The Faculty Senate

To: The University of Arkansas at Little Rock Faculty Senate

From: The Faculty Senate Executive Committee

Subject: Response to Planned Budget Cuts

Date: October 12, 2018

Number: FSM-2018-01

The Executive Committee of the Faculty Senate has the following comments regarding the current budget crisis. We strongly disapprove of cutting full-time instructor positions, and we offer some alternative recommendations for substantive cuts that are equitable and sustainable. Our primary aim is to protect the institutional mechanisms that generate revenue and support student success and persistence to graduation. Our secondary aim, whenever possible, is to protect the stability of the faculty and staff who share the responsibility of fulfilling the mission of the University of Arkansas at Little Rock.

The faculty has developed over many years at this institution, with each portion of the faculty serving a particular and necessary function. Our full-time, non-tenure track faculty in positions of instructor, advanced instructor, and senior instructor are essential to the success of our programs and provide a specialized expertise in teaching courses, advising and mentoring students, supervising clinical practica, and serving in leadership roles across this campus including on this Faculty Senate. Reducing this faculty threatens program level accreditation, undermines our ability to regularly offer necessary courses, and disrupts students' matriculation through the majors. The harm to our institution due to the decreased enrollment and revenues will be significant and long-lasting.

It is our understanding that the Board of Trustees and the UA System Office have accelerated this crisis by demanding that the depreciation and deferred maintenance expenses be offset by cuts to operating budgets over the next two years and that a credible plan for these cuts be developed before the November board meeting. Developing a comprehensive solution in such a short time-frame is unreasonable and will lead to short-sighted decisions with long-term, negative consequences.

Chancellor Rogerson announced at the Open Forum on September 21, 2018 that part of the plan to offset our budget crisis was to cut approximately 50 full-time instructor positions. This announcement was based on the incorrect understanding that there were over 150 full-time instructors at this institution. In fact, there are less than 80 full-time instructors. This is the latest of several decisions made without consultation that have been evaluated as detrimental to this institution in retrospect. Examples include the renovation of the cafeteria that eliminated the student common area and intermittent power outages that damage equipment and disrupt classes. Furthermore, in 2016 the faculty had to make a Freedom of Information Act request to obtain information regarding the deliberations leading to the partnership with eStem. The effects of the eStem partnership have yet to be fully realized but will undoubtedly have lasting and negative impact on our campus.

Any decisions regarding personnel (faculty or staff) that may directly impact enrollment must be made with accurate information and with attention to the likely impact on enrollment and revenue production. Significant and ill-considered changes to these personnel could irreparably damage enrollment for next year, worsening our situation. The 2016 and preliminary 2018 IPEDs data suggests that the university may be out-of-balance with respect to faculty, staff, and administration, but close examination that includes a cost-benefit analysis is required. The Institutional Effectiveness Committee (IEC) was established to gather information and inform decisions. We must allow sufficient time for the IEC to gather the necessary data across campus, evaluate both academic and non-academic programs for significant structural cost reductions and efficiencies. We believe this group needs this time to make evidence-based decisions that are equitable and will lead to sustainable continuous campus improvement.

In the meantime, we offer recommendations for both swift action and long term opportunities for cost savings that could downgrade the enormity of the crisis by an order of magnitude.

Recommendation for Cost Savings

The Executive Committee offers several opportunities for exploring cost savings in an effort to better position this university to improve the financial health of this institution and meet the expectations of the UA System administration and the UA Board of Trustees. First, we present the following regarding Concurrent Enrollment for consideration by the Faculty Senate at the October 26th meeting:

> **Whereas** the Concurrent Enrollment program costs UA Little Rock $3.8 million in scholarships and expenses thus depleting the overall scholarship pool available to regularly enrolled students each year; and
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> **Whereas** this institution has not experienced a yield in first-time freshman admits to justify this $3.8 million investment; and
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> **Whereas** the investment of $3.8 million would be better served to more directly aid our general student population leading to increased enrollment and improved student retention;
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> **Therefore, be it resolved** that the Concurrent Enrollment legislation passed on 2/5/1999 and amended 4/14/2006 be rescinded with an implementation date of July 1, 2019.

Commentary: Eliminating the Concurrent Enrollment program would allow us to re-invest a large portion of this expense to develop Dual Enrollment programs with high school partners across the state. Dual Enrollment programs allow high-school students to enroll in our courses offered on campus, online, hybrid, or at off-campus locations. This model allows students a head-start in accumulating college credit and generates tuition revenue. The remainder of the $3.8 million can be applied to the necessary budget cuts.

Additional Areas Worthy of a Cost-Benefit Analysis by the Institutional Effectiveness Committee:

- **Cost-Centers**: Identify non-academic units on campus that generate revenue and can be transitioned into cost-centers and removed from the budget as a cost. For example, the Duplicating Center has a budget line item of almost $872,000, provides necessary printing services for the university, but also generates revenue by fulfilling large contracts for state agencies. This unit could serve as a model for other revenue generating enterprises on campus. By converting this unit to a cost-center, the $872,000 can be removed as an expense from the operating budget.

- **Eliminate Depreciation and Maintenance Costs of Larson Hall/eStem**: When Larson Hall was renovated to meet the needs of the new high school, the renovated building may have been added to our balance sheet of new buildings subject to depreciation. If that is the case, we recommend gifting the building to eStem rather than charging a $1 lease. Doing so would immediately reduce the amount of depreciation on our balance sheet and lessen the cost reductions we are required to make. As the Larson/eStem building is on our utilities grid, we should also be regularly reimbursed for that cost.

- **Optimize On-Campus Space:** We recommend moving Communications, Human Resources, Procurement, Printing, and the Department of Applied Communications into available space on campus. The vacated buildings should be razed and that space designated for future university development and expansion. Although this may require up-front expenditures to accomplish and may need to be spread across multiple years, the long-term savings to the campus should justify the expenses. These buildings use temporary construction methods and are among the least energy efficient on campus and they detract from the appearance of campus. Replacing them with green spaces (for now) or “real buildings” (in the future) will improve the image of campus as the second research institution in Arkansas.

- **Sell University Plaza:** We recommend vacating the Plaza and moving affected units into available space on campus. The Plaza real-estate can be sold to eStem (for example) and removed from our balance sheet. Similar to the previous recommendation, relocating these units will require up-front expenditures; however these expenses could be recouped from the sale of the Plaza.