

Faculty Senate and AAUP Joint Budget Committee Report

November 9, 2020

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Introduction

When Covid-19 shut down UC and much of Ohio in March, the impact of the pandemic on the operations and finances of UC was uncertain. This uncertainty was and continues to be widespread across academia. In Inside Higher Ed's Survey of College and University Business Officers, confidence in the 5-year stability of their institution fell from 62% to 52% (Lederman, 2020). Nearly a quarter of the institutions surveyed indicated that they had already furloughed employees by July 2020. While UC certainly faces financial challenges due to Covid-19, thus far UC has fared far better than many other institutions as evidenced by record enrollments during the 2020 spring, summer, and fall semesters. Although original estimates projected a loss of \$75 million for UC in FY 2021 due to the pandemic, these estimated losses did not come to fruition due to record breaking Fall enrollments and lower than expected cuts to the state subsidy. The committee would like to acknowledge that the Covid-19 pandemic has created

difficulties in making projections and has presented real budget challenges for UC. The full impact of these challenges is still evolving, but the extent of the impact is much clearer than just a couple of months ago.

Purpose

The Faculty Senate and AAUP Joint Budget Committee was formed to analyze the extent of the Covid-19 pandemic's impact on the UC budget and identify possible strategies to preserve the core missions of instruction and research. In addition, the committee has been tasked with evaluating the extent of the shared sacrifice across the colleges and the non-academic units.

Methods and Resources

The committee has collected data from a multitude of sources including the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS), UC Annual Accounting Fund Statements, Ohio Auditor Reports, internal UC documents, a consultant report completed by Howard Bunsis for the AAUP and specially requested reports from various UC units. We'd like to express our sincere gratitude to all the individuals who helped contribute to these reports: Carol Metzger, Liz Aumann, Sarah Huber, Dawn Wooten, Ruth Ross, Bob Ambach, Pat Kowalski, and Susana Luzuriaga Voight.

Projected and Actual Impact of Covid-19 to Revenue

Around February each year, UC rolls out the Incremental Schedule which provides the basic assumptions for the budget in terms of revenue and increasing expenses. Since the baseline or original UC Incremental Schedule (original FY 21 budget) was presented prior to Covid-19 in February, UC developed an additional 3 versions of the incremental schedule in response to Covid-19 (Figure 1). The baseline model (original FY 21 budget) projected an \$11 million shortfall for FY 21 due to increased incremental expenses, resulting in a proposed 3% reallocation (budget cut). In May, UC administration updated the projection to a \$58 million deficit and proposed a 20% reallocation due to projected losses in tuition revenue, State Share of Instruction (SSI) funds, and structural deficit subsidy funds. In June, the projected deficit dropped to \$35 million and a 12% reallocation (budget cut) due to the administration's decision to cut additional incremental expenses and use \$14 million in one-time reserve funds to offset the grave impact of a 20% cut. In July, Ohio finally announced the new SSI projection for FY 21, which was far better than the 20% cut to SSI originally expected by UC administration. The projected deficit was then reduced to \$20 million with a proposed 8% reallocation. Covid-19 has proven to have made a much smaller impact on revenue streams than the University originally anticipated. The following sections describe the changes in these numbers in greater detail.

Figure 1:

Summary of Administration's Proposed Budget Reallocations

SUMMARY OF BUDGET REALLOCATION	FISCAL YEAR 2021			
	Baseline	May '20	June '20	07/08/20 - A2
	FY 21	FY 21	FY 21	FY 21
Total Revenue & Funding Sources	\$ 8,729,346	\$ (58,383,432)	\$ (35,407,704)	\$ (20,399,619)
Total Incremental Expenses	\$ (20,263,645)	\$ (17,469,342)	\$ (10,074,874)	\$ (10,074,874)
<i>FY Surplus/(Deficit) after Expenses and Transfers</i>	\$ (11,534,299)	\$ (75,852,774)	\$ (45,482,578)	\$ (30,474,493)
Calculated Budget Reallocation Total	\$ 11,534,299	\$ 75,852,774	\$ 45,482,578	\$ 30,474,493
Reallocation Percent Variance	3.0%	20.0%	12.0%	8.0%

State Share of Instruction (SSI)

Initially the upper administration planned for a 20% cut to State Share of Instruction (SSI) for FY 2020 and FY 2021 due to statements made publicly by the governor regarding state budget cuts. Fortunately, the cuts to SSI statewide were dramatically less with a 3.8% cut for FY 2020 and 4.38% for FY 2021. When distributing the pool of SSI funds, the state applies a formula based on enrollment, retention and completion to assign each institution's allotment, which tends to be favorable to UC. The current assumption by UC administration is a relatively flat SSI rate for UC (As figure 2 below illustrates, UC is projected to receive approximately \$1 million less for FY21 in SSI than they were originally projected to receive in FY20 prior to the reduction). When considering the pre-Covid-19 assumptions for UC's share of SSI, however, the original baseline UC Incremental Schedule (original FY 21 budget) projected an increase in SSI for FY 21 of about \$2 million above the projected FY 20 number for an actual difference of \$3 million less than originally anticipated in the original baseline UC Incremental Schedule (original FY 21 budget).

Figure 2:

Final and Projected SSI for UC 2019-2021

Final FY 19 SSI	Projected FY 20 SSI	Final FY 20 SSI with reduction	Projected FY 21 SSI
\$212,730,073	\$214,835,062	\$206,664,853	\$213,822,798

Possible surges in the virus and how that will impact potential refunds for housing, parking, etc. are unknown at this time and could impact the University's budget as the academic year continues. In addition, the state could revise the amount of SSI later in the year depending on the economy and tax revenue. This is of particular concern if the state were to shut down again and reflects a conservative approach by UC administration.

Tuition Revenue

Like SSI, projected losses in tuition revenue varied significantly from the actual revenue as illustrated in figure 4 below. Originally, the baseline UC Incremental Schedule projected a \$2.8 million increase in tuition dollars from FY 2020, but in May, UC predicted that tuition dollars would be down \$21 million from FY 2020. By June, the tuition revenue drop was revised to an expected \$18 million, but by July the predicted dip in tuition dollars had grown to \$29 million for the academic year. These estimates were based on a number of factors including a projected decline in international students and an increase in the number of students taking a gap year. Due to the hard work of many, including UC admissions and college administrators, rather than a loss in tuition revenue, UC was able to set another record-breaking enrollment which helped to increase tuition revenue by about \$2 million just for Fall 20 alone. Although enrollments are at a record high, the increase in tuition revenue was partially offset by scholarships awarded to help encourage enrollment. Part of the increase in tuition revenue also came from a small increase in the graduate tuition rate.

Figure 4:

Tuition Revenue Projections in the Various Models

Revenue and Funding Sources	Baseline	May 2020	June 2020	July 8 2020	Sept 2020
Gross Tuition Rate Increase	\$2,830,878	\$(21,314,887)	\$(18,367,961)	\$(29,367,961)	\$5,365,906
(Increase)/Decrease in Grad Scholarships	-	-	\$(825,139)	\$(825,139)	\$(825,139)
(Increase)/Decrease in Undergrad Scholarships	-	-	-	-	\$(2,500,000) approx
Total Net Tuition	\$2,830,878	\$(21,314,887)	\$(19,193,100)	\$(30,193,106)	\$ 2,040,767 approx

At this time, Spring 21 and Summer 21 enrollments are still unknown. A concern was expressed that students may decide not to re-enroll if Fall goes poorly. The only evidence provided to our committee to support this concern is anecdotal: UC parents expressing their displeasure with online learning in posts to Facebook parent groups.

Changes to Incremental Expenses Across Models

To address the budget challenges posed by Covid-19, in June the UC central administration cut four incremental expense areas to offset the projected deficit: unclassified staff salaries, maintenance of the UC Foundation funding model (subsidy¹), maintenance of the athletics funding model (subsidy), and part of the Next Lives Here initiative. Figure 5 below illustrates that

¹ UC provides a general funds to the Foundation to offset their operating costs.

the university suspended the annual pay increase for unclassified staff, which saved the university over \$2.8 million. All other faculty and staff belong to unions and have contracts, which prevent the university from halting their pay raises. Both subsidies for athletics and for the UC Foundation were cut by \$2.3 million and \$2.5 million, respectively. Finally, the only line item cut from the Next Lives Here initiative was \$250,000 for research faculty start-up funds. In total, the university reduced the increase in incremental expenses by about \$10 million², nearly half of the amount from the baseline UC Incremental Schedule.

² In the last few weeks, UC administration reinstated staff raises, but they were not retroactive to the beginning of the fiscal year. Over the remainder of FY 21, staff will receive approximately a 1.3% raise which will increase incremental expenses by about \$1.8 million. In addition, administrative voluntary pay cuts were eliminated at the October Board of Trustees Meeting. We expect the end of this program to increase incremental expenses by nearly \$1.2 million. The total increase in incremental expenses is closer to \$13 million with these two changes.

Figure 5:

Increases in Incremental Expenses

INCREMENTAL EXPENSE PROJECTIONS	FY 21	FY 21	FY 21	FY 21
SALARY & BENEFITS (includes Regional campuses Increases)				
AAUP	\$ 5,466,936	\$ 5,526,946	\$ 5,526,946	\$ 5,526,946
AFSCME	\$ 297,893	\$ 304,526	\$ 304,526	\$ 304,526
FOP	\$ 290,740	\$ 266,835	\$ 266,835	\$ 266,835
IUOE	\$ 33,375	\$ 40,575	\$ 40,575	\$ 40,575
ONA	\$ -	\$ -	\$ -	\$ -
SEIU	\$ 47,614	\$ 46,153	\$ 46,153	\$ 46,153
Unrepresented (reviewed annually)	\$ 2,842,779	\$ -	\$ -	\$ -
Subtotal Salaries/Benefits	\$ 8,979,338	\$ 6,185,035	\$ 6,185,035	\$ 6,185,035
MAINTENANCE				
Core and Sustaining Support (ESTIMATE)	\$ 2,000,000	\$ 2,000,000	\$ 1,000,000	\$ 1,000,000
UC Foundation Funding Model	\$ 1,300,000	\$ 1,300,000	\$ (2,500,491)	\$ (2,500,491)
Athletics Funding Model	\$ -	\$ -	\$ (2,343,977)	\$ (2,343,977)
New Building Utilities and Maintenance	\$ 560,000	\$ 560,000	\$ 560,000	\$ 560,000
Resolve A&S Deficit - Dean Commitment	\$ 436,303	\$ 436,303	\$ 436,303	\$ 436,303
Resolve Law Deficit - Dean Commitment	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Financial Aid Logic Software	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Accessibility Resources	\$ 217,250	\$ 217,250	\$ 217,250	\$ 217,250
E Procurement Software License	\$ -	\$ -	\$ -	\$ -
Concur Software License	\$ -	\$ -	\$ -	\$ -
Subtotal Maintenance	\$ 5,163,553	\$ 5,163,553	\$ (1,980,915)	\$ (1,980,915)
INFRASTRUCTURE				
Capital Investment Fund: Major Capital Projects - Debt Se	\$ -	\$ -	\$ -	\$ -
Subtotal Infrastructure	\$ -	\$ -	\$ -	\$ -
NEXT LIVES HERE				
Efficiency Initiatives	\$ -	\$ -	\$ -	\$ -
Next Lives Here: Platform/Pathway Initiatives	\$ 4,427,615	\$ 4,427,615	\$ 4,427,615	\$ 4,427,615
Research Faculty Start-up	\$ 250,000	\$ 250,000	\$ -	\$ -
Diversity & Inclusion - Turner Scholarships	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000
Graduate Stipends (UGA)	\$ 289,139	\$ 289,139	\$ 289,139	\$ 289,139
Graduate Student Health Insurance (GSHI)	\$ 1,044,000	\$ 1,044,000	\$ 1,044,000	\$ 1,044,000
Subtotal Strategy / Growth	\$ 6,120,754	\$ 6,120,754	\$ 5,870,754	\$ 5,870,754
TOTAL INCREMENTAL EXPENSES	\$ 20,263,645	\$ 17,469,342	\$ 10,074,874	\$ 10,074,874

Covid-19 Expenses

For FY 21, the central administration projects that UC will have \$21 million in Covid-19 related expenses. Fortunately, UC received an additional \$13.5 million in CARES Act funding from the state to help cover these expenses, which leaves UC with an out-of-pocket expense of approximately \$7.5 million. The administration estimates that the bulk of these expenses involve cleaning and cleaning supplies, testing, and housing for isolation and quarantine. UC has started conducting weekly mandatory testing on students, which could drive up these expenses. Testing costs have come down recently making it difficult to anticipate the costs.

Adjusting the Reallocation

At this time, the UC central administration intends to leave the 8% reallocation in place despite flat SSI and an increase in tuition dollars. The rationale provided to the committee is a desire to be prepared in the event that all the worst case scenarios about a possible mid-academic year SSI adjustment, student spring enrollment, and Covid-19 costs come into play. Yet to date, the worst-case assumptions made about tuition revenue and SSI revenue have not come to fruition. We propose that we make the following assumptions:

1. enrollment and tuition revenue to be flat in the spring 21 and summer 21 despite setting record enrollments summer 20 and fall 20.
2. flat SSI dollars
3. an additional \$7.5 million in Covid-19 related expenses
4. reinstatement of classified staff raises
5. elimination of voluntary administrator pay cuts³

Based on these assumptions, we project that we run a deficit of \$8.7 million, which would roughly equal a 2.25% reallocation. Since there are unknowns, we recommend implementing a 3% reallocation to provide cushion for dealing with them as they arise. The \$14 million in one-time reserves could be used in order to cover additional expenses above and beyond the cushion provided in the 3% allocation.

Figure 6:

Joint Committee's Recommended Reallocation Readjustment Figures

Revenue	SSI	\$0
	Net Fall Tuition	\$2,040,767
	Net Spring Tuition	\$0
	Net Summer Tuition	\$0
	Structural Deficit Subsidy Return	\$9,793,481
	Total Increase in Revenue	\$11,834,248
Expenses	Incremental Expenses	(\$10,074,874)

³ As of 11/5, classified staff raises were reinstated, and at the October Board of Trustees Meeting, the board asked the administration pay cuts be returned to their normal salary. At the time of this writing, we have confirmation that CEAS has already lifted the pay cut, and we assume that all other voluntary pay cuts will return to normal salary per the board's request.

	Covid-19 Expenses	(\$7,500,000)
	Reinstate Classified Raises	(\$1,800,000)
	Eliminate Administrative Voluntary Pay Cuts	(\$1,200,000)
	Total Increase in Expenses	(\$20,574,874)
Reallocation	FY21 Deficit	(\$8,740,626)
	% Variance	2.25%

Shared Sacrifice

In his address to the Faculty Senate in June, President Pinto suggested that everyone needed to “do their part” in order for UC to successfully emerge from the budget crisis. Each Vice President (VP) was assigned an 8% permanent reallocation (cut) and could choose how to distribute it. Some VPs may have decided to distribute the 8% cut such that a few units under their direction see larger cuts and other units receive smaller cuts. Other VPs may have decided to distribute the cuts evenly across units. For example, VP/Provost Nelson has asked all colleges to propose 8% in permanent cuts for FY2021. This approach appears to evenly distribute the cuts across all the colleges.

Athletics received a 20% cut to its non-debt general funds subsidy. Although athletics is taking a cut, this is not a 20% cut across the entire athletics budget, but rather a 20% cut *only* to the athletics general funds subsidy. In FY 2019, the Annual Accounting Funds Schedule lists athletic expenditures as \$43,169,590, and a 20% cut would amount to \$8.6 million. In the second and third versions of the revised FY 2021 Budget Planning and Incremental Expense Memo, the cut to athletics was listed as \$2,343,977 or 5.4% of their total FY 2019 expenses. Similarly, the UC Foundation will be taking a 20% cut to their subsidy which amounts to \$2,500,491.

In addition to reducing subsidies to auxiliary units, administrators and staff have sacrificed pay to address the 8% reallocation. President Pinto announced that many administrators are taking a voluntary pay reduction for the next 14 months. The majority of the pay cuts are at a rate of 10% although 4 administrators opted for a 5% pay cut. The Board of Trustees asked that these pay cuts be ended at their October meeting. The original estimate of the total savings from the 14 month temporary pay cuts was \$1,892,459, but on the shortened time frame savings are estimated to be closer to \$630,000.

Initially, all salary raises for unclassified staff were eliminated for FY 2021, but in the last few weeks, their 2% raise has been reinstated as mentioned above. Since the raise is not retro-active, staff raises will be closer to 1.3%. Additionally, many of our staff have also been subject to job eliminations, furloughs or layoffs. Affected units include Athletics, Facilities, COM, CECH, Nursing, Blue Ash, Business, Clermont and Arts and Sciences staff. In Arts and Sciences, all staff including the Dean and the Dean's office have taken a furlough. Savings from these cuts are being applied to the units' portions of their reallocations.

Students, staff and faculty have all faced enormous sacrifices as the university moved to remote learning and working as a result of the pandemic. Many students, staff and faculty have spent their own funds to purchase hardware, high speed internet, and supplies to facilitate these learning and working conditions. In the Covid-19 Remote Technology Experience Survey⁴, conducted by the Faculty Senate IT committee, 17% of respondents indicated that they purchased a laptop or computer and 11% of respondents purchased a monitor. Headphones, microphones, mice, and tablets each were obtained by 5% of respondents. Another 3% of respondents purchased webcams, and 2% of respondents bought lights. Anecdotal stories from students, who participated in the survey, indicate that many of them experienced a significant increase in workload when learning shifted to remote. Likewise, many faculty experienced increased significant increases to their workload both in shifting to remote learning, conducting remote learning and moving courses online for summer and fall, according to survey results from the AAUP. The evidence of the significant toll of this unpaid labor for faculty is demonstrated in the UCBA-AAUP Action Team COVID-19 Crisis Survey and the AAUP Survey (see Appendix A and B). We estimate that AAUP bargaining unit faculty contributed \$3 million or more in unpaid labor for the spring semester alone (see Appendix B for calculations).

In addition to the increased workload in the transition to remote learning, cuts to college budget have translated into additional hidden lost wages for faculty. Many departments and colleges have already increased class sizes for many members of the faculty. In addition, many faculty course releases and stipends have been reduced. Faculty professional development funds (PDF) have been cut at both the college and provostal levels. Many colleges have decreased professional development funds significantly, and the AAUP agreed in a memorandum of understanding to a 20% cut to individual and group professional development funds provided by the Provost. In addition, the AAUP agreed to establish a temporary voluntary furlough program for bargaining unit members, which was previously prohibited under the contract.

Impact on Colleges, Students and Faculty

Although sacrifices were made throughout the university, the budget cuts do not have an equal impact across all units. It is concerning that some cuts were harmful to the academic and research mission of the university. In order to understand the disparate impact of these cuts, we

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https://share.uc.edu/uc/facsen/Shared%20Documents/Summary%20Report_Tech%20Experience%20Survey_August_2020.pdf?Web=1

offer a short primer on the UC Budget and how the budgetary priorities have shifted during the past 10 years.

Overview of the UC Budget

The UC budget consists of restricted and unrestricted funds. Examples of restricted funds include federal grant funds, or gifts with specific instructions from donors limiting their use. The unrestricted category includes two types of general funds: designated and undesignated. Designated general funds have been earmarked for specific uses over time and would require approval by the Board of Trustees to re-appropriate them for other uses. In contrast, undesignated general funds may be allocated by budget administrators for any purpose in a given year. Faculty may be familiar with the term Performance-Based Budgeting or “PBB.”

The PBB model is used to allocate less than half of the undesignated general funds across the academic units of the university. Notably, the proportion of undesignated general funds that the university devotes to funding academic units--that is, the proportion of undesignated general funds made available through the PBB model--could be increased or decreased by the university administration if they chose to do so. Many PBB-induced hardships on academic units could be addressed in this manner.

It is useful to get a sense of the relative size of each of these categories of funds. For the fiscal year ending in June 2019, UC expenditures totaled just under \$1.25 billion. Of this, approximately \$968 million came from unrestricted funds, while \$279 million came from restricted funds. The restricted funds were comprised of \$56 million from endowment funds, \$156 million from federal funds, and \$66 million from private contracts/gifts. The unrestricted funds included \$750 million in undesignated general funds and \$218 million in designated general funds.

The university’s revenue comes from several sources. The university’s audited financial report for FY 19 shows that the largest source of revenue is tuition and fees, accounting for 35.4% of the total. State appropriations (State Share of Instruction, or SSI) comes in a distant second place at 16.5%, followed closely by grants and contracts at 15.0%. The remaining revenue is comprised of sales and services provided by educational units (9.5%), auxiliary operations such as campus services and athletics (9.2%), investment income (6.5%), gifts (2.5%), state capital appropriations (2.1%), and other miscellaneous sources (3.3%). Figure 7 shows the trends in UC’s revenue streams from 2010 to 2019 using data from audited financial reports. Figure 8 shows a stacked column graph that charts the percentage of total revenues made up by each source during this time period.

Figure 7:

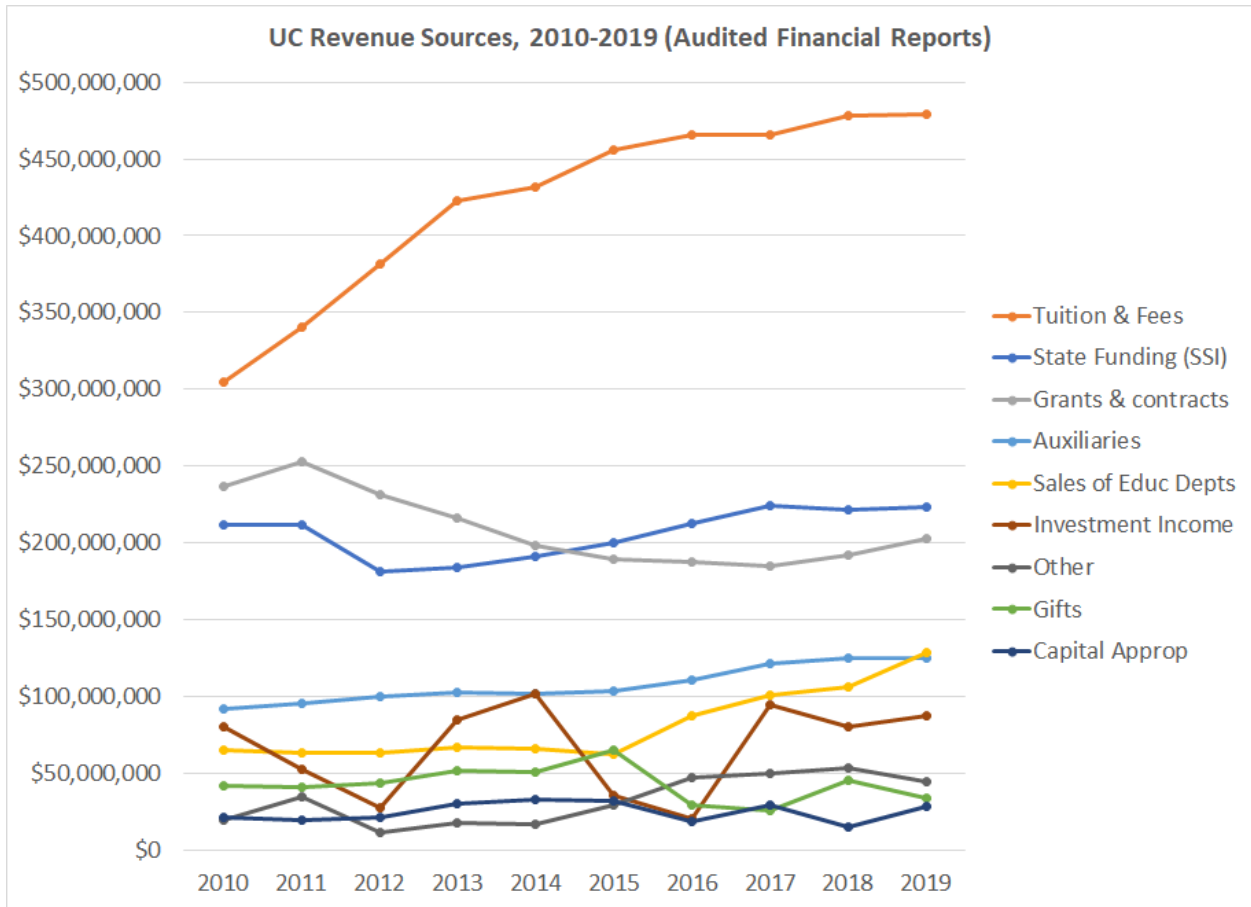
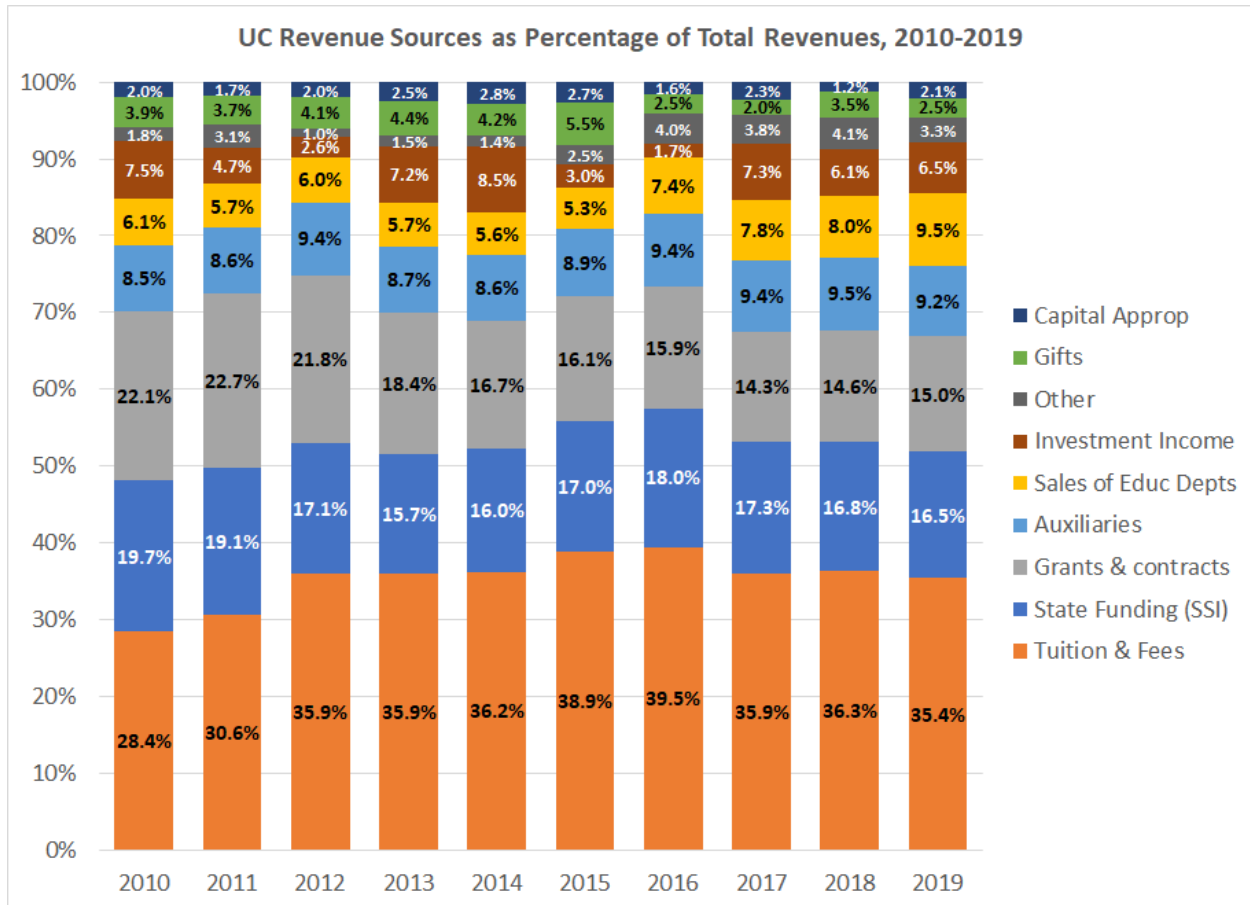


Figure 8:



Since 2010, tuition and fees have grown both in absolute dollars and as a proportion of UC’s total revenues. According to the audited financial reports, tuition has comprised a larger percentage of UC’s revenues than state appropriations each year since 2005. State support has been up and down over the years, reaching \$212 million in 2011 before plunging by \$30 million in 2012. SSI then increased for several years and reached \$224 million in FY 17 and held above \$220 million until FY 20 when state budget cuts were enacted as a result of falling tax revenues during the COVID-19 pandemic. Overall, the revenue picture for UC is one of increasing reliance on tuition and fees, but state support continues to be a significant revenue source. It is important to note that changes in state appropriations are not permanent; they are re-evaluated each year by the Governor and state legislature. As the trend data show, SSI support has rebounded after cuts – albeit at a slower rate than many of us in public higher education would prefer.

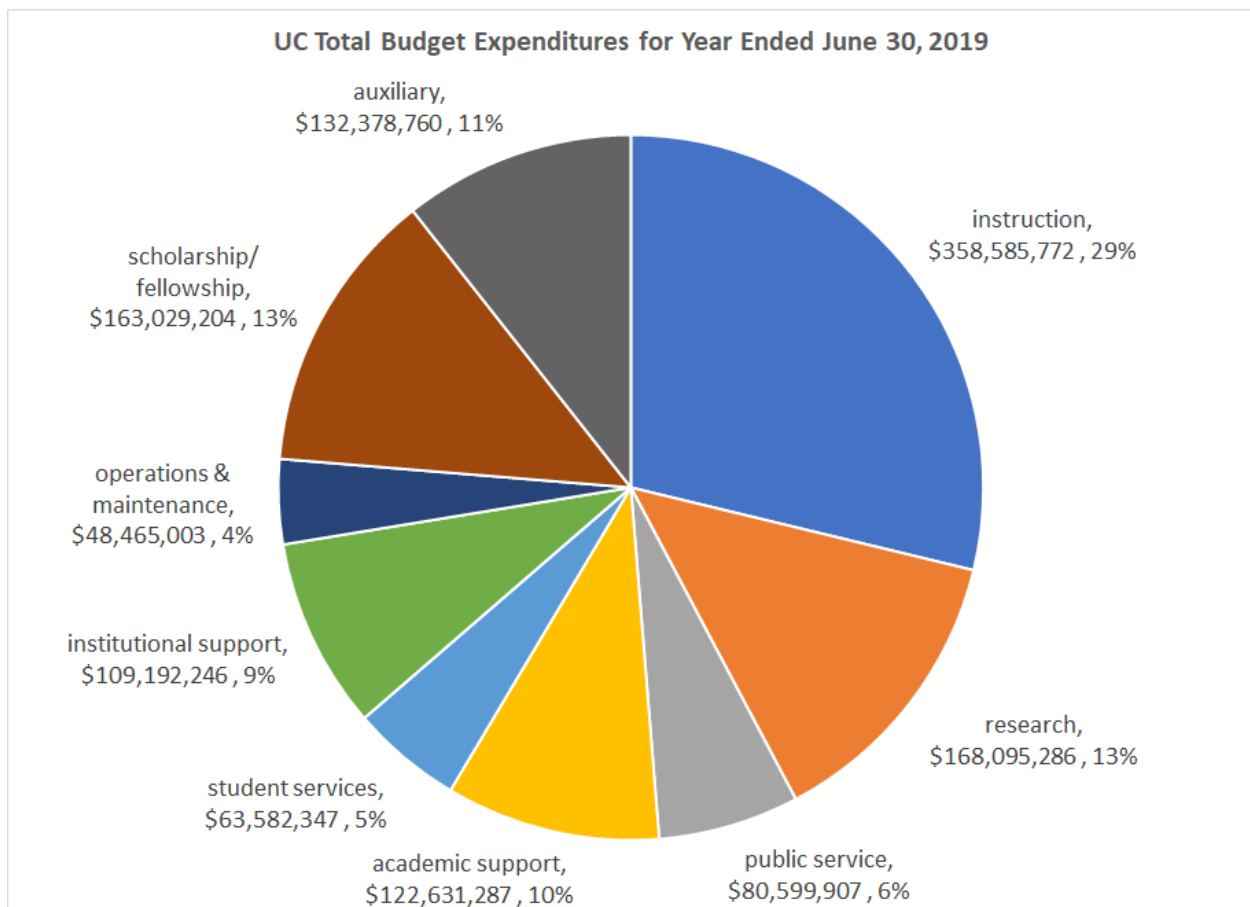
Areas of Expenditures

It is common for universities to report expenditures by functional areas, which typically include core functions such as instruction, research, and public service, as well as administrative and support functions including academic support, institutional support, student services, and

scholarships/fellowships. Auxiliary enterprises include campus services such as housing, dining, and parking, as well as athletics. Definitions of functional areas used by IPEDS can be found here: <https://ceds.ed.gov/element/001659>

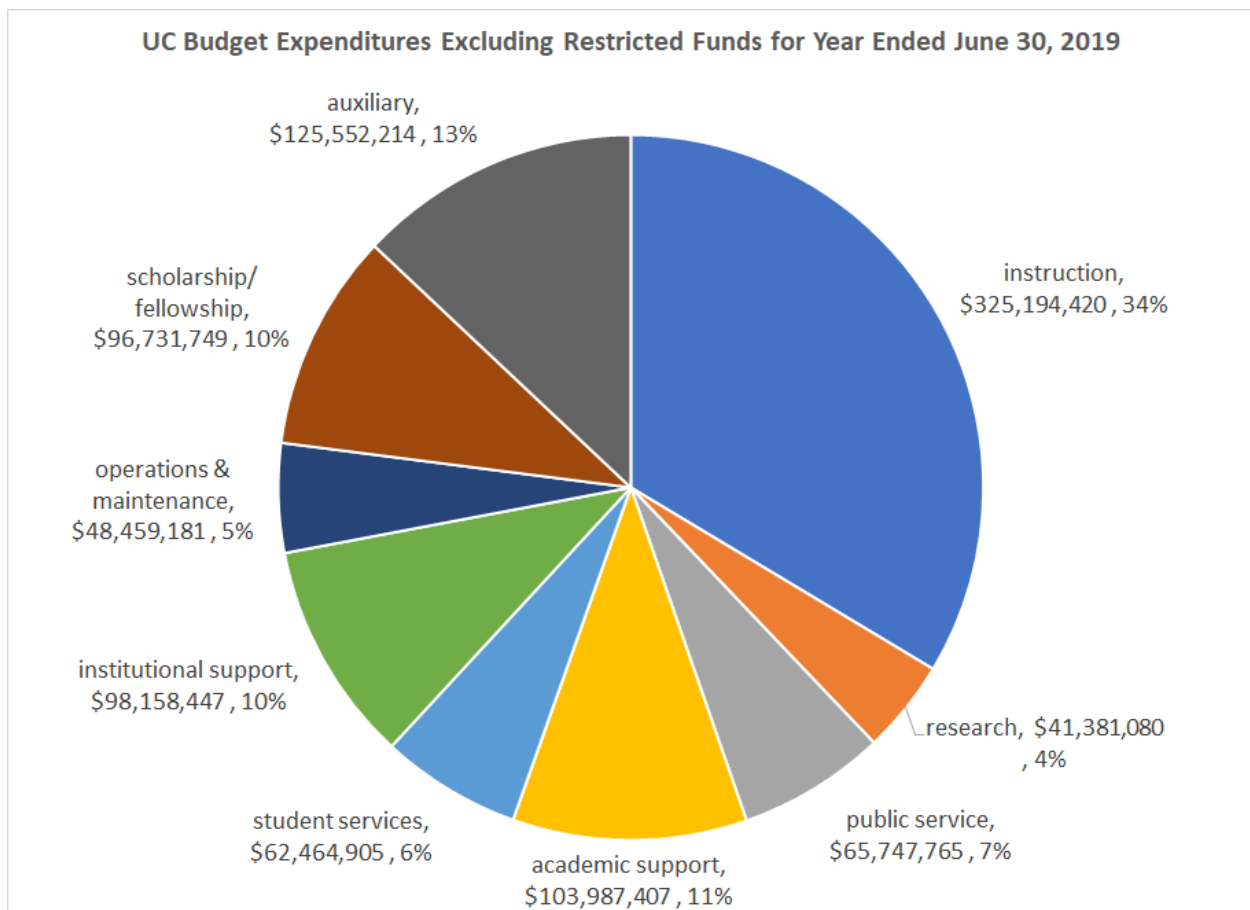
Figure 9 uses information from the university’s annual fund accounting schedule (see Appendix C for links) to break down the expenditures made by UC for each of the functional areas for the fiscal year ending in June 2019. Instruction is the largest category at \$358.6 million (29%), followed by Research at \$168 million (13.5%), and Scholarships/fellowships at \$161 million (13.1%). Auxiliary, which includes campus services such as dining and residence halls as well as athletics, is the next largest area of spending at \$132.4 million (11%). The next largest categories are Academic Support (10%) and Institutional Support (9%). These two administrative areas together make up nearly \$232 million, which is 38% more than spending on research. The remaining functional areas are Public Service (\$80.6 million, 6%), Student Services (\$63.6 million, 5%) and Operations and Maintenance (\$48.5 million, 4%). The university’s core missions of instruction, research, and service to the public constitute less than 49% of the total expenditures.

Figure 9:



It is important to keep in mind that this portrait of expenditures includes both restricted and unrestricted funds. Three-quarters of expenditures on research came from restricted funds, and 45% of restricted funds expenditures (\$126.7 million) went to the Research functional area. In other words, relatively little general funds money is spent on research. So, a somewhat different picture emerges when we limit the analysis to funds that are not restricted, as in Figure 10 below. This represents the funds that can be repurposed by administrative decision makers, and therefore is an indication of spending priorities. Instruction remains the largest area of spending at 34%, but research accounts for only 4% of general funds spending. The second-largest area of unrestricted funds expenditures is Auxiliary at \$125.6 million, or 13%. The two administrative areas of Institutional Support and Academic Support together account for over \$202 million, nearly a quarter (24%) of unrestricted spending. The remaining functional areas in order of expenditure size are Scholarships (\$96.7 million, 10%) Public Service (\$65.7 million, 7%), Student Services (\$62.5 million, 6%) and Operations and Maintenance (\$48.5 million, 5%). Nearly all the funding for the functional areas of Student Services and Operations and Maintenance comes from unrestricted funds.

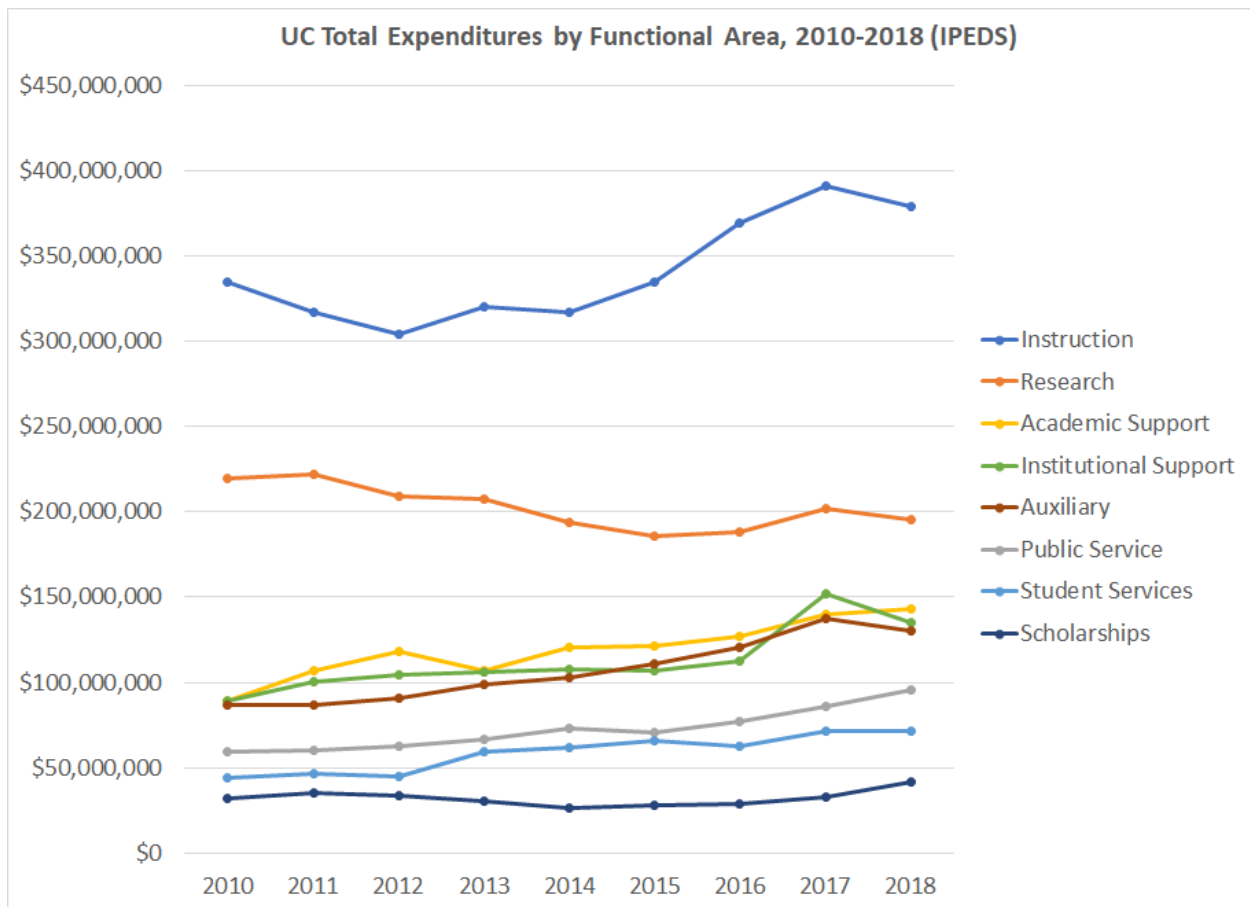
Figure 10:



Trends in Spending

With this snapshot of recent expenditures in mind, we turn next to analyzing trends in total expenditures over the last several years. Using IPEDS data, we examine changes in the amounts spent on each functional area from 2010 to 2018. (See the consultant report by Dr. Howard Bunsis for similar analysis using both IPEDS and audited financial statements. A link is found in Appendix C). The trends are shown in Figure 11 below. Spending on Instruction rose from \$334.7 million to \$378.9 million, a 13.2% increase. Growth with inflation only during this time period would be 12.3%. Spending on research declined by \$24.1 million, or 11%. There was an increase of 61% or more in academic support, student services, and public service. Institutional support and auxiliary each grew by 51%.

Figure 11:

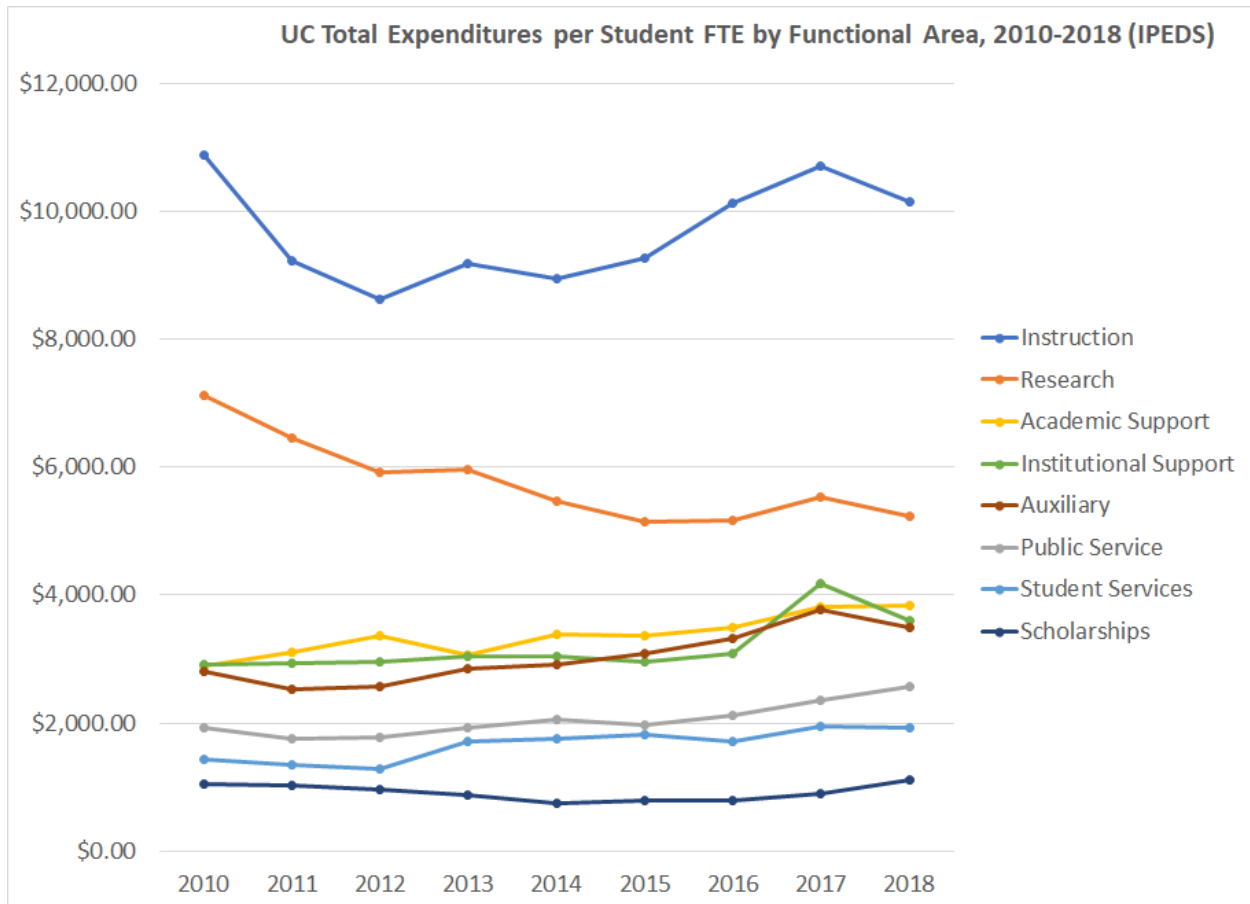


It is important to note that during this time period enrollment at UC grew significantly, increasing by 24% (from full time equivalent⁵ (FTE) of 30,798 to 38,209). When we analyze expenditures on a per-FTE basis, we find that instructional spending declined by 6.6% from 2010 to 2018.

⁵ Analyzing on an FTE basis, allows us to examine how much UC is spending per student or in this case per the equivalent of full time student. Since UC has seen several years of record enrollment, we are better able to track if spending in particular areas has kept pace with the growth in the student population.

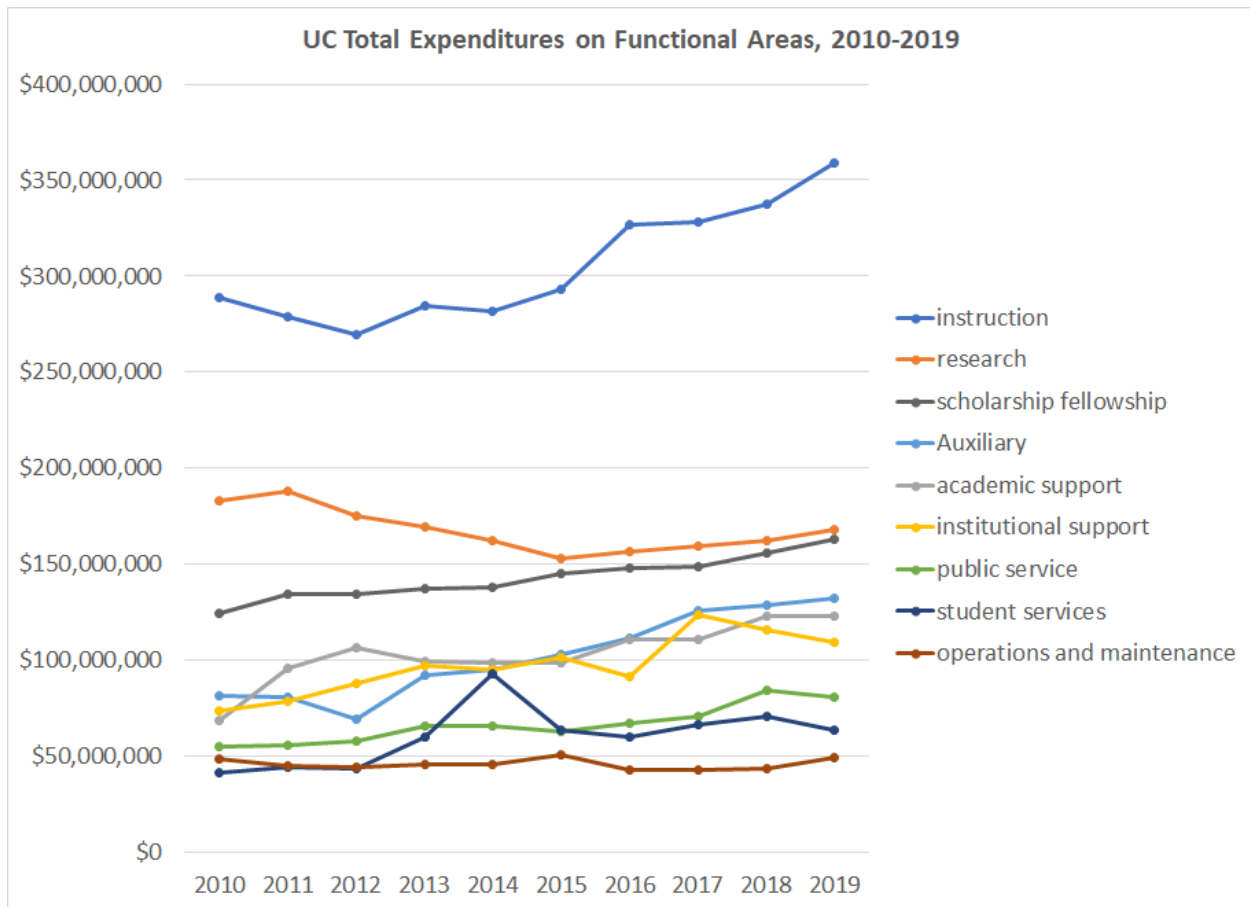
Spending on scholarships per FTE increased by 7.4%, failing to keep up with inflation. With the exception of research spending per FTE, which declined by 26.5%, the other functional areas increased by two to three times the rate of inflation, even when taking increased enrollment into account.

Figure 12:



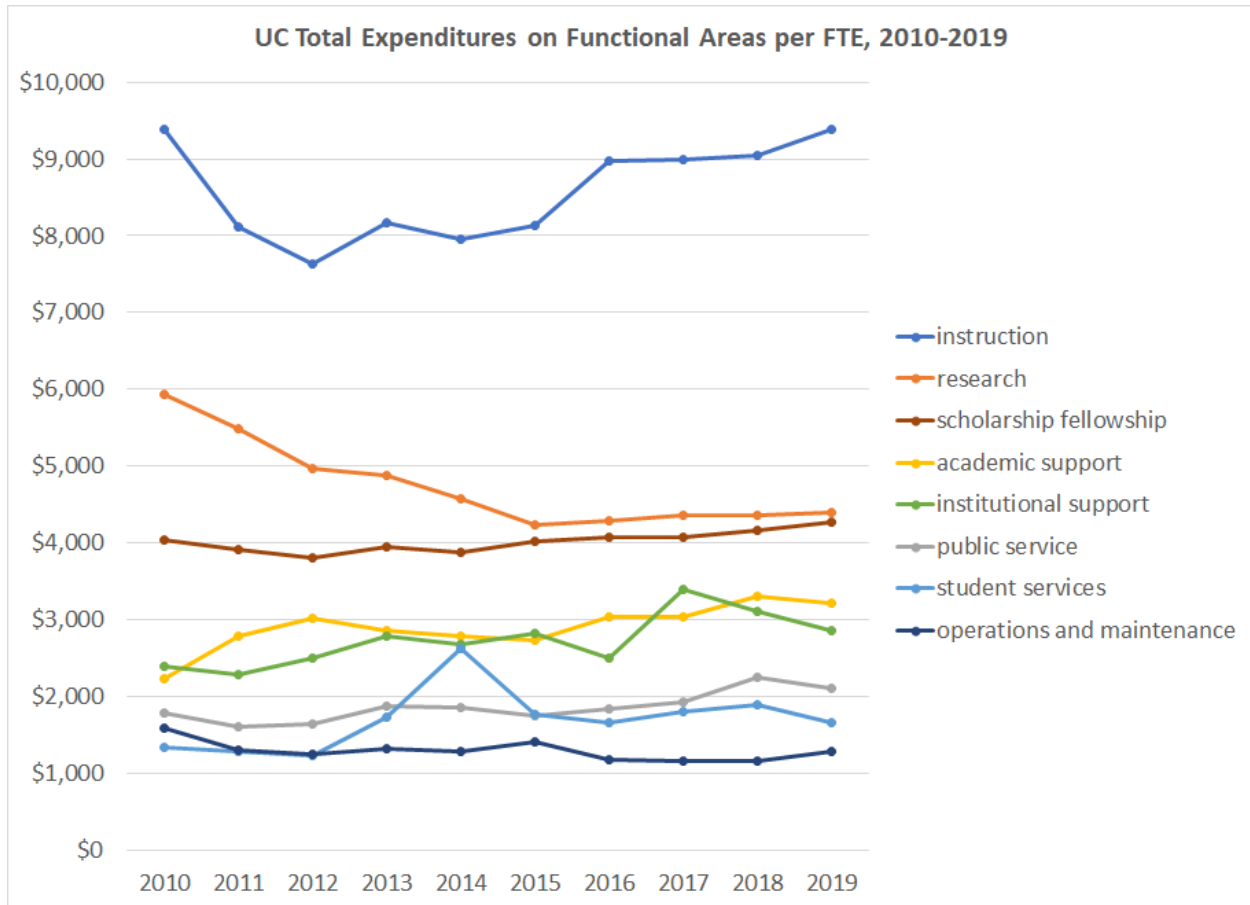
We conducted a similar analysis of spending trends using information collected from the university's annual fund accounting schedules (see Appendix C for links) for 2010-2019. The numbers do not precisely match the IPEDS data due to some differences in coding of the functional areas, but we observe similar patterns overall. Spending on Instruction rose \$72.8 million, a 25% increase. Growth due to inflation only would have been 13.2% during this period. Spending on research declined by \$15 million (-8%). There was an increase of \$53.8 million in Academic Support (78%), an increase of \$51.1 million in Auxiliary (63%), and an increase of \$35.4 million in Institutional Support (48%). By the end of this time period, the sum of expenditures in Academic Support plus Institutional Support plus Auxiliary was greater than the amount spent on Instruction.

Figure 13:



When we analyze these expenditures on a per-FTE basis, as shown in figure 14 below, we find that instructional spending was almost exactly flat from 2010 (\$9380 per FTE) to 2019 (\$9385 per FTE). However, given inflation over the time period this is a 13% decline in real terms. Research expenditures per FTE declined by 26%, from \$5941 to \$4399. Expenditures on Operations and Maintenance also declined steeply, decreasing by 19%. Academic Support (up 44%), Auxiliary (up 31%), Student Services (up 24%), Institutional Support (up 19%), and Public Service (up 18%) all increased at rates above inflation. Spending on scholarships per FTE did not keep pace with inflation, growing from \$4029 in 2010 to \$4267 in 2019, an increase of 6%.

Figure 14:



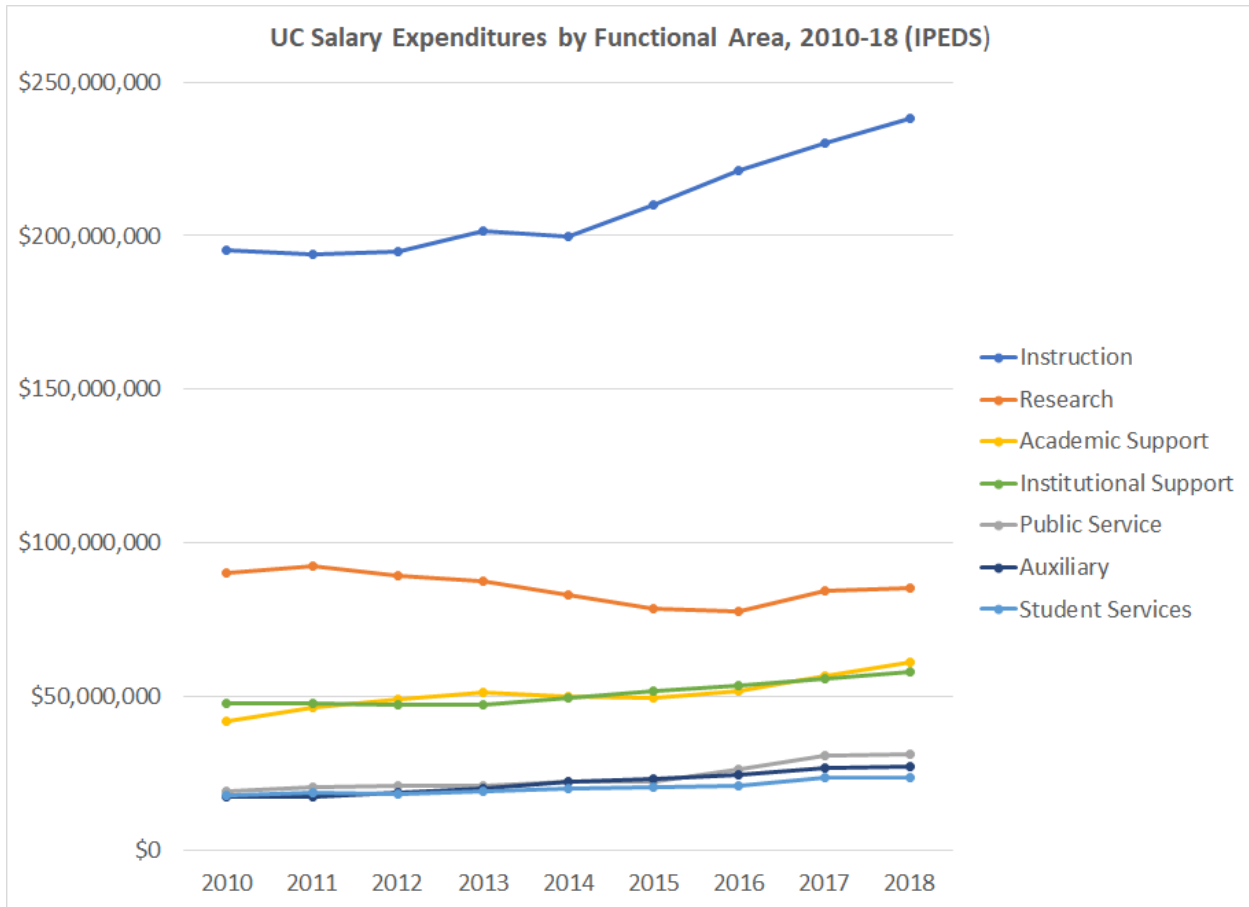
Taken together, the trend analyses of expenditures reveal flat or declining support for the core instructional and research missions of the university but spending on administrative and auxiliary functions is increasing above the rate of inflation. We note that these data on expenditure trends suggest there is likely to be little or no “fat” to trim from the university’s budget in the areas of instruction and research since spending in these areas has not kept up with inflation and growing enrollments. In contrast, growth in spending on administrative and auxiliary functions has been more robust.

Trends in Salaries

Next, we turn to analysis of spending on salaries. Examining spending on salaries is useful for several reasons. First, employee compensation is the largest expenditure item for the university. Second, tracking salaries over time provides an apples-to-apples comparison, as these are cash payments made regularly. Tracking total expenditures from year to year can be more difficult because of accounting procedures such as transfers across budget areas or deferred payments. Third, analysis of salaries and their rate of growth provides another indicator of the university’s priorities.

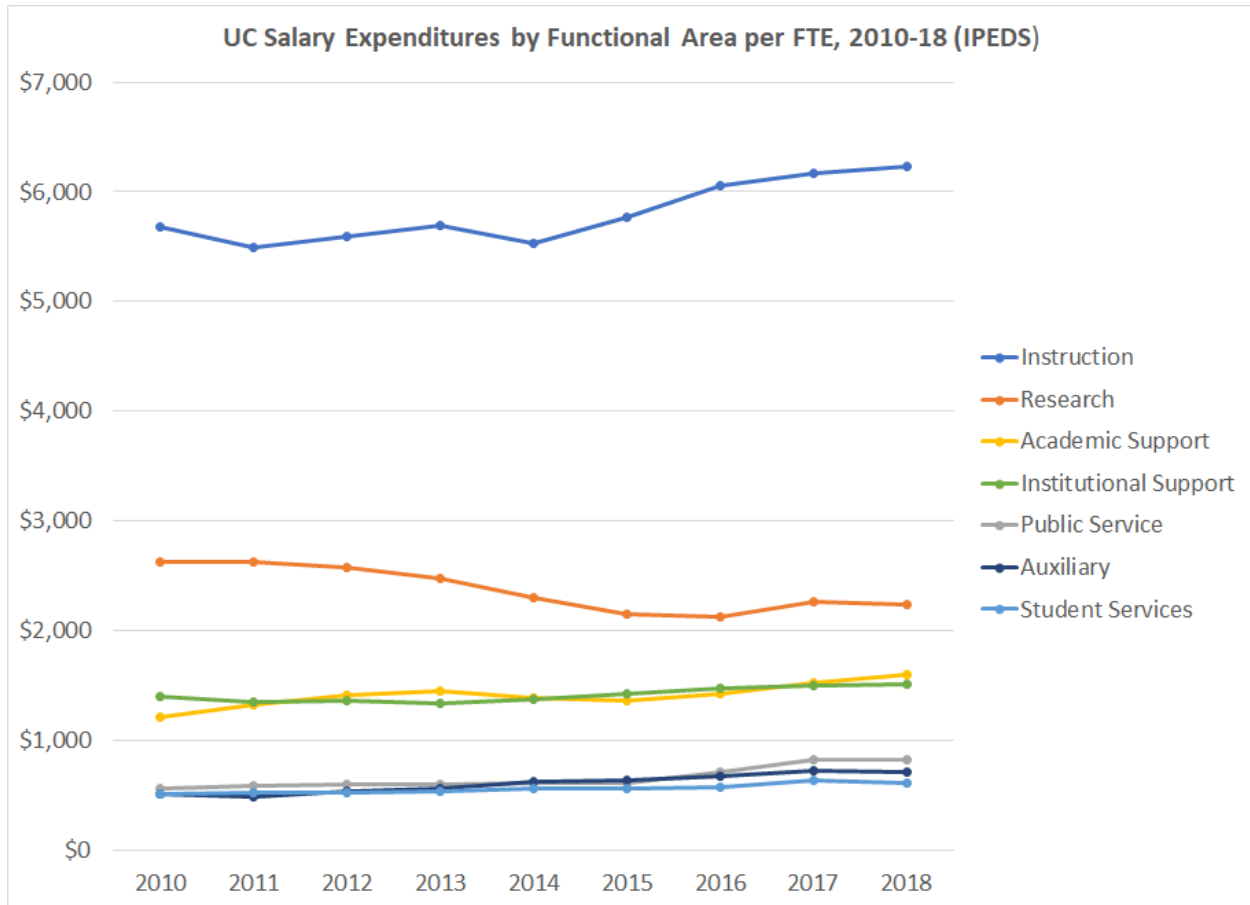
We first examine spending on salaries across the functional areas using data from IPEDS. Figure 15 displays these trends. Spending on salaries in the area of Instruction represents the largest expenditure in each of the years examined and increases at about the same rate as total salary spending overall: up 22% from 2010 to 2018. The second largest area of salary spending is Research, but expenditures decreased from \$90.1 million to \$85.5 million, a decrease of 5%. Academic support salary spending grew by 47%, rising from \$41.7 million to \$61.2 million. Institutional support salary expenditures also increased, but at a lower rate of 21% (still well above the inflation rate of 12.3% for this period). The largest percentage increase was found in salary spending in the Public Service functional area, up 63% from \$19.2 million to \$31.4 million. Salary spending in the Auxiliary area also saw a large percentage increase of 56%, growing from \$17.4 million to \$27.1 million. Finally, Student Services salary expenditures rose from \$17.7 million to \$23.5 million, a 32% increase. To summarize, there is growth above inflation of salary spending in all areas except Research, which declined over this period. As was the case with overall expenditures, salary spending increased at a higher rate in administrative and auxiliary functional areas than it did in instructional and research areas.

Figure 15:



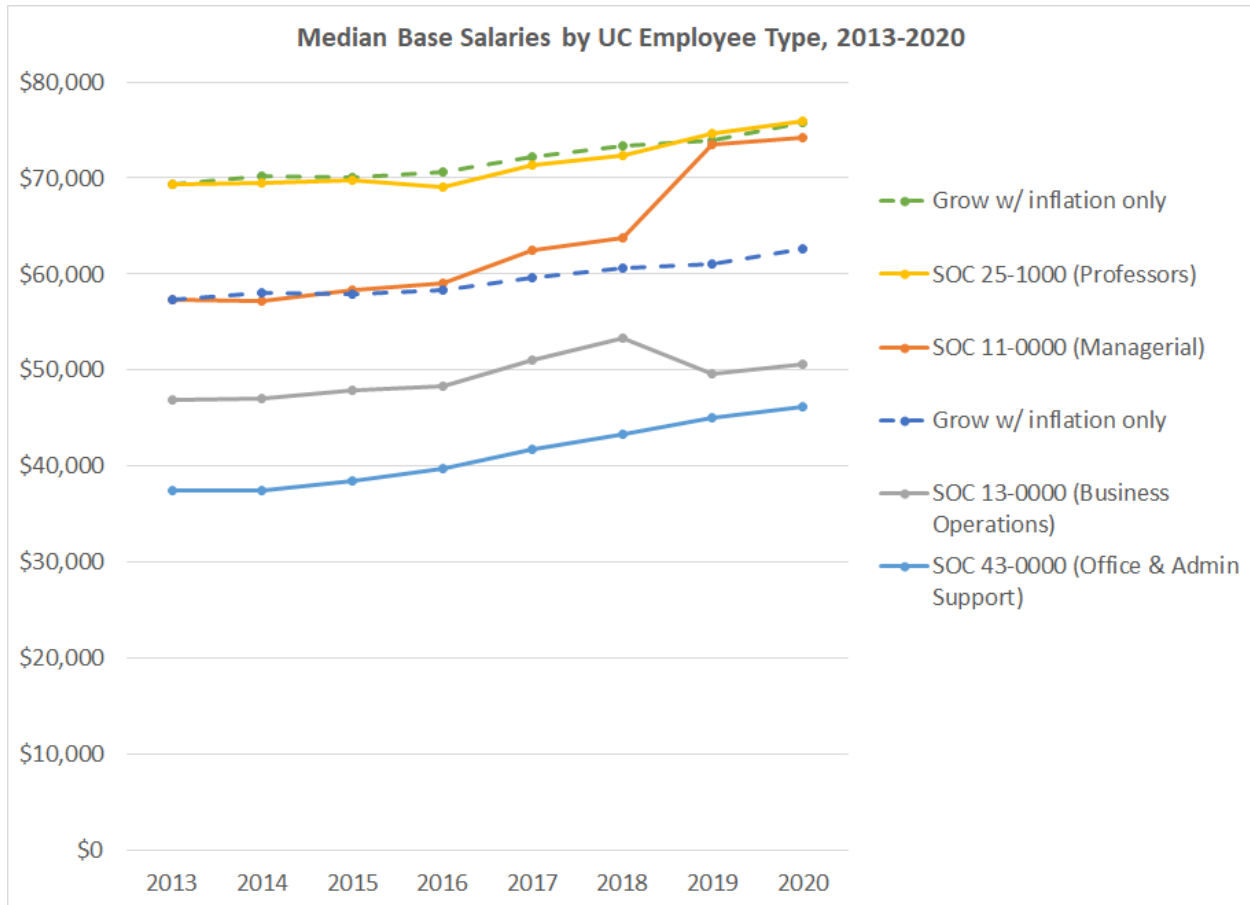
When the analysis is conducted on a per-FTE basis, we find that spending on instructional salaries did not keep up with inflation (12.3% for this period), rising by 9.7%. Research salary spending per FTE declined by 14.7%. Functional areas where salary spending per FTE increased above inflation included Public Service (47%), Auxiliary (40%), Academic Support (32%) and Student Services (19%).

Figure 16:



The analysis of salaries thus far has examined only aggregate spending in functional areas. We need to move to analysis of individual-level data in order to assess salary growth for different employee groups at UC. In response to our committee’s request for data on employee salaries, the UC Human Resources office provided us with an Excel file containing salary information for all employees from 2012-2020. In each year except 2012, employees are classified using the federal government’s Standard Occupational Codes (SOC). (For code definitions, see: https://www.bls.gov/soc/2018/soc_2018_class_prin_cod_guide.pdf). This allows us to distinguish trends in salary growth for different employee groups. In Figure 17, below, we show trends in the median salary for the following groups: managerial employees (SOC 11-0000), business operations staff (SOC 13-0000), office and administrative support staff (SOC 43-0000), and faculty (SOC 25-1000). It should be noted that this classification of faculty includes all those reported by UC as earning a salary, not just faculty in the AAUP bargaining unit.

Figure 17:

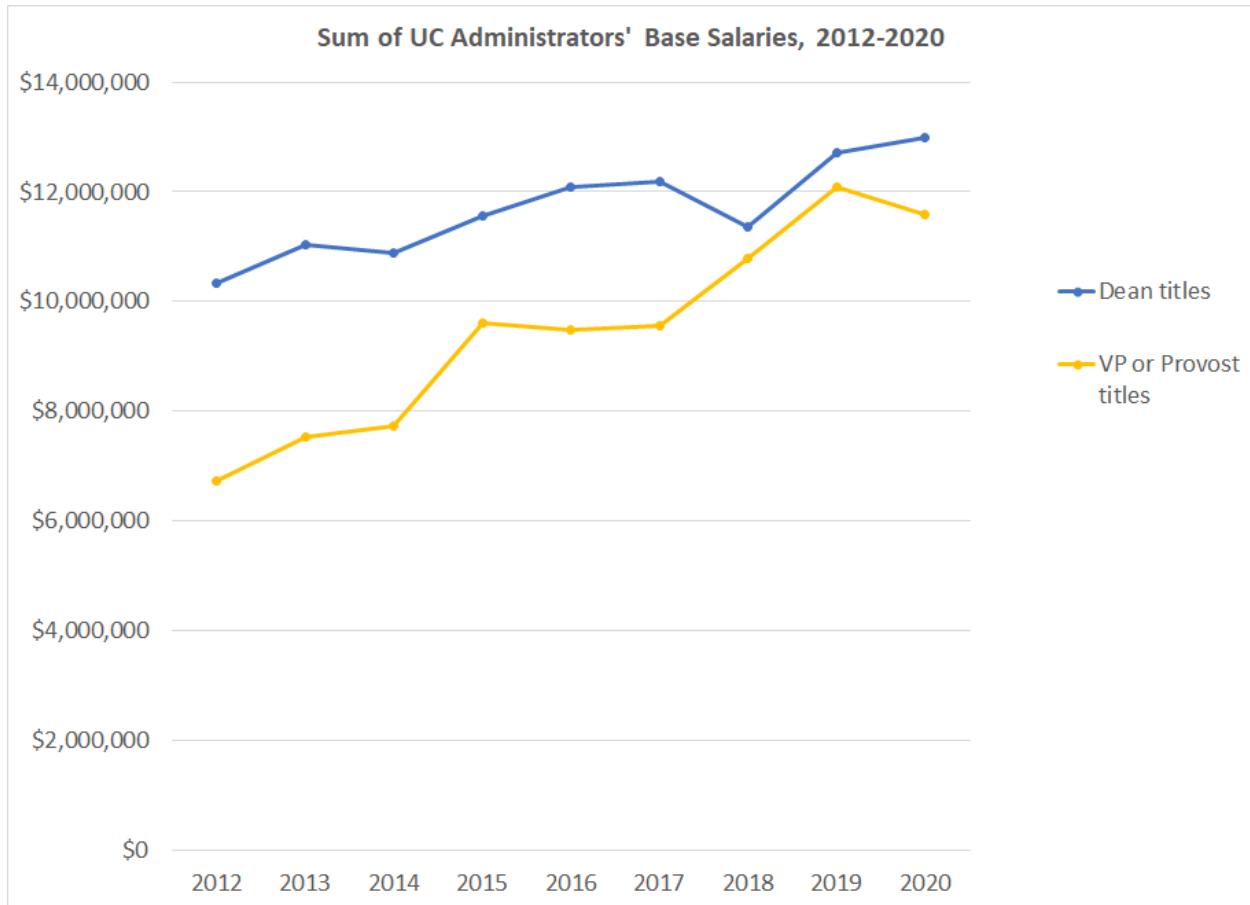


The median salary of employees classified as managerial increased by 30% (\$16,981) from 2013 to 2020. Growth due only to inflation over this period would have been 9.3%. Professors' salaries, on the contrary, just barely kept up with inflation, rising 9.7% from a median of \$69,302 to \$76,000. Adjunct pay rates, in particular, have not kept up with inflationary growth, particularly at the rank of instructor. Salaries for many office staff did not keep up with inflation. The median salary for business operations staff increased by 7.7%. The median salary for office and administrative support staff increased by 23%, but notably, this employee group began and ended the period having a lower salary level than the other groups, going from a median of \$37,471 in 2013 to \$46,195 in 2020. In summary, median salaries for managerial employees grew at more than three times the rate of inflation, three times the rate of faculty salaries, and more than four times the rate of business operations staff salaries.

Further analysis of the UC employee salary file found that the rate of growth in salaries for upper administrators was even greater than among the managerial employee group in general. We recognize that different readers may have different operational definitions of "upper administration" so below we offer multiple versions of the analysis using different methods for identifying upper administrators and tracking changes in their salaries. The fact that these various operationalizations produce similar trends enhances confidence in the findings.

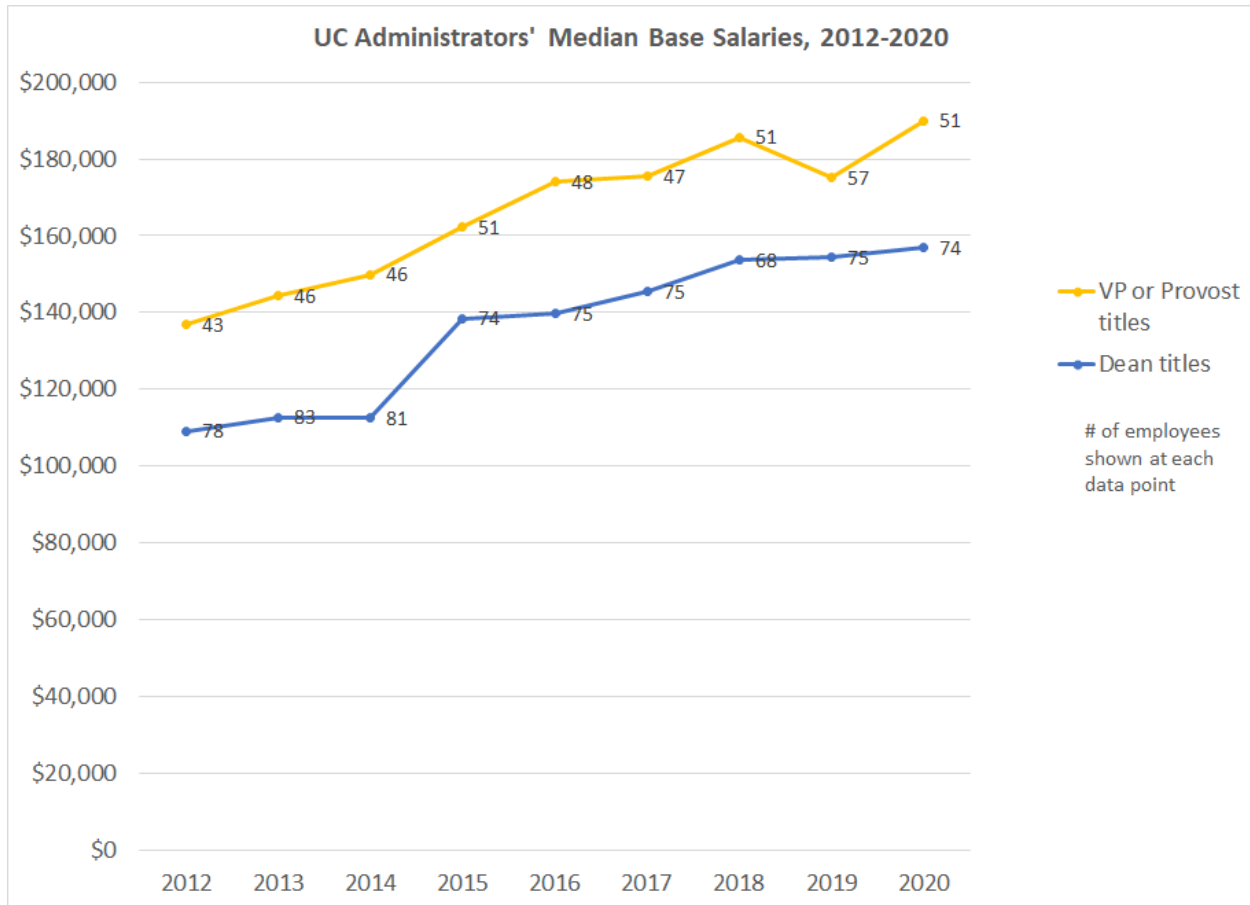
First, we searched the university-provided salary file for employees with “president” or “provost” in their job title. This search captured central administration roles such as President, Provost, Vice President, Vice Provost, Associate Provost, and so forth. This yielded a count of 51 employees in 2020. Another search was conducted for employees with “dean” in their job titles. This search captured roles such as Dean, Associate Dean, and Assistant Dean. This yielded a count of 74 employees in 2020. With these employees identified, we analyzed spending on salaries for the VP/Provost group and for the decanal group. The trends in salary spending are shown in the figure 18 below. The sum of base salaries of those with presidential or provostal titles grew from \$6.7 million to \$11.6 million, an increase of 73%. The sum of base salaries for those with decanal titles rose from \$10.3 million to just under \$13 million, an increase of 26%. Inflationary growth during this time period would have been 10.8%, so both employee groups saw increases well above inflation. Spending on the central administrative salaries grew at a rate 6.8 times inflation; decanal salary spending grew at a rate more than twice inflation. Had spending on these salaries grown only at the rate of inflation, the total paid out by UC in the year 2020 alone would have been \$5.68 million lower.

Figure 18:



The growth in spending on administrators' salaries could be driven by an increase in the number of administrators, an increase in their average pay, or a combination. The next figure shows the median salary for the two groups, and at each data point the number of observations is indicated. What we find is that for the central administration group, growth in overall expenditures is driven both by an increase in numbers and an increase in level of pay. The number of those with VP/provost titles grew from 43 to 51 over this period, an increase of 19%. In addition, the median salary paid to employees in this group rose from \$136,862 in 2012 to \$190,000 in 2020 – an increase of 39%. Among the deans' group, the increase in overall spending is driven by increasing rates of pay rather than by numbers of employees. The number of employees with a dean title initially increased from 78 to 83, but eventually declined. In 2020 there were 74 such employees, a decrease of 5% from 2012. However, the median salary for deans grew from \$109,123 to \$156,890, an increase of 44%. In summary, spending on salaries of central administrators has grown because of both increased numbers and increased average salaries, while spending on college-level administration was driven by increases in average salaries not by numbers of positions.

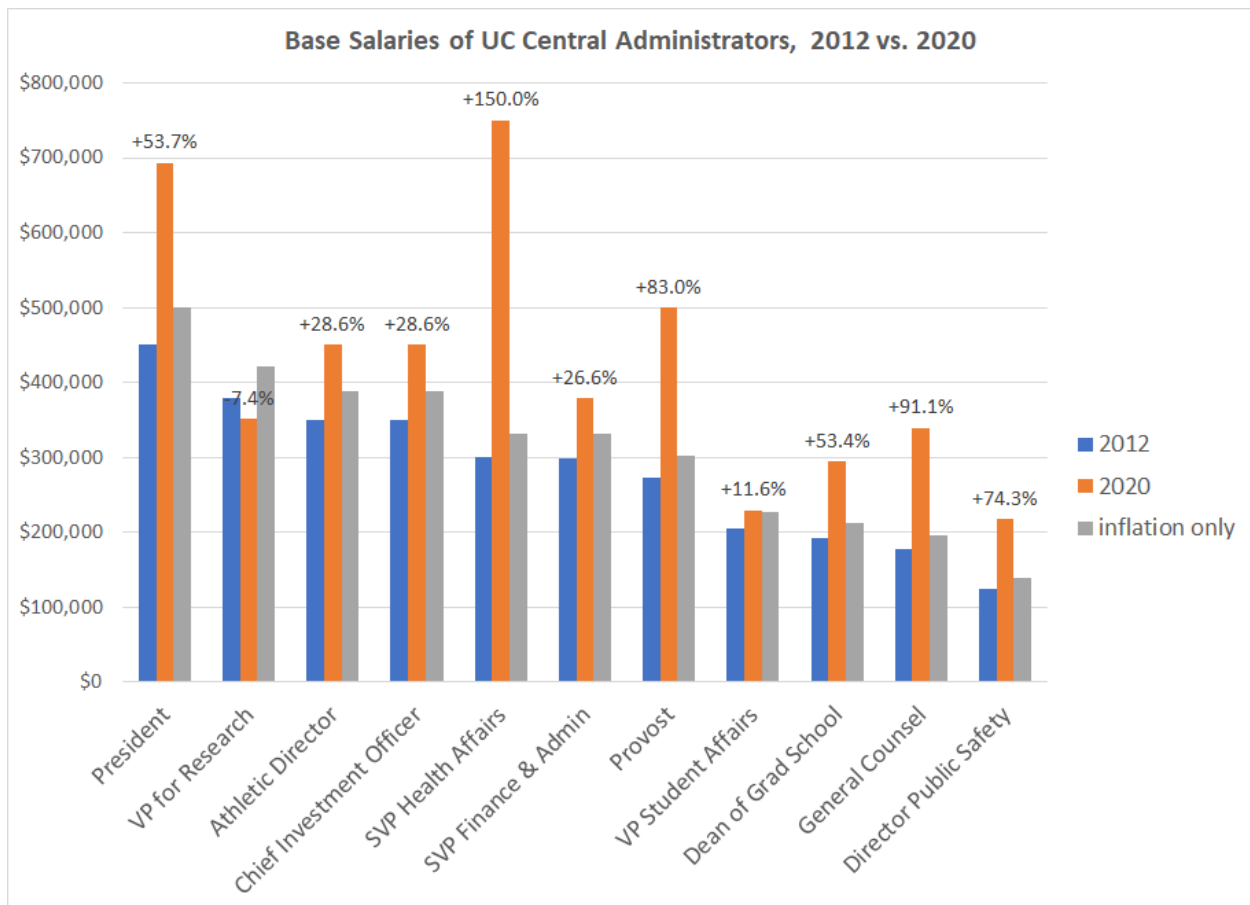
Figure 19:



Another operational strategy for defining “upper administration” is to focus on positions responsible for overseeing significant segments of the university but who may or may not have a title that includes the words “vice president” or “provost.” For example, the Director of Public Safety or the Director of Athletics would not have been captured in the previous analysis but would be responsible for important functions and would be asked to implement budget plans resulting from the COVID-19 pandemic. Using the salary file provided by Human Resources, we compared the 2012 salaries with 2020 salaries for eleven top positions in central administration and for the Deans of the UC Colleges. The next two figures display these comparisons and indicate the percentage changes in salaries. The central administrative positions are arrayed in the order of their salaries in 2012, ranging from \$125,000 to \$451,000. The mean salary among this group in 2012 was \$282,153; by 2020 it had grown to \$423,195, an increase of 50%. The median salary in this group grew from \$299,250 in 2012 to \$378,851 in 2020, an increase of 27%. Ten of the eleven positions examined had salary growth above inflation alone, which would have been 10.8% during this period, and nine of the eleven salaries increased by at least twice the rate of inflation. The exceptions to the pattern were the Vice President for Research position, which saw a decline in salary of 7.4%, and the Vice President for Student Affairs and

Services, which experienced salary growth slightly above inflation at 11.6%. Some of the increases are striking, including 83% for the Executive Vice President and Provost, 91% for the General Counsel, and 150% for the Senior Vice President for Health Affairs.⁶ Had these eleven administrators' 2012 salaries grown at the level of inflation, UC would have saved \$1,216,888 in 2020 expenditures.

Figure 20:

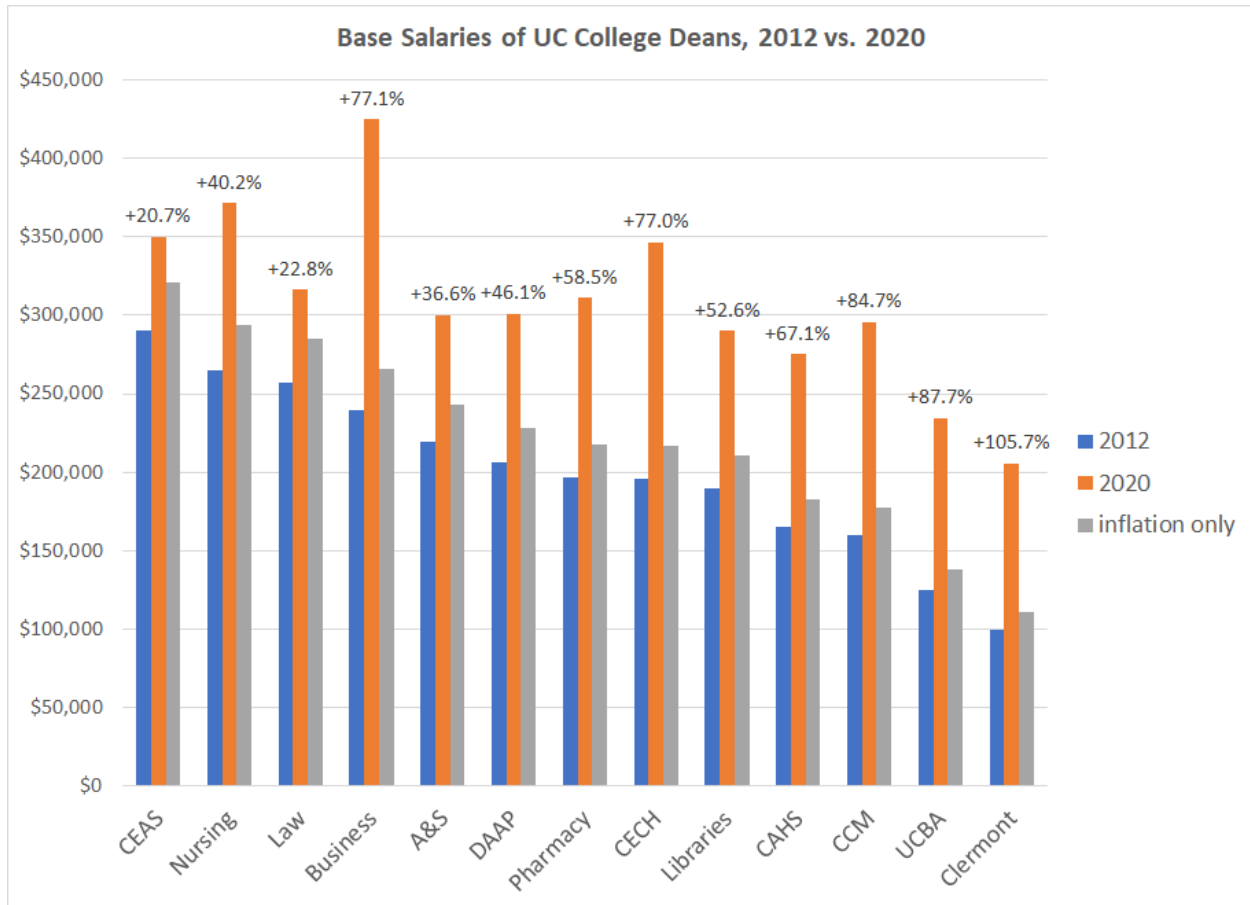


The next figure shows the same analysis for the Deans of the colleges and of the UC Libraries. In 2012, these thirteen decanal salaries ranged from \$100,000 to \$290,000, with a mean of \$200,771 and a median of \$196,320. By 2020 the average Dean's salary rose to \$309,420, an increase of 54%; the median salary increased by 53% to \$300,900. In 2012 no Dean earned a salary of \$300,000 and three made \$250,000, but by 2020 there were 11 of 13 making \$250,000 and 8 of 13 earning \$300,000. All the decanal salaries grew above inflation, and the percentage increases ranged from 21% to 105%. Had the Deans' 2012 salaries grown at the level of inflation, UC would have saved \$1,131,075 in 2020. Taken together, \$2,347,963 in savings could have been obtained in the 2020 budget if these two dozen administrative

⁶ The SVP for Health Affairs also serves as Dean of the College of Medicine. Because this position is at the Senior VP level and serves in the President's cabinet, we have chosen to include it with the central administrative positions rather than with the college Dean positions, which are shown in the next figure.

employees' salaries had grown at the rate of inflation instead of growing by 50% or more since 2012.

Figure 21:



Problems with Current Budgeting Practices

As this report details, the University has been directing funds away from the core academic mission to athletics, strategic initiatives such as Next Lives Here, and central administrative salaries leaving very little left to cut without causing irreparable harm. CCM, A&S and Medicine were unable to find 8% in permanent cuts and relied on 36%-47% one-time funds to meet the reallocation. Not all colleges are in a position to grow their way out of the cuts due to systemic, structural, and economic realities. Colleges such as A&S, CCM, Blue Ash, Clermont, and Law in particular struggle to meet the annual reallocation of 2-3% let alone an 8% cut. We recommend

that the university examine resetting the baselines of the colleges to put them on a more equal footing.

In addition, recent empirical evidence suggests that the predictions used to shape the UC Incremental Schedule are not accurate. We encourage the university to seek out additional sources of data to use in estimating revenue-especially in regard to SSI funding. Further, we disagree with the philosophical reliance on permanent budget cuts over temporary cuts. Budgets are not immutable, and the insistence on permanent cuts forces colleges to make choices that impede their ability to grow out of the reallocation. For example, several colleges gave up faculty lines in order to meet the permanent cuts, and yet, contrary to university projections, enrollments have now increased. These kinds of cuts are counter-productive and harmful to growth because they impede the ability of the colleges to serve more students.

Potential Viable Pools of Funds

As previously described, numerous areas of the university sacrificed to cover the budget shortfalls due to the COVID-19 pandemic. These included areas critical to the university's core missions of teaching and research. In this report we have shown that pools of funds exist not only to cover losses during the COVID-19 pandemic crisis but also to rebalance expenditures to align with the university's core mission of teaching and research.

State Subsidy

After initially proposing a 20% reallocation (cuts)--some temporary--to all Vice President areas, the administration lowered the cuts two more times to the current 8% but changed them to permanent cuts. These decisions were in part based on the assumption that recent cuts to State Share of Instruction (SSI) due to the pandemic will be permanent cuts. These are unprecedented times, however, we do not agree that this assumption is warranted. Indeed, the state's revenue loss at the time of this writing is about half of what was initially anticipated and so the SSI cuts are not as severe as was estimated by the administration. Instead of the anticipated 20% cut, SSI was cut by about 4.38% for the 2021 fiscal year, which is in addition to the 3.8% cut to SSI from FY 20. Even so, permanent cuts should clearly not be proposed as a remedy for a temporary and fluid situation.

Administrative Salaries

We appreciate that many in the administration and athletics have voluntarily taken a 14-month 5% - 10% reduction in their base salaries. Yet as our analysis shows, since 2013 the median administrative base salaries have increased 18.6% over inflation while faculty median base salaries are slightly below inflationary growth and business operations staff median salaries have fallen below inflationary growth (see Figure 16). Had the volunteers from the

administration taken a 18.6% reduction, UC would have gained \$3,017,120 per year, which is \$1,395,013 per year more than the original voluntary reduction.⁷

As our budget overview has shown, administrative salaries are one area from which funds could be drawn to rebalance expenditures to align with the university's core mission of teaching and research. Using Kent State University's method of tiered salary reductions⁸ for the 74 UC administrators who voluntarily agreed to a 5% - 10% salary reduction, UC would gain \$1,531,816--almost the same amount that was volunteered over a 12-month period. Yet Kent State applied their method not to volunteers but to all administrators and the cabinet. Using the Kent State method for the 993 UC administrators (SOC Job Code 11-0000), UC would instead gain \$5,132,297. It should be noted that using this model would not quite bring median administrative salaries at UC down to the level of inflationary growth.

Our analysis shows administrative bloat exists at the decanal level and at what we have called "central administrators" and thus it seems appropriate that it is among these administrators in which salary realignment should be made. For example, as noted above, \$2,347,963 in savings could have been obtained in the 2020 budget alone if the base salaries of twenty-four high-ranking administrative employees had grown at the rate of inflation instead of growing by 50% or more since 2012. As another example, the Chronicle of Higher Education⁹ reported that in 2018 the median total compensation (base pay, bonus, and other benefits) of public college presidents was about \$480,000. This amount is close to what the UC president's base salary would be with inflationary growth only. It is slightly more than half of the UC president's 2018 total compensation of \$887,193.

Athletics

Athletics is another potential pool from which to draw funds, particularly during this crisis. In 2019, Athletic Department expenditures, excluding salaries, exceeded \$19.8 million, including the football program expenditures of almost \$4 million. The fall 2020 football season has not progressed as in previous years. It is reasonable to predict that sports beyond fall will be affected as well. In this unprecedented situation due to the COVID-19 pandemic, it is appropriate to reduce the subsidy from general funds to athletics--as the university has done so by 20%.

In the long term, we question the continued general funds subsidy at pre-COVID levels for an auxiliary unit that is supposed to be self-funded. Our analysis has shown that auxiliary spending,

⁷ If you would like to view how UC presidential compensation compares to other institutions, the Chronicle of Higher education publishes the compensation for private and public higher education institutions at https://www.chronicle.com/article/executive-compensation-at-public-and-private-colleges/?cid=FEATUREDNAV#id=table_public_2019.

⁸ <https://www.kent.edu/kent/news/kent-state-board-trustees-approves-measures-ensure-financial-future#:~:text=Kent%20State%20President%20Todd%20Diacon,have%20a%207%25%20salary%20adjustment>.

⁹ https://www.chronicle.com/article/executive-compensation-at-public-and-private-colleges/?cid=reg_wall_signup&bc_nonce=0dw65wf6o65s9ck03vzb5nc#id=23422_201885_2018_public

which includes athletics, is the second-largest area of unrestricted funds expenditures (see Figure 10) although it is not one of the primary mission areas of the university. During the period under analysis, inflation-adjusted spending on the primary mission areas of instruction and research remained flat or declined while spending on auxiliary services grew by 63% (see Figure 11).

Future Directions

The financial problems to the university caused by the COVID-19 pandemic have exposed areas for improvement in how budgetary information is shared and in how decisions are made. The AAUP *Statement of the Government of Colleges and Universities* states that making decisions about the internal operations of the institution--including budgeting--should be a joint effort and that faculty “should have a voice in the determination of short- and long-range priorities, and...should receive appropriate analyses of past budgetary experience” (<https://www.aaup.org/report/statement-government-colleges-and-universities>).

Immediate Action

To this end, we recommend the following for immediate action based on our analysis:

Change the current FY21 reallocation from 8% to 3% for the colleges.

Bring back laid off employees, reinstate and provide retroactive pay raises for staff and cancel furloughs. For those who have already taken their furlough, follow BGSU's lead and offer additional days of paid leave equal to the number of furlough days taken.

Begin quarterly meetings between the Faculty Senate Budget and Priorities Committee and the Vice President of Finance to have in-depth budget discussions, similar to those held with the deans. The current meetings between these two groups are insufficient in number and in detailed content to truly facilitate transparency and shared governance in budgeting.

Begin quarterly meetings between the AAUP Budget and Priorities Committee and the Vice President of Finance to have in-depth budget discussions, similar to those held with the deans. These meetings could be in conjunction with the Faculty Senate Budget and Priorities Committee or they could be held separately. Currently, these two groups do not have any regular and ongoing mechanisms for communication.

Long-Term Actions

Immediate action alone is not enough to address the ongoing budgetary issues at UC. We have illustrated how several budgetary practices have disproportionately shifted funds away from instruction and research over the last decade. We also recommend the following long-term actions in order to rectify this imbalance:

1. Budgets are not immutable. Reassess and reconsider the budget assumptions:

- a. -- permanent cuts should not be used for temporary crises.
 - b. The budgetary baselines of the colleges should be reset to put them on a more equitable and stable footing.
2. Look to sources of funds for cuts other than academics. Athletic spending and administrative salaries stand out as viable alternatives.
 - a. Recalibrate spending on salaries of “central administrators” relative to faculty and staff salaries. The president’s total compensation should be no more than four (4) times the median full-time AAUP-represented faculty.¹⁰ Long-term reductions in administration base salaries should be made to better align them with inflationary growth since 2012 but should involve a graduated method to prevent salary inversions. Once administrative salaries are brought in line with inflation, future salary increases should be tied to AAUP-represented faculty raises.
 - b. Provide further clarity and detail on how athletics is funded. In our research we have found different figures from different sources (e.g. Ohio auditor, UC internal documents, *USA Today*). Deeper scrutiny is warranted for an area not primary to the mission of the university that is supposed to be self-sustaining yet receives unrestricted general funds subsidy and in which inflation-adjusted spending grew by a large amount over the period of time in this analysis.
3. Incorporate predictive modeling that uses additional sources of data vetted by multiple stakeholders—including faculty, staff, and students---in the budgeting process for the academic side of the house.
4. Increase adjunct salaries with continued raises in parity with AAUP-represented faculty raises.
5. UC should develop a plan to restore the proportion of expenditures devoted to research to 2010 levels.

Working together--faculty and administration--we can ensure a financially stable institution of higher education that prioritizes the core missions of teaching and research commensurate with a Research I public university.

¹⁰ The Chronicle of Higher Ed. shows median ratio of President total compensation to full professor salary compensation of 4:1. The ratio of Pinto's total compensation to UC full professor salary compensation ratio was 7:1 in 2018. To view the data, please visit: https://www.chronicle.com/article/executive-compensation-at-public-and-private-colleges/?cid=reg_wall_signup&bc_nonce=0dw65wf6o65s9ck03vzb5nc#id=23422_201885_2018_public

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Appendix A

“It has made my life impossible and unsustainable.”

UCBA-AAUP Action Team COVID-19 Crisis Survey

Summary Report

June 24, 2020

Since the university decided to move all instruction, advising and service work online on right before spring break, the faculty at UC Blue Ash have faced a crisis that has been simultaneously immediate and slow burning. The mad rush to get classes online and help students finish the semester has been replaced by constant and ever-changing cuts to our budget and planning preparation for teaching online in Academic Year 2020-21. All of this while summer research, travel and professional development was cancelled or severely restricted for almost every faculty member.

In order to get a sense of the increase in faculty workload and impact on teaching, research and service, the UCBA-AAUP Action Team, a group of AAUP Associates and other college union leaders, decided to conduct a survey of all full-time faculty. Over the space of a week, we heard from 107 full-time UCBA faculty, a more than 60 percent response rate. What follows is a summary of that survey.

For questions or additional information, please contact Rob Gioielli, Associate Professor of History (rob.gioielli@uc.edu)

Spring Semester 2020

- 70 percent of faculty spent at least 15 hours to prepare their classes for virtual instruction during the extended spring break.
- 70 percent of faculty worked an extra 6 hours or more per week during the rest of the term, and 33 percent worked more than 10 hours extra per week.
- 75 percent of faculty reported that professional development activities were severely impacted because of the COVID-19 shutdown, and 50 percent said the same about research activity.
 - Faculty reported that conferences and workshops were cancelled, classroom research was now impossible carry out, and professional development activities were postponed. The most common response was that faculty had to essentially drop all research activities to now focus on teaching. “Research had to be put on

the back-burner because I was too busy adapting course materials or dealing with online meetings,” was a representative response.

Finally, 53 percent of faculty reported they had increased caregiving activities during the spring, and of these, 40 percent said that labor took up more than 15 hours or more per week.

Summer 2020

- 80 percent of faculty said they are working at least six extra hours per week over the summer to prepare for online instruction in AY 2020-21, and 30 percent they are working more than 10 additional hours per week.
- 50 percent of faculty said their summer research and professional development activities were significantly impacted because of budget cuts, cancellations and travel restrictions.

Academic Year 2020-21

- 35 percent of faculty reported that they have already had stipends or course releases removed because of budget cuts.
- 75 percent of faculty expect to be doing additional service work this year because of budget cuts, social distancing, and other issues related to the COVID-19 crisis.
- More than 60 percent of faculty reported that their department has either discussed or planned for increased course caps for AY 2020-21.
- More than 60 percent of faculty expect their teaching workload to be “significantly impacted” because of social distancing requirements, remote instruction or increased course caps in AY 2020-21.
- 60 percent of faculty reported that their research and professional development activities will be either cancelled or severely limited because of budget cuts, travel restrictions and cancellations.
- Almost 50 percent of faculty reported they will continue to have increased caregiving responsibilities in the coming academic year.
- 60 percent of faculty said they have spent at least \$100 of their own funds to adapt to remote instruction and working from home.

The final question in the survey was open ended, and asked faculty to “provide any additional comments you may have concerning how the COVID-19 crisis has impacted your teaching, research, work-life balance, etc.” The following are representative excerpts from those responses. Some answers were excluded and/or edited to preserve privacy and anonymity.

- “I was burned out before all of this happened and now I am in desperate need of a break, but I don't know how that will possibly happen.”
- “It's destroyed my work-life balance, and moreover, it's giving the administration cover to attack my pay, promotion process, and health care. This is just the shock doctrine of

disaster capitalism applied to the UC system; and I'm enraged that the administration thinks so little of us that they're trying this bullshit on us.”

- Numerous faculty reported overwhelming caregiving responsibilities at home, as well as higher anxiety because partners/spouses have lost their jobs and/or had hours and salaries were cut.
- “The amount of my work per week increased from 55 to 75 hours during the second part of the spring semester. The extra stress has made me more stressed than at any time since I went for tenure and promotion.”
- “Basically, I don't feel like it's possible to underscore enough for upper administrators how incredibly difficult this has been, especially given our teaching load at UCBA. But I also do not feel at all optimistic that the full extent of this labor will ever really be acknowledged or rewarded in any tangible way. Indeed, my anxiety over "not doing enough" to keep my job is higher than ever.”
- “My work-life balance has significantly changed. My children cannot attend daycare now, so I am now responsible for being their sole caregiver during the daytime in addition to my normal work load (for which I am also not being compensated as a course coordinator). This is putting significant stress on me as I try to navigate these responsibilities. Of course, I'll get through it but it is certainly straining my mental health and means I will be working irregular hours (early mornings, late nights) compared to normal.”
- “I find online teaching to be one of the most demoralizing things I have ever done. I'm a course facilitator and due date enforcer, not a teacher. For the first time in years, I've begun searching for different job opportunities.”
- A number of faculty reported that their sabbaticals had been postponed.
- The majority of faculty said they will expect some additional service work in the coming year. But because of losses to stipends and course releases, program leaders and chairs described significant increases to their service obligations in the coming year.
- “It is really frustrating to have the administration make comments that suggest online learning is some sort of "great opportunity." It is actually pretty awful for many people. For students it is a soulless introduction to college life and one that many of them are not prepared for. Remote learning has exposed huge equity gaps. It does NOT increase access; it limits access to those with technology privilege and highly developed self-learning skills.”
- “Work-life balance is out of the question. Meeting requests are being sent for slots as early as 7:00 a.m., as late as 8:00 and 9:00 p.m. and Saturdays. There is an unsaid pressure/ expectation to reply to all emails immediately regardless of the time they are received ... We cannot continue to work late into the evening or weekends on top of the added duties to class prep and our current service obligations. I am starting to burn-out and my colleagues are saying the same thing. This is supposed to be our "break" or secondary semester for which we are not compensated.”

Appendix B: AAUP Survey Results

All members of the AAUP-UC Bargaining Unit were sent an email invitation to complete an anonymous online survey using SurveyMonkey. The survey was open from June 29 through July 13, 2020. Below are the results from questions dealing with additional work and expenses related to the COVID-19 pandemic. A total of 694 faculty responded to the survey.

Q1 First, looking back to spring semester and the March 12 announcement that courses would be transferred to “online”/remote teaching, how much additional time did you spend during the extended spring break (March 12th-24th) converting your courses to online /remote learning?

ANSWER CHOICES		
No additional time - my class was already online	9.25%	63
Some additional time but less than 5 hours	12.04%	82
6-10 hours	12.19%	83
11-15 hours	12.33%	84
16-20 hours	12.63%	86
21-25 hours	7.93%	54
26-30 hours	8.52%	58
More than 30 hours	19.24%	131
I don't know	5.87%	40
TOTAL		681

Q2 From the March 24 conversion date to the end of spring semester, how much additional time did you spend per week on class preparation, management and grading in response to the conversion to “online”/remote teaching?

ANSWER CHOICES		
No additional time - my class was already online	8.96%	61
Some additional time but less than 5 hours	18.50%	126
6-10 hours	24.52%	167
11-15 hours	12.78%	87
16-20 hours	11.16%	76
21-25 hours	6.46%	44
26-30 hours	2.50%	17
More than 30 hours	9.54%	65
I don't know	5.58%	38
TOTAL		681

Q8 Some faculty have incurred expenses responding to COVID-19. For example, purchasing additional supplies or equipment to convert to remote teaching. Which statement best describes your situation as it relates COVID-19-related expenses:

ANSWER CHOICES		
I have incurred COVID-19-related expenses that will not be reimbursed.	54.91%	380
I have incurred COVID-19-related expenses that will be reimbursed.	4.62%	32
I have not incurred any COVID-19-related expenses.	40.46%	280
TOTAL		692

Q9 If you incurred COVID-19-related expenses that will not be reimbursed, would you estimate their value at:

ANSWER CHOICES		
less than \$200	51.67%	216
between \$201 and \$500	30.86%	129
between \$501 and \$2000	13.64%	57
between \$2001 and \$5000	2.87%	12
greater than \$5001	0.96%	4
TOTAL		418

Calculations of financial impact on faculty

Using the percentages from the survey responses to the questions above, we can estimate how many faculty members in the bargaining unit (population 1706) spent particular amounts of time or incurred unreimbursed expenses. Some assumptions need to be made in order to calculate the costs. These relate to a) translating ordinal response categories into discrete numbers; b) determining an hourly rate of pay for faculty. We employ several scenarios in order to provide a range of estimates of financial impact.

For the low-end estimate, we assume that the time spent is at the bottom of each range (e.g., 6-10 hours becomes 6 hours, 11-15 hours becomes 11 hours, and so on). For rate of pay, we compute hourly wage based on a median salary for the bargaining unit (about \$90,000), and we use the UC administration's calculation of 209 business days for 12-month faculty appointments. This yields an hourly rate of \$53.83. Using these assumptions, the uncompensated labor over spring break comes to \$1,292,435, and the uncompensated labor during the remainder of spring semester is \$901,038, for a total of \$2,193,491.

For what we might think of as a medium-low estimate, we use the midpoints of the time ranges to estimate time spent. For example, 6-10 hours becomes 8 hours, 11-15 hours becomes 13 hours, and so on. This increases the estimate of financial impact over spring break to \$1,413,013, the spring semester figure to \$1,040,479, and the overall impact to \$2,453,492. For a medium-high estimate we continue to use the midpoints of time ranges, but alter the hourly pay rate to \$77.05. This rate is calculated using the median bargaining unit salary and the UC administration's number of 146 business days for 9-month faculty appointments. Using this higher wage the cost of the uncompensated labor over spring break rises to \$2,022,527, the spring semester figure is \$1,489,298, and the total impact is \$3,511,825.

The high-end estimate uses the \$77.05 hourly rate, but uses the upper bounds of each time range (e.g., 6-10 hours becomes 10 hours, 11-15 becomes 15, etc.) Under this scenario the spring break uncompensated labor is worth \$2,179,265, the number for the remainder of spring semester is \$1,664,570, and the total is \$3,843,835.

To calculate the value of unreimbursed expenses incurred by faculty due to COVID-19, we multiply the percentage of survey respondents who indicated having such expenses (54.91%) by the percentage reporting each range of expenses. To estimate the dollar amounts, we use the midpoints of the ranges given in Q9 (less than \$200 becomes \$100, between \$201 and \$500 becomes \$300, between \$501 and \$2000 becomes \$1250, between \$2001 and \$5000 becomes \$3500, and over \$5000 is \$5001). Using

this approach we estimate that the unreimbursed expenses incurred by bargaining unit faculty totaled \$432,859.

In summary, we estimate that the financial sacrifice made by faculty this spring was worth at least \$2.6 million and as much as \$4.3 million, with the average of our estimates coming in at \$3.4 million. Although it is difficult to offer a precise estimate of the financial impact, it seems safe to conclude that faculty have made significant sacrifices in response to the COVID-19 pandemic and have saved the University of Cincinnati millions of dollars in unpaid labor and unreimbursed expenses.

Appendix C: Links to Resources

- [Bunsis Report, May 2019](#)
- [FY 2021 Budget Assumptions Planning Memo, June 15 2020](#)
- [UC Annual Fund Accounting Schedules, FY 2013-2019](#)
- [UC Budget Book, FY 2006-2020](#)
- [Inter-University Council of Ohio SSI Report](#)
- [Kent State Model](#)