

Report of the WKU Senate Budget and Finance Committee

4/23/2020

Present: Lester Archer, Margaret Crowder, Marc Eagle, Kara Haughtigan, Guy Jordan, Uta Ziegler

The committee met at 3:45PM on 04/23/2020 and discussed the following topics: the privatization of the WKU Store, the RAMP budget model, and contingency planning for potential financial challenges. The following recommendations emerged from those discussions.

1. The Privatization of the WKU Store

The committee is aware that the plan to privatize the WKU Store passed out of committee at the April 17th Board of Regents meeting. Guy Jordan watched the meeting and shared the content of some of the discussions that took place before the vote. While the committee acknowledges the immediate and potential long-term financial benefit of this decision, we also appreciate the dedication and good work of the WKU Store's employees and staff, who managed to keep the store hundreds of thousands of dollars in the black in recent years despite declining student enrollment trends. ***We recommend that WKU use whatever leverage it has during its upcoming contract negotiations with Barnes & Noble to require them in the strongest possible language to retain our current employees.*** Their expertise, institutional memory, and experience dealing with the various units of WKU and our community partners is an important asset to Barnes & Noble's plans to integrate itself into our university's culture. Many store employees have been a part of our WKU family for a long time, and we value their presence on campus.

2. Transparency Regarding the RAMP Budget Model

The committee recommends that up to date revenues, expenses, budgetary projections, and the underlying formulae used to calculate the same in the RAMP budget model be made available for faculty as early as possible so that their academic divisions can make more expedient and real-time strategic adjustments to their practices as needed to thrive under the new system.

For instance, academic divisions typically make decisions about personnel, course loads, space needs, and other things long before the RAMP numbers are released in May. If they have access to data earlier in the process, academic divisions will be able to plan more effectively for the future and make the necessary adjustments to thrive. It is also important that the WKU Senate Budget and Finance Committee have access to this data so that it and the Senate as a whole may better understand, analyze, and evaluate the equity and effectiveness of the formulae used to calculate revenues and costs.

3. Contingency Planning During Uncertain Times

As the data shared by Executive Vice President for Strategy, Operations and Finance Susan Howarth at the April 17th committee meeting of the WKU Board of Regents show, our committee is pleased that the financial health of WKU remains robust, especially relative to other institutions of public higher education in the Commonwealth. WKU's fall enrollment projections are strong, and numbers shared with us by Vice President for Enrollment and Student Experience Brian Kuster last October suggest that the Student Life Foundation has the resources they need to weather the current crisis.

The committee also acknowledges that contingency planning is best undertaken in advance of potential storms just in case they come to pass.

In the event that more difficult financial times come our way, and more serious measures need to be taken to reduce costs, the committee discussed options regarding what our best practice (meaning: "least worst option") should be should such decisions become necessary. ***The committee voted unanimously to recommend that temporary furloughs, as a general rule, are preferable to permanent layoffs and job cuts that may weaken or eliminate academic programs.*** This recommendation includes a number of provisos:

1. A temporary furlough must be progressively administered. This means that those of us who make more money ought to endure a greater share of the financial burden in order to protect those among our WKU family that would be most adversely affected by temporary reductions in pay.
2. A temporary furlough must be scheduled in a way that causes the least amount of disruption to an academic year (e.g., during winter break.)
3. Benefits (particularly health coverage) must remain in force during any temporary furlough period.

We also acknowledge that while this is the preference of our committee, the WKU Staff Council may have their own opinion and recommendation. We encourage them to provide one. We're all in this together. Furthermore, our committee's discussion of possible contingency plans was guided by a spirit of shared sacrifice to help WKU and its employees to get through any potential crisis together. We ask and believe that actions taken by the administration will reflect, acknowledge, and respect that spirit.

To reiterate, we are pleased that we currently find WKU in as advantageous a position as could be hoped for during the current crisis, and that our numbers are tracking close to normal. As we see it, the hard decisions made in recent days by the University of Kentucky and the University of Louisville are not on our horizon. Nevertheless, the committee thinks it best to make its position known as planning for various scenarios ought to take place even if, as we all hope, those scenarios never come to pass.