Questions compiled from anonymous submissions to the Faculty Senate Website:

Current Budget Situation

• What is the current status of the budget for 2009-2010 and for 2010-2011? What will happen if the taxes are not approved?

The current budget shortfall for 2009-2010 is $5.4 million with $1.7 million of that reduction coming from college budgets, $1.2 million in legislatively targeted cuts to engineering and veterinary programs, and $2.5 million cut from support services. For 2010-2011 the reduction is expected to be between $10-15 million more. The higher figure would apply if the tax measures adopted by the legislature are rolled back in the election in January. Tuition increases next year, increases in out-of-state and international enrollments, and other changes could reduce next year’s budget cut target.

• How does increasing class size, eliminating classes, majors and departments, and increasing the student/advisor ratio meet the future needs of students?

About 80% of our operating costs are associated with personnel costs. Narrowing the scope of our class offerings, reducing the number of low enrollment classes and sections, and cutting academic and support program administrative costs are among the ways we are going to be able to balance our budget for this year and beyond. We are working through academic deans to ensure that we are strategic and prudent in the changes we make, so that our actions minimize the negative impact on students.

Regarding the student/advising ratio, rather than implementing the initial recommendation of 400:1 student-to-advisor ratio for first-year advising, we have a task force, co-chaired by Susie Brubaker-Cole and Kim McAlexander, looking at desired outcomes for and improvements in first-year advising recognizing that different colleges advise students differently. Recommendations from this group, due in March 2010, will inform changes in our advising practices, including implementation of a degree audit system.

• What will happen to senior and instructors, professional faculty and others who who’ve had a long history at OSU? How secure are these positions in the current budget climate?

Every effort will be made to protect current employees by hiring internally to fill vacant positions whenever possible and by eliminating positions that are vacant due to retirement or other reasons. We are working to close the gap we face with short-term actions, like salary reduction through “furloughs”, that will provide us with additional one time revenue, to provide us time for longer-term plans to be developed and implemented. However, given the magnitude of reductions as presently projected, it is not realistic to say that no one’s job will get impacted.

• It has been acknowledged that data used for the “estimated savings” for department size and small classes were invalid and yet colleges/units were asked to make budget reductions for the current year based on these invalid data. This resulted in some units getting a greater reduction and others getting lesser
reduction that what the accurate data may indicate. The Academic System Guidelines were articulated as guidelines only. Why aren’t the data being corrected and the accurate data used to “estimate savings”? Also, why are units being asked to make reductions based on these “estimated savings”?

We are working through academic deans to correct errors in estimated budget reductions associated with small classes, the primary mechanism linked to budget reductions for academic units in the first year of the biennium. Errors have been documented in two colleges already and we will make appropriate budget adjustments.

Provost Randhawa indicated in his budget message last Friday that directly connecting budget reduction targets with specific strategies (e.g. course reductions) has created unintended consequences with a lot of time being spent on managing specific courses rather than a broader focus on achieving cost reductions in a manner most prudent in a college or unit. Having learned from this experience, going forward we will rely on faculty and administrators in colleges to help us identify the best ways to achieve budget targets within the framework of academic system guidelines developed by the Advisory Council on Budgets and Strategic Priorities.

- Why are 5 college sub-units the magic number? Why 20 faculty as the minimum for departments/sub-units? A variety of factors should be taken into account when establishing management efficiencies. Is there any flexibility if faculty come up with alternate and logical plans?

The idea of 5 units per college and 20 faculty per department should be taken as guidelines only and are intended to drive appropriate conversations to enable change consistent with our strategic priorities. While recognizing the budget imperative, we need to be strategic and prudent in the decisions we make. Deans will work with faculty and other appropriate partners to define the long-term transformative change in their colleges and division, and then to identify changes in degree programs and faculty collaborations that will drive the number of sub-units/college and faculty/sub-unit. That work is expected to be done by March 2010 after extensive consultation with faculty and staff. The recommendations of the deans will go to the provost who will make recommendations to me. No changes in the status of departments or the number of units in a college will be finalized until the spring after extensive consultation.

- Is the Division Structure a prelude to consolidating colleges? If so, then it would be best to say that.

My view is that the division structure conforms to our decision to identify three signature areas for excellence as well as the arts and sciences as areas for long term focus in the strategic plan that we updated last year. There is no recipe for how each of the divisions should be configured ultimately or how they should do business. I would rely on the members of the divisions to help the university make sound decisions about how they should work going forward. This effort is intended to maximize the alignment of our organizational structure with the objectives of the updated strategic plan and is likely to save very little money in the short run. This is not a prelude to eliminating colleges but an effort to better position ourselves for
success in the long run and it is an effort that will probably take several years to complete.

- How will realignment, consolidation and the Division Structure save money? “When challenged to explain how the proposed structural reorganization will provide cost savings, the administrator always winds up admitting that it probably will not. However, he/she then quickly adds that we still need to change structure to put us in a strategic position. When asked why we need to be in a strategic position, the administrator notes that this is because of the budget crisis, which of course he/she previously admitted will not be helped by the structural reorganization.”

The sad reality is that we do have to reduce our budget permanently by at least $5 million this year and by as much as $10-15 million next year. As noted earlier, we have identified the cuts for this year. The discussions over the next few months about further course reductions, program reduction and reductions in administrative costs will have to cover the funding short-fall for next year. Again, we will make every effort to generate additional revenue through non-resident student ENROLLMENT growth and appropriate tuition increases, but some level of reduction will be needed.

I have said that the creation of the divisional structure will not generate a lot of savings in the short run and we are not relying on it to do so. The point of the divisional structure is to align our administrative structure with the three signature areas and arts and sciences identified in the strategic plan. This is positioning ourselves for the long run.

Having said that, there surely will be opportunities within divisions to consolidate communications and marketing activities. There may be opportunities to consolidate administrative support for research, student advising and potential elimination of duplicative instructional programs. So, some savings will surely be possible in the longer run from the creation of the divisional structure but perhaps not much right away.

- How come so much money can be raised for buildings but not enough for students and faculty?

We try to raise money every way we can for students and faculty. We have already raised about $85 million for scholarships during the Campaign for OSU and that has helped us to provide 3,200 Oregon students in each of the last two years with access to the university without having to pay any tuition and fees. We also created 28 named professorships through the campaign, along with discretionary funds for deans and programs. However, raising unrestricted dollars for faculty and operational support are typically difficult through a private fundraising campaign. Our research funding has created additional jobs for students, staff, and research associates, but those funds too are restrictive and focused on activities specifically funded through grants and contracts. We are doing all we can to offset the negative impact of state budget cuts on students and faculty.

- Won’t the new Executive Dean roles add another layer of administration? It appears that this is the case. If not, then why do we need them? What will be achieved through the Divisional Structure that could not be achieved now?
The divisional structure is primarily intended to advance alignment of the administrative structure of the university with the signature areas of the updated strategic plan. I do not expect the division structure to raise costs but I also do not assume they will generate large cost savings. For the longer term, the divisional structure will encourage more regular conversation within the divisions but also across the university regarding new courses, majors, minors, and programs of research to advance our success in the arts and sciences and the three signature areas. They are also expected to identify new opportunities for the faculty and the University, opportunities that we hope will lead to more educational, research and private support for our programs and initiatives.

• Both the President and Provost talk about the efficiencies and cost-savings of the Business Centers. To date, these have not been the case. What is the status of the Business Centers? An honest, authentic, and realistic timeframe and articulation of the actual work of the Business Centers is needed. It is naïve to think that 75% of the business decisions will be moved to the Business Centers.

To date, approximately 15 FTE have been reduced through the business center implementation. I will ask staff to post financial figures that reflect where we stand on cost savings. We are currently implementing the fourth of seven proposed business cost centers. During the phase-in period, the University has to maintain two parallel systems that make it difficult to realize savings. However, once all centers are operational by August 2010, we expect that the new system will save more than 30 FTE over the following 2-3 years.

• At what cost will saving a few administrative FTE have on the cross-college and cross-unit collaborations that have already been established?

Collaboration across colleges is extraordinary at this university and any administrative cuts should not be made without a careful review of the possible impact they would have on collaboration across the university in order to keep any such losses to a minimum.

• The President keeps saying we need to be flatter and stop doing things but the reality is that we are being asked to simply reduce our salaries – in other words, to do more with less. What things are we going to stop doing?

As noted above, we are not simply looking to cut activities we are also working hard through fund raising and other means to raise revenue to offset the cuts in state funding. We have already identified sources for $5.4 million in budget reductions this year and we will spend most of this year identifying areas for reduction next year. Everything we do is important and worthwhile and the sad reality is that the budget cuts we face will force us to choose what to protect and what to eliminate and still do our best to position ourselves for success when the budget situation improves. The consultative process that is in place for the rest of this year is intended to give us time to decide what we will stop doing.

• Why can’t we use accrued sick or annual leave to help offset the budget deficits?

Accrued sick leave is not carried as a liability on our books. Reducing accrued vacation would increase our fund balance, but it would not provide additional cash to operate the university.
• It is unclear all of the alternatives and options that were discussed by the ACBSP – did they look at retirement options? Duplicate programs? Athletics? Furloughs? Visitor’s booth?

At the next Senate meeting we will have a discussion of possible salary reductions (i.e. furloughs) and the form they might take and the dollars involved. The way the retirement buyouts have been designed in the past has cost the university more money than it saved. We are exploring whether or not there are smarter ways to structure an early retirement plan, including providing health benefits for some fixed time period for those who retire that can help us reduce the budget gap. The Department of Athletics has taken a 10% cut in university support this year. Program duplication should be looked at during the current discussions regarding reductions for next year.

**President’s Vision for OSU 2025**

• Why would we want to be a larger, less personal, and less unique university in 2025? Why is being a top-10 Land Grant University a goal? How will being a top-10 Land Grant University contribute to Oregon or to being a better university?

Being a top ten land-grant University is a goal because it is consistent with greater student, staff, and faculty diversity, much higher retention and graduation rates for all student groups, greater impact of our research and creative work on Oregon and the nation, and greater impact of our graduates on the world. Size is an important consideration, but it is not an end in itself. There are some advantages of scale and scope that come with size but there is no magic number. My point in providing a profile for 2025 was to give people a sense of what the institutional profile of a top ten land-grant may look like in the future so that we can keep that in mind as we make tough decisions now. Many factors will determine our size in 2025. We define the future by what we do now.

• How does increasing enrollments help us to achieve the goal of being a top Land Grant University? “In his address, President Ray talks about eliminating 300 jobs, and then later in the address, he talks about creating 500-700 new faculty lines and upping enrollment to 35,000. Could the president speak to the disparity here? Or am I missing something?”

Right now we have to cut costs and that will surely require us to eliminate jobs. The economy will turn around and increases in enrollment especially of out-of-state and international students who pay full tuition will help us on the revenue side in the years ahead. If we plan our course carefully now to grow our revenue base in the long term, we will have the resources to add faculty positions in the future.

• Where will the funding come from for increased new buildings and to hire new faculty given the history of inadequate state support for higher education? What is the plan for building our endowments to the level necessary for the growth to happen?

The campaign for OSU has already helped us to fund new buildings such as Kelly Engineering and Kearney Hall, and will help us fund the Hallie Ford Center for Families and Children, the Linus Pauling Science Center, the Student Success
Center and other projects. We have increased our endowment through the Campaign for OSU but we have a long way to go. The toughest challenge over the next 10-15 years will be to raise the funds for new faculty positions. As I have mentioned above, many factors will determine our growth and rate of growth in the future, including our ability to build the necessary infrastructure and faculty capacity to support and sustain growth.

- What is the overall vision and goal for internationalizing the university? INTO OSU should not be the only answer – working across the divisions (e.g., Business and Foreign Languages collaborating) should be enhanced.

INTO will be a great help to us in increasing the number of international students on campus but we must maintain and improve upon existing recruiting efforts to realize the gains in international enrollment that we seek. We are aligning our internal marketing and recruitment efforts for international student enrollment growth with the INTO OSU initiative to ensure that we take advantage of the INTO marketing network to increase direct international students admits to the university. Our goal is to more than double the number of international students on campus and to increase the share of international students from 5% to 10% over the next 5 or 6 years.

In addition to the above questions, a number of recurring concerns were brought forward by respondents (these comments provide context to the above questions):

**Student Success**

- Ensure enhancements in our current advising structures that are working well. e.g., UESP
- Do everything possible to enhance the overall student experience
- Increasing class sizes, eliminating classes, majors and departments and increasing student-to-advisor ratios does not seem to be in line with the goal of enhancing student success.

Student success must be at the center of the decision making process. We are committed to minimizing the adverse impact of reductions on the ability of students to make timely progress toward graduation. New initiatives are being implemented now to improve student success such as the September Scholars program and the funding of the Student Success Center. We will raise funds to rebuild the Cultural Centers. We will acquire technology audit software later this academic year to assist advisors in working with students. The cuts will take a toll but we will endeavor to minimize the negative impact on students and to continue to take positive steps to benefit students.

**University values/Keep our consciousness**

- Sensitivity to employee needs is imperative; particularly as employees are reducing salaries and may be laid off.
- Furloughs/salary reductions for all employees; not just classified
• We do not want to be an Ohio State with 35,000 students and lose what is unique and special about Oregon State.
• Everyone is very anxious about the changes that are being thrust upon us; this anxiousness is affecting current work
• It is important to be inclusive in conversations: on-campus, off-campus, extension/state-wides, classified, professional, etc.
• Much of Oregon State’s history is marked by collegiality, communication, and caring for one another as we jointly addressed our challenges together – we need to keep this culture

We have had several discussions regarding our willingness to share the pain of managing the budget cuts. Classified staff have been given furlough days. We will have a discussion in the next Senate meeting about how faculty and staff could participate in a salary reduction and unpaid leave program that would be structured similarly to the SEIU agreement. The discussion will center on the extent to which salary reductions across the university can help us reduce job losses at the university.

None of the decisions regarding reductions, program elimination or consolidation will be made in a hurry. Deans and chairs should discuss all options with colleagues and provide the provost with their recommendations by March. The provost will share his recommendations with me. We will finalize changes for next year after extensive discussions with colleagues throughout the university.

**President’s Vision for OSU 2025**

• The connection between the current budget situation and the vision of growing larger is unclear.
• It appears that the conversations/debates about the vision for 2025 are a way of distracting faculty from thinking creatively about current budget and structural issues; if that was not be design it is an unintended consequence of the President’s talk to the Faculty Senate.
• The talk appeared to be largely rhetoric for an external audience; it did not provide concrete solutions to our current situation. Communications appear very abstract.
• Aiming to be a top 10 land-grant University is a distraction.

My purpose for providing a possible profile for OSU in 2025 was not to serve as a distraction or to advocate for every element of that profile. I was attempting to provide a context for making hard decisions today. I hope that there are many elements of the profile for 2025 that people agree we should try to attain and the decisions we make now will influence how the future turns out. I was not trying to sell a vision. I was trying to provide a direction for the future that might help us make smarter decisions today.

**Current Budget Situation, Guidelines, and Division Structure**

• The work over the summer by the ACBSP was not transparent. The leap from the Guidelines to the budget reductions is unclear.
• The Guidelines should be guidelines and not a “one size fits all” process.
• It appears that the administration/faculty are avoiding difficult questions/decisions about program eliminations. Relying solely on numbers of students may not be the best process.
• It does not appear that faculty voices are being heard; or maybe faculty have not spoken up enough. Faculty Senate should play a larger role in getting faculty voices heard.
• Division structure will not, in and of itself, result in world-class research.
• It would appear that we are in the process of moving from 3 levels (President/Provost - Dean - Department Chairs) to at least 4 and possibly five levels: P/P - Executive Dean - Dean - Unit Director - and perhaps Chairs, as someone will need to coordinate the current academic majors, course scheduling, etc...

The guidelines are guidelines and not requirements and not a one size fits all statement. As I said at the last Senate meeting, it makes no sense to eliminate every small department or to keep every large department. Faculty, Chairs, and deans have to make those decisions. The guidelines are intended to make people have the conversation about the need to keep small departments and perhaps not keep large ones. No mergers or program eliminations will occur until we have completed a consultative process and ideas and recommendations have been fully vetted.

I apologize for the confusing communications regarding the budget cuts we must make. Unfortunately, the legislature did not pass a budget until six weeks after the end of spring quarter and OUS did not adopt a budget until October. Still, I am responsible for the communications effort not being as effective as it could have been. We will make a concerted effort to communicate much more effectively both inside and outside the university.

• It seems as if senior institutional leaders have isolated themselves from the rest of us. Sadly, there is little evidence that our University-level administrators are able to muster the kind of leadership necessary to draw our University community together to address these common challenges.

From my perspective as the person who must finalize decisions to meet our budget cuts, the conversation is beginning and not ending. I expect to see substantial dialogue within the colleges and departments and the provost and I will continue to meet with colleges and hold open forums before decisions are finalized next spring.

October/November 2009