

Report of the General Faculty meeting

May 27, 2020

Steve Herbert (Provost, SH) and Lauri Strimkovsky (VP for finance & administration, LS) met with 215 Faculty members in a voluntary session to answer faculty questions about fall plans (mainly the HyFlex model) and budgetary issues. Brent Brossman and Mark Wainer moderated the questions.

SH:

As events have unfolded over the past 3 weeks or so, we've been working with Faculty Council, especially the executive committee, to keep them updated with the situation. Several faculty members are on the Teaching and Research (T&R) committee and scenario planning task force (SPTF) about faculty load and other challenges we need to navigate. One of the first tasks is to come up with our approach for fall instruction, and that's where we settled on the HyFlex model. Will first talk about budgetary issues. When we talked about budget challenge in Dec., the issues had been known. We had had a budget shortfall for several years. The president framed it as: our revenue is flat but expenses keep growing, need to flatten expense, grow revenue. Our revenue has been challenged even more in the Covid-19 crisis. Our specific strategies are still evolving by the day.

LS:

We spent last several weeks looking at where our budget is likely to be as we go into the next academic year. We had budgeted for 725 new students based on last year's number. At this point we have 605 deposits. We have extended our deposit deadline to 6/1, and we may settle around 600-610. We've fleshed out two revenue scenarios:

1. All back on campus in fall, teaching on campus, students living on campus, with smaller entering class, slightly more attrition among returning students. This is a pure revenue scenario--we have not accounted for expense. The revenue impact would be \$8.6m, with \$6.2m deficit originally projected, it adds up to \$14.9m total deficit.
2. Worst case scenario: all online next year, no one in dorms, no auxiliary revenue, more attrition. In this case, the room and board revenue net of the money paid to food service = \$14.7m, revenue shortfall = \$22.6m, plus the existing \$6.2m shortfall, we'd have \$29m revenue shortfall.

We have been in conversation with the board, the SLT, and the scenario planning task force, the next phase is to try to close the gap.

We think it's prudent to find \$15m permanent budget cut. It's possible that Covid may have lasting impact beyond the coming fiscal year. We believe we need to make \$5m temporary cut for the next fiscal year or two. Altogether \$20m in budget reduction. The \$15m cut can be split

in 3 categories: non-personnel reduction (department budget) \$4-5m; reduction in staff \$5-6m; faculty compensation package \$5m. Will go into more conversations about the specifics. The Board did not approve the budget at the main meeting, and will come back in Sept to approve the budget.

SH:

The focus of the current discussion is on what work do we stop, then personnel will follow from that. The President will send a message to the community later this week, outlining the budgetary challenge, talking about specific measures and indicating possible ones. Details are yet to be determined. Here are a couple of levers on the table for discussion,

1. Voluntary separation: staff retirement program effective this summer; faculty retirement program and phased retirement, i.e. from full-time to part-time over 1-3 years; staff voluntary separation for those not eligible to retire. The details regarding these programs will come out soon.
2. Several proposals about benefits: suspension of retirement contribution for this year then reinstated in the following year perhaps with a different percentage; bring faculty contribution to medical benefits to 20%. The suspension of retirement contribution plus the change of medical benefits may save more than \$2.5m. Proposals with more details will be sent soon for faculty input.
3. Furloughs and staff reductions

Faculty impacts: budget target is \$5m cut on academic faculty effort. Teaching/Research taskforce (T&R) committee has been looking at faculty load, in particular ways to reduce reliance on adjunct faculty from \$2m expense to \$1m. Other reductions can be made through academic efficiencies: e.g. the added graduate dean has increased graduate revenues, our MBA program is moving online officially in fall, and other programs are transitioning to hybrid or online. We expect the graduate programs to grow modestly. The increased revenue would help to fuel the investment in programs both at the graduate and the undergraduate levels. The whole grad office organization is revenue neutral. We may also be able to save \$100,000 from department budgets in the College of A&S. Phased reduction in salary across the board for faculty and staff: no reduction for those with salaries <\$40,000 no reduction, phased reduction for salaries >\$40,000. All Jesuits institutions are implementing this. Other schools in OH are doing the same thing. After retirements, adjunct faculty expense cut, and compensation cut, the remaining gap will have to come from discontinuing programs/departments and laying off of faculty.

Q&A

1. You mentioned staff reduction: what do you mean by staff?

SH: Academic administrators are counted as faculty, e.g. program directors. Staff is the catch all for anyone not classified faculty, e.g. Steve is staff and Lauri is staff.

2. There are a lot of confusions about the numbers mentioned--if the existing budget deficit is about \$6m, and the rest is Covid-related, why is the permanent cut 15m?

SH: The \$6m deficit has been persistent over many years and was never addressed. The additional \$8m is projected based on how the impact will last beyond next year until we can turn around to grow revenue. JCU is becoming a smaller institution--last year our enrollment of full-time undergraduate students dropped below 3000 for the first time. In the coming years, we project our enrollment to be around 2,500 to 2,600. The permanent cut of \$15m is based on this projection. In worst case scenario we will have to revisit this plan.

LS: we are not just looking at next year, but next few years. We thought it's prudent to make as much permanent cut as we can without putting what we are delivering to the students at risk.

SH: All budget cuts will put student experience at risk. We are trying to put ourselves on a stable basis, so that we are in a position to grow through strategic plan efforts, change our enrollment trends, and build a sustainable business model. We have had endowment draw for many years, which is not a recipe for success.

3. If we are looking at layoffs after voluntary separation, are we doing that by seniority or by department?

SH: I don't have an answer now. We will do it in partnership with faculty input as much as possible. The handbook allows me to discontinue department and release faculty (financial exigency). We will give faculty a year's notice. The challenge with financial exigency is that the impact on university reputation and position is rarely positive, so we'd prefer not to do that. If we get there however, I would prefer to work with faculty to figure out a more equitable and strategic process. I hope we don't get there.

4. Given that the entire country is facing the crisis, are we reaching out to the federal government for assistance?

LS: We received 2.3m from the CARES Act. Half of that had to go to students who experienced financial difficulty, we are in the midst of awarding that money to students. The other half will be received only after the first half is distributed to the students, and we are using it to offset the \$4m loss from room and board refund. Currently there are talks and lobbying for potential inclusion of higher ed in the next aid package which may not realize until late in the summer. We are applying for grants and contracts, but there is no way to apply for help. We aren't eligible for other features in the CARES Act like payroll assistance loans. We are reaching out to our alums. The board members are increasing their donations, but it's mostly on us.

5. LS saw a question about endowments.

LS: most of the endowment is restricted by donors. The part of it that is not restricted, the board can allow us to use some part of it. But to think we could liquidate the entire unrestricted part of the endowment, that's not sustainable, and the board is not likely to approve that. They are entertaining an additional endowment draw for next year.

SH: What we are looking at is a systematic, ongoing challenge that cannot be solved by a one-time draw from the endowment. We got into trouble with HLC by annual endowment draw without plan to get out of it. There is also a question about university properties. They are on the table, too. That also cannot solve an ongoing budgetary challenge.

6. Along the lines of layoffs, how high up does it extend to the leadership positions?

LS: all administrators are considered staff, and all positions are considered.

SH: Excepting the president and CFO, two positions that are required.

7. How much endowment draw next year are we requesting?

LS: can't share the information at this point.

SH addressed the HyFlex model:

Why HyFlex. This approach was settled on by the T&R team. It was built on a number of things still yet to be determined, and it gives us the best flexibility going forward. By far the majority of the institutions are adopting this whether they change the fall schedule or not. We didn't want to disrupt the fall semester, which would require us to reschedule students. This model allows us to move online after Thanksgiving. It also gives us an option to allow students to remain off campus, e.g. students living with parents/grandparents, and others working at nursing homes etc. We will not have full occupancy. We will be down to perhaps 25% of the original occupancy of the classrooms. The bulk of the class will have to be remote. We might rotate students who come in on different days of the week. We need to allow students/faculty who feel ill to not to come to campus. We need to allow the opportunity for faculty to deliver classes off campus. Every classroom will have a projection, there could be 10-12 students interacting in class, with faculty member on camera, plus other students on camera. That flexibility is required. The booklet sent out last Friday is an umbrella for this the HyFlex model evolved over several decades. It may serve as an example of how to implement it. What I had in mind was the flipped classroom: addressing the higher-level skills in Bloom's taxonomy in person or synchronous remotely, while lower-level skills and lectures can be put in an on-demand format. Some of our faculty are experts on this kind of course development and have been asked to curate and be resources for this. This hybrid pedagogy is more effective than straight lecturing or straight online. Synchronous and asynchronous are better terms than "online". Synchronous is interactive and live, asynchronous is on-demand. Hybrid includes both. How much is synchronous and how

much is asynchronous will depend on the depth and level of the course, and the discipline. We will bring out more resources such as workshops and webinar-based resources. There are aspects of this course design that will persist into the future. The question for faculty is: how do I restructure the class to achieve the learning goals. Faculty cannot take the whole course online at will. We have an agreed market contract with students at the undergraduate level--they are buying a certain product and a certain experience. Some students and parents have said that that is not what they are paying for. It also doesn't mean that no course can be online. At graduate-level, some courses lend themselves to the completely online format. Faculty will need to get permission from chairs and deans. Each department needs to navigate how many fractions of their courses can be online. Online courses cannot exceed 50%.

8. Health issues related to hyflex model: what is our testing and tracing capacity, is 25% capacity going to be safe?

SH: No answer yet, but we are following the Cleveland Clinic protocols. they are not testing all their employees, instead they have four protocols: social distancing; wearing mask (no more than 15 min in enclosed space); employees who feel unwell should stay home; deep cleaning of shared spaces. None of them were explicitly about testing. Their rationale is that the tests available are not fast enough or effective enough. Our protocols are evolving towards this direction. We are also looking into possibilities of baseline testing etc. We are also planning for the scenario of completely remote delivery of classes.

9. Questions about intellectual property rights: what's the university's position relative to the intellectual property of course design, particularly for adjuncts; do we need to make additional efforts to make sure that people give consents before being recorded?

SH: will answer to the best of my knowledge, please don't take these as last words. In terms of people stealing the content and publish it somewhere else, we have some control over that. As far as intellectual property rights for course design, we don't have an intellectual property policy that I'm aware of, so it's a gap we have to get to. The university has no interest in taking your canvas course and giving it to someone else and using it. It's bad pedagogy and practice. When you put something on a canvas page, it makes it more permanent than delivering a lecture, so the University has some interest in that, which is not to say that we own it and we can do whatever we want with it. It means that we have a shared interest. It doesn't preclude any faculty member from taking what you put in a course into another course and teaching it in other institutions. You don't give up rights to that. It's not a legal ruling. It's the practice that most universities have followed. There are lots of gaps in university policies. We should pursue filling up the gaps legally, but it'll take some time.

10. Questions related to cleaning and protection: do we have enough time to clean between classes? What kind of PPE will faculty be provided?

SH: We are working on those. We have a facilities group that is working on plastic or glass shields, how realistic is it to lecture with a mask on. I believe the university is looking into buying masks for students, faculty, staff, because it will be required in classrooms and public space. If you go into your office, you can take the mask off, but if someone goes in to talk to you, both need to have masks on. Deep cleaning is still to be determined. I don't think it's realistic to clean every classroom between every class.

LS: new guidance from the CDC says that the virus is mostly transmitted through air not through surfaces. We will provide masks.

11. What is the protocol to determine someone could teach online?

SH: when we teach online we teach synchronously, virtually, in distance. We have ADA, FMLA protocols through HR, not all these protocols cover this kind of circumstances. We are looking at having a protocol that would be moderated through HR, because there are privacy issues and personal health-related issues that I would not ask faculty or staff to go up to the dean and ask for this permission. We have these protocols already existing through HR. We need to update the protocol for permissions to teach remotely. Those are coming.

12. Will class size be increased when we eliminate some adjuncts?

SH: we are having conversations about faculty load in the T&R team. We need to lessen reliance on adjunct, but we cannot eliminate them, because we rely on adjuncts to offer skills that we intentionally did not build into faculty. There are programs that absolutely require them. To reduce them to an extent does require us to look at how faculty loads are distributed. Some disciplines may naturally have smaller class sizes than others. We have to figure out what's fair and equitable and reasonable. We'll have to look at how we manage the loads, and I expect it to go up somehow. But I don't have an answer for that currently.

13. Will air circulating in the building infect us?

LS: we are looking into that and what it would require. No more information currently.

14. Staff reduction: Eliminating a smaller number of higher-level position, vs a large number of lower-level staff positions; regarding pay cuts, social justice model of tier-type reduction of salary?

LS: we are doing a tier salary reduction.

SH: All positions are being examined, with an eye towards the work that we need to choose to stop doing. So we don't end up with more work piled on those who are left.

15. Masks: what kind of masks are we ordering?

LS: We are not ordering N95s as those are needed by front line workers, have ordered disposable and fabric ones.

16. What do we do with students who refuse to wear masks in classroom?

SH: we are looking at instituting student code of conduct. We'll need to ask them to leave classroom and tune in remotely, if they refuse, call JCUPD and escort them from campus. We cannot tolerate this on our campus.

17. Has the budget projection included the additional costs of technologies, tests, cleaning, and other expenses related to the Covid crisis?

LS: those are additional costs above our projections but we are starting to factor them in as we move forward with the budget scenarios. Some of them may have funding sources, alums may be interested in pitching in.

SH: some of them are temporary, one-time costs.

18. The issue of contract; how do you propose to break the contract and reduce faculty pay?

The faculty handbook allows us to reduce faculty pay across the board, if it's done to avoid financial exigency. Every cost-saving that doesn't come from position elimination is to the good.

19. It feels like this is a crisis that is being viewed as opportunity to reduce cost and change faculty work; certain "temporary" cuts may become permanent.

LS: We are separating cuts into temporary and permanent categories. Temporary includes salary reduction. There's no intention for it to become permanent. Benefit change is a different story. We have to look at it going forward.

SH: no more comments on that, but would like to talk about the strategic plan, which is extended for formal approval till Dec. We need to make ourselves more attractive to push discount rates down. Perhaps we will grow, and perhaps we will stabilize into a new normal enrollment level. We've been fighting declining demographics in the region, and we haven't been very effective in marketing. The current crisis has exacerbated the situation to such an extent that we have to rightsize the budget, otherwise we put ourselves at risk. On the other hand, some donor-funded projects are going forward. Some anticipated growth in graduate programs will fund growth of programs. The strategic investments are not made at the cost of the cuts.

20. Proposal: is it possible to allow faculty to take un-paid leave for a semester?

SH: May help in a short-term, but not in the long-term. Yes, it's on the table, but we have to evaluate how effective it is.

21. When decisions will be made about course load.

SH: I'm aiming for mid-June. Voluntary retirement proposal will be coming out very soon. Course load decisions will follow quickly, around mid-June.

22. Will we have outside speakers, sport events, and public performances?

SH: There will be an athletic season. Around 25% of our students are athletes. Among the incoming students who have deposited, 37% are athletes. Athletes are depositing at a greater rate. If we don't have athletic season, they may not come. Similarly for returning students. NCAA says we may have sports events with empty stadiums. We will have an athletic season of some sort. About other events, I will hesitate to say that we won't have them, but we'll have to consider how. We can have outside speakers virtually.

23. If university is considering suspending retirement contribution, can faculty choose not to contribute to retirement plan for a year?

LS: Yes.

SH: it's part of the proposal that we are sending. Yes.

24. Is there any discussion about the time involved to carry out high-quality research, especially as teaching load may increase?

SH: We have to grow into the new reality of next year and see what it looks like. This is my perspective and I know it's shared by the president. JCU has grown into a research model that really privileges our excellence in teaching, and it provides a faculty experience that makes us competitive in the faculty market place and for our culture. I'm not ready to give up on that. That would be the last thing to go. We may have to make some hard decisions about how we balance that given increased loads. We've made a little accommodation for the past spring with tenure clock extension and relaxing the expectation for research outcome. I would be loathe to release or give up on the dedication to research at some meaningful professional level, because I believe it makes us better teachers, and it also makes us better academics which is important for our brand. We may defer Grauel for a year, but it's only a deferral. Decisions about Grauel haven't been made. We'll ask the T&R team and the deans to weigh in on it. We may defer this year to next year and roll forward, but exceptions can be made.

25. Speaking specifically to adjuncts: what advice do you have for them? Should they continue to develop the courses?

SH: chairs may see most clearly about what courses will remain. No better answer.

Brent will make a copy of all questions on zoom and will work to get answers to all of them.