To the EKU Faculty Senate:

3 February 2017

Folks,

Just before the break I met with two groups of faculty. Both meetings were requested by faculty and I believe both were productive; the first, more immediately so.

The first group was seeking relief from our rising healthcare costs. Drs. Jason Marion, Peter Kraska, Tony Lamanna, and Aaron Sciascia met with Dr. Benson and Finance/HR staff, and I believe we identified a few actionable items. You will recall that last spring (and a couple springs before that), the Faculty Senate Welfare Committee’s role had been largely supplanted by the healthcare consultant. As I understand it, the committee basically received information that the committee had no opportunity to shape. This situation has its roots in the Whitlock administration when finance staff were directed to leave the components of our coverage alone - and until now that issue has not really been revisited. That left only the copays, deductibles, and premiums to adjust and the result is what we got. Beginning in March, Sarah Pitts will lead an effort along with the Welfare Committee and others that will examine our coverage choices. The faculty representatives are pushing for an annual review of the institution’s coverage options.

At the suggestion of Senator Lisa Kay, I extended an invitation to a dozen faculty members to meet with a handful of Regents, including Chairman Craig Turner – to just talk. The group included Senators Kay, Shirley O’Brien, Gill Hunter, Brooke Bentley, Ryan Baggett, Scott Hunt, and Todd Haritch along with Matt Pianalto, Sandy Hunter, Minh Nguyen, Lisa Day and Jason Marion. Janet Craig, Alan Long, Collin Potter and I
represented the Board. Responses from the participants were uniformly positive and suggested that **further talks** should occur, but that they should be more narrowly focused on particular topics.

I recently attended the Kentucky Chamber of Commerce’s “**Chamber Day**” dinner which kicks off the first day of the legislative session. A few legislators spoke, along with the governor, and I remain concerned for higher education budgets in the foreseeable future.

On Monday, **Jan. 30 the EKU Board of Regents met** in regular session. The Board also discussed ongoing litigation in a brief executive session.

The overarching issue for the Board of Regents this year has been structuring the institution’s response to the impending **performance-based budget cuts**. It has been the hot topic statewide as institutions jockey for position in an increasingly competitive (but, in my opinion, unfair) contest for state funds.

As you are aware, the specifics of the state’s performance funding plan have shifted over time. In the first year of implementation (at 5% of allocable funds for the first year only) the anticipated shortfall is only $30,300. But as it stands right now, **if EKU does everything perfectly, and we reach every goal, we still stand to lose $2M per biennium beginning in 2018.**

Rest assured that UK and UofL will be OK. The future appears much less certain for the rest of us. As Tom Harnisch, director of state relations and policy analysis at the American Association of State Colleges and Universities told the *Hechinger Report*, “There’s an old saying that **budget cuts give flagships a cold and regional campuses pneumonia.**”

This sort of thing happens whenever funding is inadequate to satisfy the needs of public schools - and these days public universities are no exception. When powerful politicians make choices, they are most heavily influenced by other powerful people. Their solutions and compromises may pay attention to the needy, but they will pay attention to the needs of the powerful. This phenomenon prompted me to postulate before the Kentucky Economics Association, in 2014, that **“when funding is inadequate, excellence and equity are forced to compete.”**

“We’re creating a caste system in public higher education,” Harnisch said. “The per-student funding is higher for students at public flagships who are often the most prepared and most likely to graduate, but at the community colleges and the regional universities, it’s significantly less.”

A recent *Hechinger Report* article (where Harnisch was quoted) did a nice job of outlining how performance-based funding schemes are levying the **heaviest toll on**
colleges that serve the neediest students. It would seem that Kentucky is about to join the list of states where that has been the case. For example...

“When a state budget impasse drained money from public universities and colleges in Illinois beginning in 2015, some were forced to lay off hundreds of employees, shorten their semesters, even warn they might shut down. Enrollment plummeted. Credit ratings fell to junk status.

Chicago State University, for instance, which has a student body that is mainly black and Hispanic and drawn from its neighborhood on the city’s South Side, cut 300 workers from its payroll and — its very future in limbo — managed to attract fewer than 100 new freshmen in the fall.

The flagship University of Illinois, far more of whose students are white and wealthier, was not immune from the predicament. But with cash reserves to tap, and an increase in enrollment that brought in more tuition revenue, it has suffered a far less drastic impact from the still-ongoing budget crisis.”

When university officials have to make choices based on such performance schemes, they necessarily look for the greatest yield. To do otherwise, hurts the institution directly and immediately.

As the Center on Budget Policy Priorities found, since the last recession, states have cut higher education spending by $8.7 billion a year. That is 18 percent per student. US universities have responded to budget cuts by raising tuition, each time, pricing out of the market some percentage of relatively needy students. This is somewhat less impactful at major universities where the students tend to be white and more prosperous. Universities have also cut faculty and staff in order to lower institutional budget obligations. Performance-based funding can be seen as a structure created for the inducement of such decisions.

The 2015 Pell Institute Study of Opportunity in Higher Education found that students from high-income families are eight times more likely to get bachelor’s degrees by the age of 24 than those from low-income families.

In my opinion, calling the state’s higher education allocation plan “performance-based funding” is really a misnomer. These are dressed up budget cuts. The plan limits higher education funding up front. It virtually guarantees the legislature will not invest any more money in the state’s universities. From there, it places institutions in direct competition for diminishing dollars. But what the plan does very well, is to provide politicians with a performance-based rationale for continuing to underfund Kentucky’s institutions of higher learning.

As disheartening as this is, we must remember that dollars equal people. If we give into despair, and retrench, the result will be deeper cuts and the loss of more of us. The Board of Regents is seeking a different future. As Chairman Turner put it, “Our goal, our
challenge, is to make sure Eastern remains a great institution.” Since the best way to lessen the impact of future cuts is through enrollment growth, we have worked to identify our institutional capacity (which is presently estimated at about 18,500 students) and challenged the administration to get us there in five years (but we are hoping for 3 years, which would put us in a stronger place with performance metrics). “So much will be determined by how we perform in the next while,” President Benson told the Board of Regents. “EKU has to (go) all-out and be all-in. Our future hangs in the balance.”

The early data is trending in the right direction and we will continue to monitor. Dr. Laurie Carter reported continued improvements in the University’s freshman retention rate. Of 2,243 first-time, full-time freshmen enrolled in Fall 2016, approximately 88 percent are enrolled this semester. The four-year graduation rate has doubled over the past six years. The five-year graduation rate is up a third over the same period. Further, we have the highest enrollment in the past 20 years including the best prepared, and two of the largest, freshman classes ever. EKU remains the top transfer destination in Kentucky. The data also prompted a change in approach as we work to increase the number of out-of-state and international students.

Student are the life blood of this effort. If we are to prosper, we must maintain academic excellence while creating a revitalized more vibrant student experience. We must remain attractive and affordable to students while expanding our recruitment. The Board has also encouraged the administration and faculty to look for new revenue streams and opportunities for partnerships.

I attended a day-long Enrollment Summit last week where a new enrollment management plan was introduced. We reviewed data. Lots of data. We looked at our students a dozen different ways. The upshot is we are working toward optimum enrollment, establishing goals for student body composition, and promoting academic success by improving access, transitions, retention, persistence toward, and graduation of, more (all) of our students. 85.6 percent of all EKU students hail from Kentucky, including 91 percent of this year’s freshmen class. While competition for academically prepared students in Kentucky has really ratcheted up.

Nationally we are still seeing enrollment growth, but at a slower rate. The demographic makeup of American students is shifting as well. Gender balance will be harder to maintain and non-white enrollment is expected to significantly outpace white enrollment. State government intervention has led to changing economic models for universities as increased pressure is applied to retention and graduation rates. Online enrollment gains still look promising. Tracking and managing market share will become increasingly important. In a slow-growth environment institutions will need a combination of new market penetration, and program development to stimulate demand. On the plus side, just over half of U. S. population growth between now and 2024 is projected to occur in the southeastern states between Delaware and Texas, including Kentucky.
In other news, the Regents approved a bond resolution that allows the issuance and sale of $75 million in bonds to fund a new student recreation center, renovations to the student center (Powell Building) and a new pedway across the Eastern By-Pass on the south end of campus between the coliseum and the Center for the Arts.

The Board also voted to retain its current officers: Craig Turner, chair; Alan Long, vice chair; Barry Poynter, treasurer; and Dana Fohl, secretary.

Nick Perlick reported $3.9 million in gifts and commitments for the first half of the fiscal year.

The Board also heard from Athletic Director Steve Lochmueller who presented the “Gender-Equity Plan for Intercollegiate Athletics.” The plan calls for additions to our athletic offerings for women in Track & Field and Beach Volleyball. The plan also calls for written policies for adding/deleting sports; an annually updated gender equity plan; continuous monitoring of financial aid to athletes with goal of <1% variance between male and female athletes; reviews of staffing and salaries; annual review of differentiated impact of men’s and women’s sports; and differences in recruiting expenditures.

Regent Collin Potter announced that the Rally for Higher Education is scheduled to take place in Frankfort on February 13th.

The administration successfully lobbied to have Model Lab School added to the list of state “mandated programs. Mandated state programs are essentially “earmarks” that are shielded within the General Fund such that they are not among the competitive funds that some other university might grab. That has the effect of reducing the amount of money we have at risk in the performance fund.

This week, Governor Matt Bevin acknowledged that tax reform cannot be revenue neutral and that many existing loopholes will be closed. On the surface, this is a good thing. But I remain concerned by his affection for regressive, consumer-based tax structures, which tend to hurt most those least able to pay, and 401k-style pension plans, which only remind me how grateful I was that KTRS was not a 401k during the 2007 recession. The governor’s recent statements signal a special session for tax reform and another to address the pension crisis later this year.

See his interview with the Kentucky Chamber of Commerce here: http://theprincipal.blogspot.com/2017/02/gov-matt-bevin-details-vision-for.html
I sat in a Curriculum & Instruction departmental meeting this month listening to a faculty discussion related to a restructuring of graduate education courses. Faculty debated and drove the changes. At EKU, I assume this is how curriculum changes occur in every department. It should be. Except for a relatively brief period (when a former Ed Dean hijacked the process) it has always been that way in our college. **Faculty must own the curriculum process and the academic programs.**

As we discussed our programs, I was reminded of a data-packed book President Benson gave me to tinker with over the holidays. In *The Faculty Factor* authors Martin Finkelstein (a professor of higher education at Seton Hall University), Jack H. Schuster (senior research fellow and professor emeritus of education and public policy at Claremont Graduate University), and Valerie Martin-Conley (dean of the College of Education at the University of Colorado at Colorado Springs) argue that **faculty’s diminishing influence puts higher education at risk.** Finkelstein and Schuster’s prior book, *The American Faculty: The Restructuring of Academic Work and Careers* cited revolutionary changes in the professorate due to “seismic shifts” in academic life and the way professors work – and shifts continue to occur.

*The Faculty Factor’s* central argument is that increasing enrollments have prompted demands for institutional efficiency and resulted in a half-baked restructuring of the faculty -- at great risk to higher education over all.

The problem is keeping the faculty central to the academic enterprise, according to Finkelstein, who argued in a [2014 essay](https://www.tiaca.org/press/The-American-Faculty-The-Restructuring-of-Academic-Work-and-Careers/) that institutions with diminishing faculty roles risk “killing the goose that laid the golden egg.” Following the post-World War II enrollment boom and the faculty’s rise in prominence in the modern “multiversity,” they argue, the present increase in market pressures has induced the current paradigm where the faculty are being repurposed, resulting in a diminution of the faculty’s role. Advances in technology, increased faculty specialization, the growth of non-tenure-track appointments, and persistent market pressures are blamed for decreased shared governance and less “centrality of the faculty.” *The Faculty Focus* calls for a critical “rebalancing” of faculty duties in order for the interests of students to be served.

Noted challenges include deteriorating working conditions for professors that retard academic career advancement and ultimately “undermine the attractiveness of such careers to those highly talented would-be faculty members” while growth in faculty compensation is essentially flat. The authors also document major stratification of teaching positions over recent decades including increased faculty diversity, but only in non-tenure track positions.

The authors released some of those findings last year in a [paper](https://www.tiaca.org/press/The-American-Faculty-The-Restructuring-of-Academic-Work-and-Careers/) funded by TIAA. The study relies on data from the National Center for Higher Education Statistics’ Integrated Postsecondary Education Data System from the years 1993, 2003 and 2013. Underrepresented minority groups held approximately 13 percent of faculty jobs in 2013, up from 9 percent in 1993. Yet they still only hold 10 percent of tenured jobs, according to the study. Women now hold 49 percent of total faculty positions but just
38 percent of tenured jobs. That national data suggests that the decline in the proportion of tenure-track positions available has impacted progress toward diversification of the faculty.

Yesterday, Dr. Marco Ciocca presented to the AAUP (2013-14) data on 127 full Professors at EKU and differences in salary based on gender. In that data set he found that salaries for women started lower and rose more quickly, but never caught up with the salaries of their male counterparts.

- Full professor average salaries
  - Men = $81,560, (n = 76); Women = $73,197 (n = 51)
  - Salary gap at 10.25%

Then, Ciocca updated with 2014-15 data

- Professor
  - Men = $82,224 (n = 75); Women = $70,822 (n = 46)
  - Salary gap at 16.1%
- Associate Professor
  - Men = $63,255 (n = 90); Women = $62,796 (n = 87)
- Assistant Professor
  - Men = $58,521 (n = 86); Women = $58,044 (n = 112)

And 2016-17 data

- Professor
  - Men = $81,893 (n = 63); Women = $70,892 (n = 42)
  - Salary gap at 13.4%
- Associate Professor
  - Men = $65,829 (n = 91); Women = $64,150 (n = 89)
- Assistant Professor
  - Men = $61,191 (n = 89); Women = $59,146 (n = 92)

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I was raised by an old-school father who believed that when the going gets tough, the tough get going. So it feels right to me that the Board of Regents has decided to meet our challenges head on. But it is not the Board that will deliver success to the campus. That will require all of us.

Faculty must own their own programs. We must also be able to articulate the possibilities of our disciplines in a way that 17-year olds can understand. Potential students must gain a vision of the field in terms of opportunities, internships, and future employment. But we must also assess our results soberly. Future program reviews need to be serious and on-going at the college and CAA levels - not at the Board level. The
key, it seems to me, is a commitment from all of us to work together to find solutions and seek new possibilities. Success = Revenue = People.

As President Benson stated this week, it has been a tough year. “But it’s behind us, and I’m looking forward with the glass half-full. If anybody is worried about the future at EKU, you don’t need to be. We have quality people, and we’re headed in the right direction.”

Let’s get going.

Best regards.

Richard