

## **“Cracking the Nut,” Part 2**

This is the second in a series of communications on what we know about the reductions to the budgets of the administrative and the academic units at Wright State.

We have still received only a very limited response on our 19 open-records requests. But the information that follows comes from our analysis of a spreadsheet summarizing the budget cuts, which has come to us through several sources. We have posted a link on the AAUP-WSU webpage for anyone who wants to download a copy of this spreadsheet.

If the administration wishes to challenge any of the data that we are presenting or any of the conclusions that we are reaching in this series of communications, we will welcome a full sharing of the data that supports those challenges.

Again, I would like to thank Rudy Fichtenbaum and Jim Vance for their work on analyzing this data. They continue to demonstrate just what indispensable assets they are to our chapter.

### **RECAPPING SOME BASIC POINTS ABOUT THE REDUCTIONS TO ADMINISTRATIVE UNITS**

The first communication in this series focused on the reductions to administrative units.

If an administrative unit overspent its budget and hired high paid staff, it is being rewarded.

Since almost all of the administrative units overspent their budgets, the impact of the budget reductions is less severe than what it might appear to be.

In total, actual 2015 spending was 7% over what was budgeted in 2016 and the total reductions are 7.6%.

### **BUDGET REDUCTIONS TO THE ACADEMIC UNITS**

For the colleges, as far as we can tell, the increase in FTEs play no actual role in determining budget cuts, nor does the percent by which a college's FY 2015 actual spending exceeded its budgeted FY 2016 spending.

Overall, the colleges with BUFMs had FY 2015 spending that was 13% in excess of FY 2016 budget. The colleges with the highest percent spending over budget were CECS at 28% and CoNH at 19%. The colleges with the biggest percentage cuts were CoNH at

20% followed by CoLA at 15% and CoSM at 13%. CECS is not being cut at all; in fact, its budget is being increased by \$110,819.

If one removes CECS from the calculation, since its budget is not being cut, the remaining colleges with BUFMs are being cut by 12% compared to 7.6% for the administrative units. Including CECS in the calculation, the colleges with BUFMs are being cut 10% compared to 7.6% for the administrative units. Keep in mind also that college is not synonymous with faculty. Much of the overspending in colleges may be in administrative areas. Indeed, personnel costs may account for about two-thirds of the university budget, but they account for a much higher percentage of the budgets of the individual colleges. We have already pointed out to the administration that one of the consequences of the ever-ongoing discussions related to the adoption of an RCM budgeting model has been the replication of university service units within the individual colleges and even within some larger departments.

Interestingly, it has been reported to us (but *not* by the central administration) that if a college chooses not to fill a position vacated by attrition, it will be credited with the entire cost of the position in calculating its reduction. But if it fills the position, the amount in excess of the new cost of the position—the amount saved—is credited to the university administration instead. So, although the administration has signed an MOU with us promising to replace in the coming year 20% of the BUFM positions lost through the severance package, it seems to be incentivizing deans to not make such hires.

Between FY 13 and FY 15 (actual data), BSoM took a 3% cut. But its actual FY 15 spending was still 10% over its 2016 budget. They are getting a 1% increase in 2016, and SoPP is getting a 16% increase.

The administration will probably try and spin things this way:

It cut administrative spending 8.1% from budgeted 2016 spending and 7.6% from actual FY 2015 spending.

On the other hand, in the colleges, it cut 8.3% from budgeted 2016 spending and 7.4% from actual FY 2015 spending.

**But as our analysis shows, because those administrative calculations include BSoM and SoPP, the budgets of the colleges with BUFMs—i.e., the colleges that serve the largest numbers of our students—are actually being cut 10%, or by 12% if CECS is not included.**

## **REMAINING QUESTIONS**

Again, what is missing is a complete accounting of WSRI and the other 18 semi-autonomous, affiliated entities.

We hope to have more data to share on that spending shortly. Although we continue to receive information on those entities from other sources, that information is somewhat fragmented. If the administration responds our open-records requests with the complete data, we will be happy to share that. In lieu of such a response, we will share what we have, and the administration can then expend more time explaining away the data that we report instead of providing data that we have requested.

**From what we do already know, it is clear that whatever the overspending has been in the academic units, it is not enough in itself to be the primary cause of the current, serious budget shortfalls—to have caused three successive years of negative cash flow.**

**If anything, it has continued to become clearer that absent the subsidizing of enterprises serving purposes beyond the core mission of the university, the budget issues would be much more manageable and have much less impact on the ability of our colleges to address the core mission of the university.**