \$2,140,841 must be directed to our students, which leaves \$4,918,999 for institutional use. The plan for these funds is still being finalized, but as of now includes:

Student aid--debt (additional to minimum required)	500,000
Degree completion project - limited duration FTE	75,000
Academic Innovation - Voice Thread	50,000
Academic Innovation - Canvas support	25,000
Travel athletics	174,000
Hotspots--low income students	25,000
Cadavers	164,050
Payroll offset	1,955,000
Classrooms - add 15 smart classrooms	78,750
HEPA filters - 50 classrooms	40,000
Student services - Case manager	62,000
Student services - kick off stress management workshop	12,500
Health deficit	200,000
Housing/dining	1,500,000
Testing	<u>30,000</u>
Total	4,916,300

The amount WOU is set to receive for American Rescue Plan is estimated to be \$12.4M, of that, \$6.2M must be directed to our students, leaving an estimated \$6.2M for institutional use.

3) How will these retirement/resigned positions be used (left unfilled or filled with NTTs); and how will the estimated savings count in replacements or are these positions totally gone?

We do not know, but Academic Affairs will be the key decision-maker.

4) How does WOU plan to allocate money from differential tuition proposals, and what would happen to the extra money?

Currently, there are no differential tuition proposals. Creative Arts proposed a differential program fee that has an increased spending proposal attached to it including increasing FTEs.

5) What has WOU budgeted for faculty salaries for the remainder of the year and next biennium compared to the past year and past three biennia, and how does that compare to administrative salaries for the same periods, including the plans for furloughs for administration and staff for the coming years.

The FY21 Adjusted budget for faculty salaries (not including stipends or other misc. pay that also goes to faculty) totaled \$18,747,194. We are in the beginning stages of budgeting for FY22 (these amounts are expected to change as we progress in drafting the budget), currently the draft as of 4/9/21 has a faculty salary budget of \$17,950,673. For unclassified salaries (which includes more than just administrative), the FY21 Adjusted budget totaled \$8,366,820 (which incorporated furlough and vacancy savings, and staff position eliminations effective December 31,2020), and the draft FY22 budget totals \$8,331,187.

WOU will seek clarification on the remainder of this question during the bargaining session and provide further answers thereafter.

6) Given that Federal relief money may be used to train faculty and staff, to supplement lost revenue, to reimburse for expenses already incurred, and to meet payroll, why is WOU not using that money to preserve faculty positions?

Yes, WOU is using the federal relief funds in that way; see the answer to questions 1 & 2 above.

7) The number of faculty has declined (money for instructional budget) while the number of administrators has grown. In what ways would the detailed information on these two categories over time demonstrate budgeting priorities in line with the university mission?

The university's priorities are equitable student success and academic excellence. Pursuit of those priorities is built on a foundation of fiscal

sustainability. So if the question is “does the university’s budgeting reflect its priorities?”, the answer is yes.

A modern university supports the success of increasingly diverse students, and is more than classrooms and teachers:

- Operating a university independent of a state-wide system required that WOU establish and operate all the functions of a university where, prior to 2015, some of those functions were provided by the Oregon University System.
- Running dozens of academic programs with thousands of courses per year and hundreds of individualized academic experiences for students requires infrastructure in the Registrar’s Office, Dean’s Offices, Division Offices, Human Resources and Payroll, Business Office, University Computing and Facilities.
- Matching students with financial supports they need to attend college, while remaining compliant with complex federal and state requirements for financial aid based on student academic progress, requires personnel and technical infrastructure.
- Our students would not have access to federal or state financial aid if we were not regionally accredited, and retaining accreditation requires infrastructure, including personnel, for institutional research, assessment, program review and continuous improvement.
- Students expect and benefit from support outside the classroom to succeed in the learning environment our faculty have created for them: Professional academic advisors, supplemental support and advising, learning supports like tutoring, accommodations for disabilities, career services, veterans services.
- Students expect and benefit from support outside the classroom to live their lives as Western Oregon University students: Orientation, co-curricular activities, advocacy groups, on-campus housing and dining, health and mental health resources.
- Recruiting students in a context of historically low birth rates has become exceptionally competitive, requiring personnel and technology; remember that students have choices of colleges and universities that are focused on the totality of their interests and needs.

IPEDs provides data on instructional expenses as a percent of total core expenses for WOU and a set of peer comparators of similar size, scope, admissions and student profile. (Click [here](#) for a list of peer comparators and

an explanation of how they were identified.) Instruction expenses are defined by IPEDs as follows:

Instruction expenses as a percent of total core expenses (GASB)

Variable Description

Instruction expenses as a percent of total core expenses for public institutions using GASB 34/35 standards is derived as follows:

Instruction expenses (F1C011) divided by total core expenses (F1COREXP)

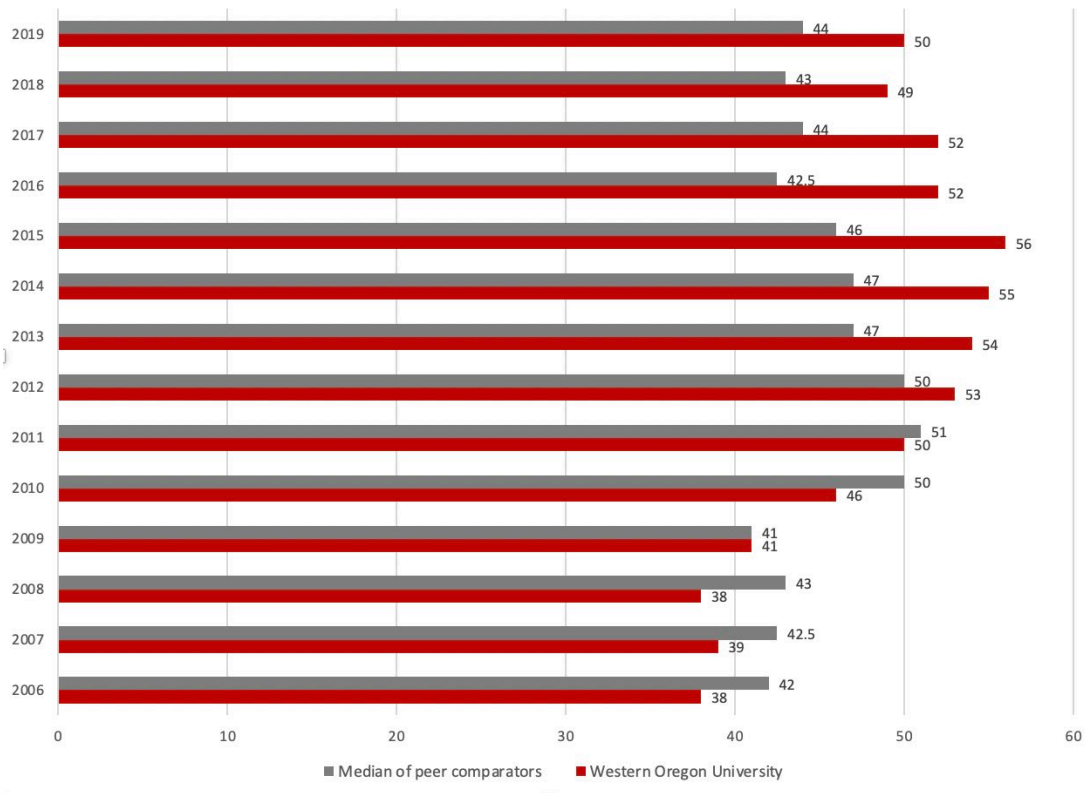
Instruction - A functional expense category that includes expenses of the colleges, schools, departments, and other instructional divisions of the institution and expenses for departmental research and public service that are not separately budgeted. Includes general academic instruction, occupational and vocational instruction, community education, preparatory and adult basic education, and regular, special, and extension sessions. Also includes expenses for both credit and non-credit activities. Excludes expenses for academic administration where the primary function is administration (e.g., academic deans). Information technology expenses related to instructional activities if the institution separately budgets and expenses information technology resources are included (otherwise these expenses are included in academic support). FASB institutions include actual or allocated costs for operation and maintenance of plant, interest, and depreciation. GASB institutions do not include operation and maintenance of plant or interest, but may, as an option, distribute depreciation expense.

Variable Sources

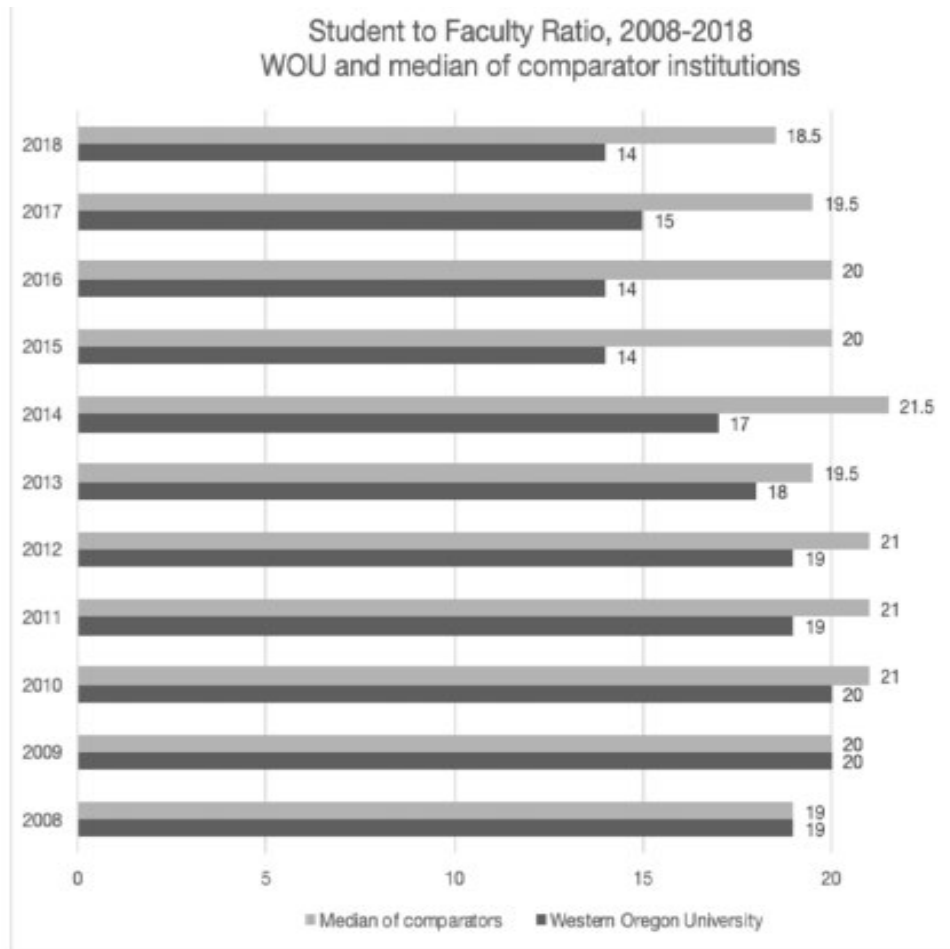
Derived DFR - IPEDS, Spring 2020, Finance component

Since 2011 WOU's instruction expenses as a percent of total core expenses has exceeded the median of our peers. That is, WOU spends proportionately more than our peers on instruction as compared to other institutional expenses. By definition that means that WOU spends proportionately less than our peers on non-instructional expenses.

Instruction expenses as a *percent* of total core expenses, 2006-2019
 (Data source: IPEDS)



In addition, in recent years WOU’s student-faculty ratio has fallen sharply as the student-faculty ratio of our peers has remained largely constant. This is primarily due to the decreases in enrollments.



It is possible that, when WOUFT refers to “administration”, it has in mind a narrower category, what IPEDs calls “institutional support.”

Institutional support - Current year total

Note: The listed values are based on the whole IPEDs universe and don't represent your group.

No Statistics were found for this variable

Variable Description

Institutional support - total expenses is the sum of all operating expenses associated with the day-to-day operational support of the institution. Includes expenses for general administrative services, central executive-level activities concerned with management and long range planning, legal and fiscal operations, space management, employee personnel and records, logistical services such as purchasing and printing, and public relations and development.

Variable Sources

IPEDS, Spring 2020, Finance component

No Value sets are available for this variable

WOU’s investments in institutional support also lag our peer institutions, however.

Institution Name	Institutional support expenses as a percent of total core expenses (GASB) (DRVF2019)
Arizona State University-West	7
California State University-Channel Islands	13
Colorado Mesa University	9
East Stroudsburg University of Pennsylvania	20
Eastern Oregon University	20
Emporia State University	10
Northwest Missouri State University	12
Shippensburg University of Pennsylvania	12
Southern Oregon University	16
University of Washington-Tacoma Campus	7
Western Oregon University	9
Median of comparators	12

Despite WOU's disproportionate investments in instruction and faculty FTE, our student success measures (e.g., graduation rates) lag our peers. For example, our six year graduation rate for the 2013 cohort of first-time, full-time students (the most recent for which IPEDs data was available) was 43%, lower than our peer comparators rate of 46%. As a note, our peer comparators have similar acceptance rates as WOU, and our proportions of Pell eligible students are comparable.

Institution Name	Percent full-time first-time receiving an award (of degree) - 6 years (DRVOM2019)
Arizona State University-West	41
California State University-Channel Islands	59
Colorado Mesa University	31
East Stroudsburg University of Pennsylvania	48
Eastern Oregon University	27
Emporia State University	44
Northwest Missouri State University	49
Shippensburg University of Pennsylvania	51
Southern Oregon University	37
University of Washington-Tacoma Campus	59
Western Oregon University	43
Median of comparators	46

Investment in student supports, along with infrastructure to run smoothly and in compliance with regional accreditation, federal and state expectations, are typical among institutions like ours. Indeed other institutions like ours generally invest more in these areas than WOU has. These non-instructional expenses support the priority the university places on equitable student success and academic excellence in a context of fiscal sustainability.

8) What amounts of compensation for administrators lost due to furlough was made up by other sources (unemployment or other)? WOU will seek clarification on this question during the bargaining session and provide an answer thereafter.