

**State of the UC College of Arts & Sciences**  
**Report by the A&S Faculty Senate**  
March 2019

**Background**

The Faculty Senate of the College of Arts and Sciences is the primary legislative body of the College exercising governance authority over academic programs and policies allowed by the rules of the University of Cincinnati and the current UC/AAUP Collective Bargaining Agreement. Senators are elected by faculty of all College departments and divisions. The current report is based on extensive conversations with various stake holders within the college. A&S Senate unanimously approved the report on March 12, 2019.

**Past Events with Negative Budgetary Impact for A&S**

2009 Adoption of the PBB Model: The so-called performance-based budgeting model was adopted in a time of crisis, requiring cuts averaging ~5% every year for A&S.

2011-17 General Education Changes: The option of offering general-education courses was opened up to all colleges, resulting in duplicated instructional costs and loss of A&S student credit hours.

2012 Semester Conversion: In the process of changing from the quarter to the semester system, there was a sharp increase in specialty courses that shifted student credit hours toward their home colleges, paired with a disproportionate cut in required courses taken in A&S.

2014 Expansion of Online Offerings at Regionals: Regional colleges were allowed to serve A&S students with online offers, resulting in disrupted programs and duplicated instructional costs.

2014-19 Increase in Costs to the College: The costs of A&S have increased due to salary increase and IT costs that used to be covered by the university.

2018 Admission Changes: Admission requirements changed to exclude students with lower ACTs, which yielded a significant loss of A&S student credit hours.

**General Concerns**

The Performance-Based Budget Model (PBB), as implemented at this university, lacks transparency, it is applied inconsistently across units, and it is incongruent with the mission of the university. It allows for hidden subvention, hidden costs, and pass-down expenses to accumulate without vetting. The consequence is an ineffective competition among colleges and a revenue gain for the Provost's office at the expense of colleges.

The "revenue" side of the budget in the PBB model is not connected to the "cost" side of the budget, especially when debt is accrued. This kind of model must be subjected to regular assessment and recalibration to assure that opportunities for investment match the opportunities to generate revenue and promote the university's strategic direction. Such regular assessment has not taken place.

The way the PBB model is implemented does not allow a provost to partner with colleges to drive the strategic direction forward. Instead, several disassociated committees contribute to decision-making that is narrow in scope and without common strategies or goals.

Cost-sharing with the Provost's office has created a superfluous and redundant layer of administration, especially in the areas of business administration, HR, and marketing and communication. This waste was identified in the Huron report. It is further aggravated by the lack of transparency about investments made by central units and the Provost's office.

Provostal analyses and APS data routinely contain biased errors. For instance, they do not account for dual listed courses under different Academic Area Codes with the same instructor, or courses enrolling graduate and undergraduate students.

### **A&S Specific Facts**

A&S has grown enrollment and revenue for four of the last five years, and now produces more than \$30M in additional revenue each year compared to the start of PBB.

A&S has several areas of growth, including several professional masters and initiatives for international students. Under the current budget model, such growth potentials cannot be realized. The logic is that a college in debt cannot spend money. For example, Psychology cannot spend \$3K for an adjunct instructor, even though it would generate \$100K in revenue.

A&S has the fewest number of staff members per student credit hour offered.

A&S is the most efficient college in terms of cost per student credit hours delivered, while still honoring the academic mission (e.g., offering state-of-the-art lab courses in the natural sciences and small class sizes for writing and language courses).

Roughly 40% of A&S student credit hours are service instruction to other colleges. The expense of these courses should be covered by the PBB transfer rate. However, the transfer rate is too low to cover the expense. For example, A&S spends \$2.5M per year to run lab classes (over and above the cost of instructors). These costs are not figured into the PBB transfer rate, and students outside the college do not pay a lab fee.

A&S has capacity in areas where other colleges pay for and deliver instruction that could be taught by A&S (e.g., General Education).

A&S has cut costs substantially to meet the reduction of more than \$4M in its permanent budget, despite the inherent limits in perm budget cut (i.e., fixed costs associated with faculty). It did so by spending one-time funds from discretionary accounts and one-time savings from salaries to cover recurring salaries.

A&S has cut \$2M from its operating expenses since 2014.

In 2015, A&S introduced the STEM fee to majors in STEM fields to pay off past college debt.

A&S has never been allowed to reinvest any of the revenue it has earned through growth.

A&S has never been granted an exception to the threshold cuts, while several other colleges have had threshold cuts waived on several occasions.

The Provost's office has repeatedly failed to acknowledge A&S's fundamental imbalance: It has excess capacity in the Humanities, and is overextended in Natural Sciences. Potential of growth cannot be realized due to this imbalance.

### **Recent Budget Status of A&S**

At close of FY2018, A&S owed ~\$2.3M in past debt, and exceeded its budget by \$1.5M.

A&S's budget 'overspend' happened every year since the inception of PBB. It comes from continuing demands in math instruction, English instruction and composition, and STEM labs. The 'overspend' was covered in previous years by depleting discretionary funds and by provostal one-time funds. These funds were not made available for the last year.

Dean Petren was offered reappointment in July 2018, based on highly positive reviews from within the college and from other deans and administrators. However, the offer stipulated that Dean Petren had to work within the parameters for the PBB model and implement further cuts.

Working within the PBB model is not possible, as demonstrated by extensive quantitative analyses of faculty workload and class sizes. These analyses show that A&S is significantly under-funded in the current PBB model. An adjustment needs to be made so that A&S could work within the PBB model.

Detailed analyses have shown only minimal cost savings that would result from either getting more teaching from faculty, or reducing courses with limited enrollment.

Requests to levy a fee for labs or to alter the transfer rates to make up for what is at least a \$1M shortfall for labs have been rejected by the upper administration.

In early fall of 2018, the dean had to agree to pay back the current and past "overspend" before any hires could be replaced. This included mandatory cuts for the current year (FY19), and cuts to repay the past overspend in FY2016 and FY2017, totaling \$2.2M.

A&S responded by eliminating staff positions in Biology, a senior Associate Dean, the director of marketing and communication, the director of IT, and one academic advisor. A&S also promised cuts to temporary faculty (by getting other faculty to teach more), and to general operating expenses.

The Provost asked for, and A&S agreed to turn over >\$300K in student ITIE fee carry-forward that were used to order equipment and supplies to meet September 2019 class needs that arise before the ITIE budget is allocated (in October 2019).