

MEMORANDUM

To: Dr. Mohsen Aram, Finance Dept. Representative to the Faculty Senate
(for forwarding to Dr. Susan Eagle, Chair, WKU Faculty Senate)

From: Ron A. Rhoades, JD, CFP®, Pedagogical Associate Professor of Finance

Date: January 29, 2024

Re: Western Kentucky University's 2024-25 and 2026-27 Budgets: As Affected by HB6,
introduced in Kentucky Legislature in January 2024

EXECUTIVE SUMMARY.

Kentucky House of Representatives Bill #6 ("HB6") appears to present additional challenges to WKU's future budgeting process. This memorandum makes some observations:

- (1) The Kentucky state budget (as proposed by HB6) effectively results in **less than a 1% increase** to WKU's operational budget, after considering increased payments for tornado insurance and debt service, and also taking into account mandated retirement fund contributions;
- (2) The Performance Funding model is currently **greatly disadvantaging WKU** and other regional colleges, with a much greater portion of performance funding going to flagship universities (despite WKU's progress in several key metrics); and
- (3) The "enrollment cliff" forecasted to occur in 2026 and beyond poses key challenges to WKU, and to universities across the country, with **enrollment likely to significantly decline**.

This memorandum also poses questions, relating to potential actions that can be taken to address pay inequities for faculty and staff.

- (1) Should the incurrence of additional debt burdens by WKU be re-examined?
- (2) Should the WKU Faculty Senate take a more proactive role in educating legislators about the fiscal challenges posed to WKU?
- (3) Should a campus-wide "job task analysis" be undertaken with the goal of reducing the number of employees?
- (4) Given the looming enrollment cliff, should a "freeze" be instituted on the hiring of tenure-track faculty?
- (5) Can further efforts be made to reduce the costs of textbooks and materials for students?
- (6) To free up funds for long-overdue salary increases for faculty and staff, should greater use of large class sizes (for some courses) and/or greater use of adjunct faculty (where effective) be considered?
- (7) Should WKU become known as a university that provides students with important guidance on "Learning How to Learn"?
- (8) Should WKU faculty receive increased (and perhaps required) instruction in modern pedagogical techniques?
- (9) Should competency-based learning, mastery-based learning, and/or the use of apprenticeships be emphasized at WKU, to set WKU apart from other institutions?
- (10) Should Living Learning Communities be expanded?

These thoughts are my own, and do not necessarily reflect the views of any department, college, or organization with whom I may be associated.

In presenting these thoughts, I acknowledge that there are many on the WKU campus who possess a much greater understanding of WKU's budget and future budgetary challenges. And there are many experts on campus who can contribute much to the discussions of possible solutions to these challenges.

I express my appreciation to the assistance of Jennifer Breiwa Smith, WKU's Executive Director of Government and External Relations, and Renaldo Domoney, WKU's Assistant Vice President for Budget, Finance and Analytics in providing prompt and accurate answers to questions I have posed, as I sought to digest the complex manner in which appropriations from the State's general fund occurs. (However, any error in my observations or calculations, as set forth below, are solely my responsibility.)

FIVE OBSERVATIONS ON THE FUTURE FISCAL CHALLENGES FACED BY WKU.

1. Allocations to WKU from the State's General Fund and Federal Funds Continues to Be Significantly Outpaced by the Rate of Inflation.

[Note that legislation is a process. HB6 does not necessarily reflect the final outcome of state support for WKU over the next two years.]

At first glance, the General Fund appropriation for WKU contains \$3,074,900 in each of the next two fiscal years as a "University Inflation Adjustment." This equates to an increase of approximately 3.7% increase each year over the \$83,449,700 General Fund appropriation for the 2023-2024 budget, which would be equal to or above current projections for the general rate of inflation in the U.S. over the past year and for the next two years (4.1% for 2023, 2.6% for 2024, 2.3% for 2025, per the [Philadelphia Federal Reserve Fourth Quarter 2023 Survey of Professional Forecasters](#)).

However, digging deeper into the General Fund allocation reveals that HB6 mandates "\$2,180,800 in each fiscal year" to cover the increase in the state's Fire and Tornado Fund Insurance Premium. This one item alone consumes over two-thirds of the "University Inflation Adjustment" planned for 2024-5, and one-third of the adjustment for 2025-6.

Additionally, per HB6 there is mandated to be paid from WKU's General Fund appropriation "\$7,589,000 in fiscal year 2024-2025 and \$16,330,000 in fiscal year 2025-2026 to provide new debt service to support new bonds as set forth in [the] Capital Projects Budget" for 2024-2026.

- \$6,360,000 is the 2023-24 amount of debt service per the adopted 2022-2024 state budget.
- \$7,589,000 amount for 2024-25 represents an increase of \$1,229,000 deducted from General Fund allocation for 2024-5.
- \$16,330,000 represents an additional increase of \$8,741,000 from 2024-25 deducted from the General Fund allocation.

However, HB6 increases the appropriation from the state's General Fund to WKU for this increased amount of debt service.

There is a savings, however, from WKU's mandated contribution to its "share of the anticipated retirement costs over the university's fiscal years 2019-2020 baseline contribution" – as follows:

- Current fiscal year: \$3,952,500 for the 2023-24 mandated contribution;
- Next year: \$1,522,200 for the 2024-25 mandated contribution; and
- Year thereafter: \$1,522,200 for the 2025-26 mandated contribution.

This represents a savings of \$2,400,000 from the current year, to the next year.

Additionally, HB6 provides to WKU a Federal Funds allocation of \$31,144,000 for 2024-25 and for 2025-2026. This represents a \$1,296,000 decrease from the \$32,340,000 allocation of Federal Funds in 2023-24. In contrast, both UK and UL received significant increases in their allocations of Federal Funds in HB6, and several other higher education state institutions in Kentucky maintained the same amount of Federal Funds allocation.

The results are summarized as follows:

General Fund Budget Item	2023-2024 (adopted)	2024-2025 (HB6)	2025-2026 (HB6)
Total Appropriation from State's General Fund	\$83,951,300	\$88,001,700	\$96,393,000
Less Debt Service mandated contribution	(\$6,360,000)	(\$7,589,000)	(\$16,330,000)
SUBTOTAL: State appropriation less mandated debt service	\$77,591,300	\$80,412,700	\$80,063,000
Less Increase to Insurance Premium (mandated contribution)	-0-	\$1,522,000	\$1,522,000
SUBTOTAL: State appropriation less mandated debt service and mandated increase in insurance premium	\$77,591,300	\$78,890,700	\$78,541,000
\$\$ INCREASE/(DECREASE) FROM PRIOR YEAR	---	\$1,299,400	(\$349,700)
% INCREASE/(DECREASE) FROM PRIOR YEAR	---	1.67%	(0.44%)
Less mandated (above baseline) contribution to state retirement fund	\$3,592,500	\$1,522,200	\$1,522,200
SUBTOTAL: State appropriation less mandated debt service, increase in insurance premium, and retirement fund (above baseline) contribution	\$73,998,800	\$77,379,500	\$77,018,800
Less mandated Gatton Academy of Mathematics and Science allocation	(\$4,985,100)	(\$4,985,100)	(\$4,985,100)
Less mandated Kentucky Mesonet allocation	(\$1,750,000)	(\$1,750,000)	(\$1,750,000)
SUBTOTAL: Net General Fund Appropriation To WKU (net of Gatton Academy, Kentucky Mesonet, and mandated contributions, plus savings from the lesser mandated contribution to state retirement fund)	\$67,263,700	\$70,644,400	\$70,283,700
\$\$ DIFFERENCE FROM PRIOR YEAR	---	\$3,380,700	(\$360,700)
% INCREASE / DECREASE FROM PRIOR YEAR	---	+5.0%	-0.51%
Federal Funds allocation	\$32,340,000	\$31,144,000	\$31,144,000
TOTAL: Net General Fund Appropriation to WKU (as computed above) plus Federal Funds allocation	\$99,603,700	\$101,788,400	\$101,427,700
\$\$ DIFFERENCE FROM PRIOR YEAR	---	\$2,184,700	(\$360,700)
% INCREASE / DECREASE FROM PRIOR YEAR	---	2.2%	-0.35%

As to the effect on WKU's budget (less Gatton Academy and Kentucky Mesonet allocations), one might conclude from looking at part of the data that there *appears to be* an effective (net of mandated contributions, and reflective of savings in contributions to the retirement fund) increase, over the 2-year budget period, of approximately 4.5%, to WKU's appropriation from the State's General Fund – when not counting the allocation to WKU of Federal Funds.

However, when counting the decreased allocation of Federal Funds, and the effect of certain increased “mandated contributions” from WKU's allocations, then **WKU's combined State General Fund and Federal Funds allocations rise by less than 2% over a two-year period, or less than 1% each year – far below the actual and projected rate of year-over-year inflation**. The general consumer rate of inflation for the 2nd half of 2023 averaged 3.4% (year-over-year), and inflation is projected to average 2.6% in 2024 (as previously stated, above). While the rate of inflation seen for educational institutions may well vary, it can be concluded that **the State's appropriation from its General Fund and from Federal Funds to WKU again fails to keep pace with the general rate of inflation**.

The problem of underfunding by state legislatures has long been documented. As stated in the Kentucky Council on Post Secondary Education report, “[Higher Education Matters: A Statewide Strategic Agenda for Kentucky Postsecondary Education: 2022-2030](#)”: “Over the last two decades, federal and state disinvestment in public higher education has shifted the majority of college costs to students and their families. In 2000, Kentucky subsidized 66% of operational costs for public postsecondary institutions, with tuition and fees covering the remaining 34%. By 2020, the state’s share of funding was down to 32%, with 68% borne by students.”

2. No Increase in Allocations to Gatton Academy and Kentucky Mesonet.

Obviously, these programs are affected by increased costs due to inflation. Yet, HB6 does not increase the mandated contribution from WKU’s allocation of the State’s General Fund to these programs.

3. A Significant Projected Increase in WKU’s Debt Service Obligations.

As of June 30, 2023, WKU possessed \$131,732,014 in agency bond obligations. This was an increase from \$93,536,546 of total agency bonds payable from June 30, 2022.

For the year ending June 30, 2023, the combined principal and interest paid by WKU on its capital debt was \$28,345,090. In the June 30, 2022 financial statements filed with EMMA, the 2022-2023 debt service requirements for the bonds payable as of June 30, 2022 was \$13,910,091.)

The debt service requirements for the bonds payable as of June 30, 2023 were as follows (per Note 8, Long-Term Obligations, WKU’s Report on Audit of Institution of Higher Education in Accordance with Uniform Guidance, June 30, 2023, filed with EMMA):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 12,105,000	\$ 4,524,350	\$ 16,629,350
2025	\$ 12,550,000	\$ 4,084,473	\$ 16,634,473
2026	\$ 13,010,000	\$ 3,623,762	\$ 16,633,762
2027	\$ 12,780,000	\$ 3,138,123	\$ 15,918,123
2028	\$ 9,630,000	\$ 2,716,566	\$ 12,346,566
2029-2033	\$ 37,235,000	\$ 8,894,502	\$ 46,129,502 (avg. of \$9m/year)
2034-2038	\$ 18,375,000	\$ 3,614,904	\$ 21,989,904 (avg. of \$4.4m/year)
2039-2042	\$ 12,490,000	\$ 1,027,890	\$ 13,517,890 (avg. of \$3.5m/year)
Totals:	\$ 128,175,000	\$ 31,624,570	\$ 159,799,570

Per HB6, the following mandated increase in contributions to WKU’s debt service will occur:

\$1,229,000 additional debt service contributions in 2024-25 (over and above the mandated 2023-24 contribution to debt service of \$6,360,000).

A very significant \$8,741,000 additional debt service contributions in 2025-26.

General Fund Budget Item	2023-2024 (adopted)	2024-2025 (HB6)	2025-2026 (HB6)
Total Appropriation from State’s General Fund	\$83,951,300	\$88,001,700	\$96,393,000
Less Debt Service mandated contribution	(\$6,360,000)	(\$7,589,000)	(\$16,330,000)

As shown in the chart above, there exists an increase in the mandated contribution from the General Funds appropriated to WKU in order to handle an increase in debt service. As stated in HB6: “Included in the above General Fund appropriation is \$7,589,000 in fiscal year 2024-2025 and \$16,330,000 in fiscal year 2025-2026 to provide new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act. Notwithstanding KRS 45.229, any portion of General Fund not expended for this purpose shall lapse to the Budget Reserve Trust Fund Account (KRS 48.705).”

This additional debt service burden appears to be tied to the some or all following bond issuance that would be authorized by HB6, or re-authorized.

State of Kentucky Bond Fund Issuance Authorized:

\$160,000,000	Construction of the new Academic Complex (2024-25)
\$ 25,581,000	Asset Preservation Pool (2024-25)
\$ 25,581,000	Asset Preservation Pool (2025-26)

WKU Bond Issuance Authorized:

\$ 10,000,000	Construct Parking Structure IV Additional Reauthorization (\$25,000,000) Agency Bonds (\$10,000,000 reauthorized in 2024-25 budget; \$25,000,000 was authorized in the 2022-2023 adopted budget)
\$ 6,000,000	Renovate/Expand Cliff Todd Center (2024-25)
\$ 25,000,000	Additional (agency) bonds for: “Construct New Gordon Ford College of Business Additional Reauthorization) (\$74,400,000 was authorized in 2023-4 adopted budget, from State Bond Funds)
\$ 8,424,300	Construct, Renovate, and Improve Athletics Facilities Reauthorization (\$8,453,300 Agency Bonds) (\$50,000,000 to “Construct Indoor Athletic Training Facility” Agency Bonds was previously reauthorized in the 2022-2024 adopted budget)

4. WKU Appears to be Disadvantaged in the Performance Funding Model Adopted Several Years Ago for Kentucky Universities.

Fairly recently (in 2018), compared with other states, Kentucky adopted a performance funding model for a portion of the funds allocated to Kentucky’s universities. Performance funding models for higher education have proliferated. As stated in a 2021 report from The Education Trust, titled “Re-Imagining Outcomes-Based Funding: Using Metrics to Foster Higher Education Equity”: “Driven by a growing economic need across the U.S. for more college graduates, and an interest in holding colleges accountable for graduating the students they enroll, more than 30 states have adopted outcomes-based or performance-based funding models that allocate some funds based, in part, on the number or proportion of students who earn a degree. While the models vary from state to state, typically a state will tie all or some portion of higher education funding to specific and measurable student success metrics.”

Overall performance funding for higher education in Kentucky is increasing, in the proposals contained in HB6, from \$97,307,100 in FY 2024 to \$101,207,100 in FY 2025, an increase of \$3.9 million, or 4.0%. This matches the increase in the Higher Education Price Index (HEPI) of 4.0% in FY 2023 (Jul 1, 2022 - Jun 30, 2023). However, when looking at it over the two biennial budgets (FY 2023 - FY 2026), **the total increase in performance education for Kentucky’s higher education institutions is only 4.0% over three years (using FY 2023 as the base year), which is an average annual increase of only 1.33%.**

It must be noted that, **despite improvements in several metrics over the past several years, WKU received only 6.04% of the Kentucky Performance Fund for 2023-2024, while UK received 34.37% of the fund.** UK's enrollment for the Fall semester of 2022-23 was 30,048 full-time equivalents (per its June 30, 2023 financial statements, filed with EMMA). In contrast, WKU's enrollment was 13,434 (full-time equivalent) for the 2022-23 academic year (per WKU’S June 30, 2023 financial statements). In other words, **while UK’s enrollment was 2.24x WKU’s enrollment, UK received 5.7x the amount of the Kentucky Performance Fund compared to WKU.**

The underfunding of regional universities, in comparison to flagship universities, and its exasperation from performance funding models, should not come as a surprise:

- As stated in the Education Trust’s 2021 Report: “One set of policy decisions that higher education advocates are calling into question is how state leaders allocate resources and funds. Consider that each year, states decide how to distribute the over \$290 billion they spend on higher education annually. And year after year, **a disproportionate share of those dollars go to the colleges that already have the most resources, primarily state flagships** that in many instances under-enroll students from low-income backgrounds, Black students, and Latino students.² Meanwhile, the colleges that enroll the majority of these students, i.e., community colleges, minority-serving institutions, and regional public colleges, are left to do more with much less.”
- According to the Kentucky Council on Post Secondary Education report, “[Higher Education Matters: A Statewide Strategic Agenda for Kentucky Postsecondary Education: 2022-2030](#),” “the state’s performance funding model places a premium on degrees awarded to underrepresented, minoritized and low-income students.” However, this is not apparent from the actual data.
- [Another report](#) indicates: “While formula funding has a rational, objective basis and provides consistent funding, just as with other approaches, it is susceptible to differences in an institution’s ability to advocate for beneficial components in the formula that may result in structural funding inequities between institutions with varying levels of political capital.”
- [Another report](#) states: “Performance-based funding attempts ... has more often created inequitable and ineffective incentives that lead universities to enroll fewer underrepresented students.”
- [Another](#) report states: “[B]oth enrollment-based and performance-based mechanisms can result in less funding going to RCUs, community colleges, or MSIs [in comparison to flagship universities].” (Citing Hagood, 2019; Romano & D’Amico, 2021).

While performance funding can provide economic incentives to effect change in an institution’s mindset, one might question the wisdom of adding a cost burden to the university system – to compile the data necessary to submit for performance funding, evaluate same, and to then render judgments on performing funding awards. How many jobs had to be created, statewide, to administer \$100m of performance funding? In other words, do the benefits of performance funding – even it was properly implemented – outweigh the costs incurred in administering such a complex system?

Of course, there exists a tremendous amount of recent academic research on the effects (both positive and negative) of performance funding models. Performance funding, by some reports, facilitates accountability and results in a number of institutional changes, such as increased academic support for students. Yet other reports indicate a failure of performance funding to translate to higher 6-year graduation rates at four-year universities, greater selectivity in admissions criteria, and lowering academic quality and expectations. One author suggests that outcomes-based funding may only be effective in limited circumstances and recommends that states instead emphasize capacity building and equity. [Hillman, N. (2016). Why Performance-based college funding doesn’t work. College Completion Series: Part Four. The Century Foundation.] A meta-analysis of the academic research might be recommended, should Kentucky (hopefully) re-examine its formula for performance funding.

5. The Demographic and Societal Enrollment Cliff: 2025-2030 Projected Enrollment Declines.

We have witnessed more than a decade pass with lower college enrollments. National Center for Education Statistics (NCES) data show that between Fall 2010 and Fall 2021, the total undergraduate enrollment in degree-granting post-secondary institutions decreased by 14.6 percent, from 18.1 million to 15.4 million, with the overall college enrollment rate for 18–24-year-olds decreasing from 41 percent to 38 percent.

While the very recent uptick in WKU enrollment is a positive sign, the demographic trends indicate that this may be short-lived. In its report, “Knocking at the College Door,” the Western Interstate Commission on Higher Education projects that the **number of high school graduates in Kentucky will peak during the year 2025** at 52,120, falling to 44,508 by 2030, a **14.6% decline**.

The decline in the **percentage of high school graduates enrolling in college** may also continue. As stated in a recent U.S. Department of Labor report: “Of the 3.0 million youth ages 16 to 24 who graduated from high school between January and October 2022, 1.9 million were enrolled in college in October. The college enrollment rate of recent high school graduates, at 62.0 percent in October 2022, was little different from the rate of 61.8 percent in October 2021. In October 2019, prior to the pandemic, the college enrollment rate of recent high school graduates was 66.2 percent.”

Of course, one reason for the decline in the percentage of high school graduates attending college today is the **high cost of college today**. As stated in a recent article in *The Wall Street Journal*, “A college education is among the largest investments most Americans will make. The total cost of attending a public college is about \$36,000 a year, and the average length of time to a degree is nearly five years. Tack on debt service for student loans and the opportunity cost of not working while in school, and the real cost of college can easily pass \$300,000—more than the median net worth of most families.” Douglas Belkin, “Why Americans Have Lost Faith in the Value of College” (WSJ, Jan. 19, 2024).

But the high cost of college is not the only reason for the enrollment decline. The **perception of the value obtained by going to college has also declined**, as indicated by these quotes from the same WSJ article:

- “In the past decade, the percentage of Americans who expressed a lot of **confidence in higher education fell from 57% to 36%**, [according to Gallup](#). A decline in undergraduate enrollment since 2011 has translated into 3 million fewer students on campus. Nearly half of parents [say they would prefer](#) not to send their children to a four-year college after high school, even if there were no obstacles, financial or otherwise. **Two-thirds of high-school students think they will be just fine without a college degree.**” *Id.*
- There are myriad reasons for this decline, including the increasing cost of higher education, the online public discussion on towering student debt, and a **rapidly evolving economy** among the leading factors.” Education Dynamics blog, “Survey Of The Higher Education Landscape 2023.”
- “**Students spend about half as much time studying and attending class as their counterparts did in 1961, but they are three times more likely to earn an A** — now the most common grade in colleges across the country. A quarter of college graduates do not have basic skills in numeracy and one in five does not have basic skills in literacy, says Irwin Kirsch, who oversees large-scale assessments for ETS, the company that administers the SAT ... **The combination of more college graduates and weaker learning outcomes has diluted the signal provided by a degree from less prestigious colleges ...**” *WSJ article, cited above.*
- “The misalignment between universities and the labor market is compounded by the failure of many schools to teach students to think critically. Many students arrive poorly prepared for college-level work, and the **universities themselves are ill-equipped to provide intensive classroom instruction.**” *Id.*

QUESTIONS RELATING TO WKU'S BUDGET.

I pose the following questions, directly relating to the budgeting processes:

- A. **Should Incurrence of Greater Debt Service Obligations Be Re-Examined?** Should debt for construction of facilities, for which WKU is liable (directly, or via deductions for debt service from its General Fund allocations) be incurred at a time when WKU enrollment may well decline within a few years? In other words, can WKU, over the long term, afford to take on more debt? Has the likelihood for decreased enrollment been adequately considered in planning for future construction?
- B. **Seek Greater Influence in Kentucky Legislative Processes?** Should the Faculty Senate engage with the Kentucky Legislature, by sending a representative (in coordination with efforts by the WKU Administration) to seek:

An increase in the overall allocation to WKU's General Fund, to keep pace with inflation?

An increase in Federal Funds allocation, as seen with UK and UL?

A change in the Performance Funding model?

Inflation adjustments for Gatton Academy and Kentucky Mesonet funding?

A true inflation adjustment to combined State General Fund / Federal Funding allocations, taking into account the impacts of various "mandated contributions" that have increased.

Construction funds for the Academic Complex and for other facilities that are not funded through an increase in debt service, on the basis that WKU cannot afford an additional debt burden?

How likely would it be that such efforts would result in any changes to state funding for WKU?

- C. **Job Task Analysis?**

Should a "job task analysis" be implemented, WKU-wide, with the goal of eliminating certain tasks, and with the goal of achieving long-term workforce reduction?

Would such a measure, designed to assess the possibility of reductions the size of WKU's workforce, occurring on the heels of reductions over the past several years, be effective to "free up" funds in the budget to address faculty/staff pay imbalances?

- D. **Hiring Freeze (Tenure-Track Faculty)?**

Given the "enrollment cliff" that appears highly likely to occur within the next several years, as a means to avoid future layoffs should hiring of new or replacement faculty members who are tenure-track be prohibited, except as strongly justified (after consideration of the demand for courses taught, by a department, considering recent and future enrollment trends)?

- E. **Increased Use of No-Cost Textbooks and Instructional Materials?**

To help reduce the total costs to students of college attendance, many efforts on campus exist that cap the amount that students spend on textbooks, or which encourage faculty to embrace (or develop, on their own) low-cost or no-cost textbooks. What steps can be taken to accelerate the decline in textbook costs for our students?

QUESTIONS RELATING TO OPPORTUNITIES FOR FACULTY TO EFFECT CHANGES.

I suggest that wishing for increases in state funding – to restore decades of cuts in higher education funding by the Kentucky State Legislature – and authorizations for increases in tuition – are unlikely.

The key challenge facing Western Kentucky University, from a fiscal perspective, is the inability of WKU to attract and retain high-quality faculty and staff. It is well-documented that WKU faculty and staff are, on average, underpaid relative to our benchmark institutions. Each year WKU faculty and staff receive an *effective pay cut* – as pay increases fail to keep up with inflation. Faculty and staff morale has also declined (as have the “real” – inflation-adjusted – pay) via this “death by a thousand cuts.”

In just my 8.5 years here at WKU, I compute that I have suffered an 11% decline in the purchasing power of my own base pay (disregarding my change in rank). Many faculty and staff members – especially those who have been at WKU longer – have suffered far greater declines. While actions have been taken to have faculty receive additional funds (via fellowships, awards, etc.), these temporary actions – while welcome – do not make up for the wholesale effective pay decreases over time.

I believe it is time for *significant changes* to be considered, through actions championed by the Faculty Senate, and that these actions be considered with all deliberate speed. I outline these possible actions, below, with the hope that those who have greater expertise in these areas are currently undertaking, or will undertake, their consideration.

A. Efficiency in Delivery of Instruction: Greater Utilization of Adjunct Faculty and/or Increase in Class Sizes.

Can WKU’s delivery of educational outcome be made more “efficient” by either: (A) greater use of adjunct faculty; or (B) larger class sizes in some classes (including possible very large auditorium-sized classes)?

Are there specific courses where adjunct faculty can be particularly effective, in terms of achieving the learning objectives?

Is there specific training that should be offered to some adjunct faculty members, before they are permitted to teach a class section? Should some adjunct faculty be provided specific lesson plans, PowerPoints, in-class exercises, etc. – to limit the time necessary for adjunct faculty to prepare for instructional activities?

Are there specific courses that are conducive to large class sizes, while still achieving the desired learning outcomes?

Regarding class sizes, do recent developments in AI, or the use of algorithms in online learning, affect student instruction in some courses and the types of assignments that may be given, and thereby affect the number of students that can be effectively taught by a faculty member? For example, if writing submissions are now likely done by many students using AI, does this increase or decrease the involvement of faculty in courses in which writing skills are emphasized and developed?

What effects, positive or negative, would movement to embrace these solutions (greater use of adjuncts; larger class sizes) possess on learning outcomes for the students?

What effect might this possess on the reputation of WKU as a place where professors know students by name (and generally smaller classes sizes are in place)?

B. Further Embracing Improvements to Instructional Design and Learning Effectiveness.

For decades WKU has sought to keep pace with macro trends affecting higher education, such as:

- Online learning;
- Hybrid learning;
- An increased emphasis on learning practical skills, rather than just theoretical knowledge;
- The rise of certificates and micro-credentials;
- The need of a more diverse student body (such as a greater number of first-generation students, students with disabilities, etc.) for greater support;
- A decline in college readiness among high school graduates;
- An increase in the mental health challenges faced by the student population, including alarming increases in anxiety and depression, fueled by such factors as the utilization of social media, increases in loneliness, and increased societal discord;
- Increased financial pressures upon students due to rising costs of higher education, leading to increased debt burdens and/or the need to devote greater time to employment (rather than to studies or on-campus engagement opportunities) for many students;
- The rise of non-traditional student enrollment;
- The increase in enrollment in dual credit high school/college courses; and
- The rise of the use of AI apps and software by both faculty and students.

WKU has sought to address these challenges with many changes in pedagogy and in the support structures for students. As just one example, the recent substantial increase in Living Learning Communities (with cohort scheduling for 2-3 classes during freshmen year) has led to increased retention outcomes.

The question arises as to how to achieve the desired learning outcomes more effectively in our classes, while also ensuring that WKU increases its attractiveness to students from our region and beyond. To these ends, should the use of the following methods, already used in many places across the campus, be accelerated:

- (1) **“Learning How to Learn”?** Over the past two decades there has been many developments in the field of educational psychology that can inform educators and their students on how to achieve learning objectives both *efficiently* and *effectively*, and ensuring longer-term memory of the material that is mastered. Such techniques or strategies include (but are not limited to): spaced interval learning; retrieval practice; interleaving; generation; elaborative interrogation; effective note-taking (while preparing for class, and during class); wakeful micro-rests; proper use of AI to aid in mastery of the material; and a deeper understanding of the roles of self-control and grit in achieving successful outcomes. It appears that most of our incoming freshmen students (as well as returning students) are not aware of these developments, and how they might apply them to their own learning processes. Do all freshmen receive instruction in such techniques? Should they? Should the utilization of such techniques be reviewed, emphasized and fostered in subsequent courses?

Related thereto, how can instruction be increased in educating students on how to adopt good habits (and shed poor ones) over time, the adverse effects of social media consumption and the need to control “screen time” on devices, and the benefits of sufficient high-quality sleep with consistent sleep times? How can our Residence Hall Directors, RAs, and others take on a greater role in facilitating the integration of each student into the college community, such as by fostering involvement in campus organizations?

- (2) **Increased Instruction in Pedagogical Techniques?** WKU's Center for Innovative Teaching and Learning (CITL) has in recent years increasingly provided very valuable resources to assist faculty in course design and instructional techniques. Yet many faculty have not utilized these resources. Should instruction in pedagogical techniques, for both new and current faculty, be mandated each year? If so, what course offerings in pedagogical techniques can be provided (such as increased use of "flipped" classes, software that facilitates interactive readings and video instruction, curiosity prompts, and much more), and how can these course offerings be provided in ways that ensure access by all at convenient times?
- (3) **Competency-Based Learning?** Especially relevant to graduate instruction, and to programs that enroll a significant percentage of nontraditional students, how can some courses be modified to provide for the assessment of knowledge and skills learned by those who are already working in career paths that are pertinent to the subject of the course? To what extent can certificate programs, micro-credential programs, online degree programs, and other programs adopt competency-based learning methods and assessments, such as [those which have been deployed by WGU](#)?
- (4) **Mastery-Based Learning?** Can certain upper-level courses, or entire degree programs, be transformed to adopt mastery-based learning as the pedagogical approach? This might abandon the use of credit hours and passing grades as criteria for the award of a degree, in favor of empowering students to progress at an individualized pace through the curriculum based on their understanding of the material, with different assessments focused on the achievement of a deeper understanding of the material. Such a transformation would necessitate, in most instances, an advance investment in instructional design and its implementation, followed by targeted instruction and support to each student based upon each student's individualized needs. Different learning pathways could be provided.
- (5) **Increased Use of Apprenticeships? On-Campus?** Apprenticeships, which are emphasized in Europe's educational system, have the potential to be a valuable addition to the higher education landscape in the United States. Apprenticeships provide paid work experience, reducing the financial burden of college and potentially allowing students to graduate debt-free. Apprentices gain hands-on experience and develop industry-specific skills, making them more competitive in the job market and more employable. Students undertaking internships earn funds to support their financial needs. To what greater extent can certain degree programs foster apprenticeships, through partnerships with industry and other organizations? How can apprenticeships best be combined with traditional course delivery instruction, competency-based learning, and/or mastery-based learning to greatly enhance the skills and knowledge gained by graduates of certain programs? To what extent can certain apprenticeships be hosted on-campus, and guided by faculty members or others, as a means of expanding the opportunities presented to students?
- (6) **Continued Expansion of Living Learning Communities (LLCs)?** Given the demonstrated efficacy of Living Learning Communities, to what extent can the number of LLCs be increased? To what extent can LLCs be continued beyond the freshman year in various curricula or interest areas?

IN CONCLUSION.

Much progress has already been made at WKU in recent years, such as through an increase in certificate programs, the embrace of Living Learning Communities, the valued support from IT infrastructure and CITL, the implementation of the new budget model, the substantial increase in the funding of WKU's endowment funds, and other initiatives that are too numerous to mention in this memorandum.

Hopefully, plans already exist to address the looming enrollment and fiscal challenges ahead – as well as the current disparities in faculty/staff salaries. If such plans have been developed, I would encourage greater transparency as to these plans. I also hope that there may be an acceleration in the deployment of various initiatives already underway, to address the challenges faced by WKU, and the increased personal financial challenges faced by faculty and staff because of prolonged, sustained decreases in each individual's real (inflation-adjusted) salary or wages.

The speed of change in the world of business continues to accelerate. I would posit that higher education, generally, needs to be much more proactive in adapting to the needs of the modern workforce. While each new initiative should be carefully researched before its adoption, higher education also needs to be open to experimentation.

I view WKU as a great regional university, with a firm commitment to the success of our students. I hope that WKU will continue to evolve to address the challenges posed by reduced state funding. I urge the Faculty Senate to proactively address the rapidly changing world of higher education by continuing to facilitate changes that improve the learning outcomes for our students and the attractiveness of WKU for the upcoming generation of university students.

Respectfully submitted,

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