

APPENDIX G

BUDGET & PLANNING COMMITTEE NOTES

Discussion Question Posed By Budget and Planning
Regarding the Update of the Draft Plan

1. How many of the faculty positions will be cut for 2013-14?

As is noted below, all of the instructional positions listed in the plan will be eliminated for 2013-2014, with the exception of the Art position, which will be eliminated after this coming year upon the retirement of the individual currently in that line (Doug Kaigler).

2. What specific faculty positions were being eliminated per the draft plan? 7.29 positions were listed but not easily identified in the Draft Plan?

The specific instructional positions being eliminated are detailed in the summary paper. The details are as follows:

- Art: 1.0 Tenure-track FTE (after next year).
- Geology: 1.0 Fixed-term FTE (now).
- History: 1.0 Fixed-term FTE (now).
- Media Arts Communication: 1.0 Tenure-track FTE (now).
- Music: 3.2 Fixed-term FTE (now).

3. The classified position listed in the Draft Plan (Housing & Student Involvement) was funded through auxiliary - how much of an actual savings from the general fund will there be with the position cut?

The classified position in Housing & Student Involvement is an administrative reduction. While there is no direct/immediate impact on E&G via this position elimination, the use of auxiliaries to support E&G is a real component of our current financial management. Simply put, a reduction in expense in an auxiliary could lead to additional support from said auxiliary to E&G in the future.

4. To verify - Will all credit card transactions used throughout EOU be a part of the transaction/convenience fee to meet your \$80,000 savings or only students be charged this fee? Will the fee be a flat fee or a percentage of the charge amount?

The convenience fee will be charged to any individual using a credit card, for any purchase, through the Student Accounts Office. As this new fee unfolds, and based on the financial impact we recognize, we may explore implementing this fee in other units on campus that accept credit cards.

5. What additional measures will be taken to help us reach a 8% fund balance in the coming years? More specifically, how we will be addressing more sustainable cost savings when the temporary cuts will be removed and costs continue to

increase?

At this time, \$490,000 is considered to be one-time savings. A significant portion of this amount, depending upon the outcome of various searches (i.e., the AD search) could in fact become more permanent in nature. The main thrust of the Draft Plan is a focusing of the academic enterprise, implementing common practices in terms of load and course enrollment management, and the structure of over-load. The implantation of these efforts will create a cost savings trajectory that will have a continuous impact on EOU's fiscal projections. This practice has been implemented at many other similar sized universities with similar fiscal challenges. The results have been that these universities have been able to reach a stable fiscal condition.

6. Regarding the two sections about keeping regular classes under 11 students in each class for a \$800,000 savings and management of instructional load and overload for a \$250,000 savings - would you be able provide more clarification on these two subjects and direct us to the specific data used for your numbers?

The data for the low-enrolled courses are found in Appendix B, the instructional review common data files, in the spreadsheet pdf of low-enrolled courses. Farooq and Sue also confirmed the estimates of savings based on those data. See attached example.

7. With the specific classes/concentrations that are being cut - can you show in the data where there will be a savings so it can be easily identified?

The draft recommendations for the reduction/elimination of certain minors/concentrations/major and their associated courses do not carry specific estimates, since the draft recommendations cannot be as specific in terms of the curricular streamlining and condensing that will result. The instructional program review process is founded on our institutional mission and core themes and related goals and aims to help us understand how to most wisely use our limited resources. While the exact amount of savings from the program-specific actions are unknown at this point, we do anticipate that the program actions working hand-in-hand with the operational principles and secondary principles articulated in the broad instructional review will result in efficiencies in resources that will play out over the next year and biennium. Our broad and program specific reviews will enable EOU to be both more strategic in our program planning and sounder and more deliberate in our day-to-day functions, so that we can build fund balances to enable us to meet future challenges as well as the need to invest and reinvest in new areas.

8. Foreign Language is still listed a Minor but not listed in the draft plan program review - do you have any information to provide on this program?

The final plan will contain narratives explaining the final outcomes of the MLGC and Religious Studies programs, as they have played out this year. They were not listed

in the draft plan since there are no further changes foreseen for either area, but a more detailed explanation should most definitely be included in the final plan.

9. What are your estimated projections for Fall Term student enrollment, even though OUS hasn't released their projections to you yet? Would you please break down those projections to their specific areas (online vs on-campus)?

We are assuming essentially flat enrollments and resultant SCH generation. The details from the estimate sheets are for a + 0.4% overall increase in enrollments and from level (0.0% change) to -0.3% decrease in SCH (initial OUS projections were for a +0.3% increase). OUS does not "release projections" to us; we work with OUS research area in providing information and data to fine-tune projections that we both believe are realistic and achievable.

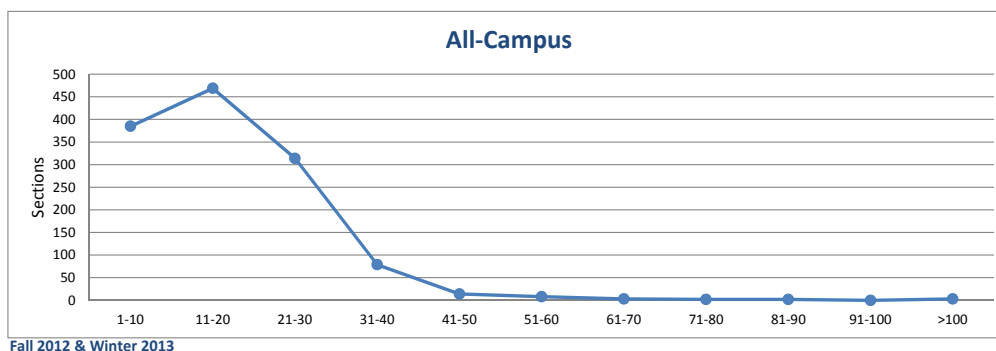
10. Using the Quarterly Reports and the final plan, the B & P committee for 2013-14 expects to receive a review on a quarterly basis showing the areas of the cuts and the areas that are being reviewed for the following fiscal year so we can stay informed on the progress of the sustainability plan.

The executive team intends to continue to work with the Budget & Planning Committee in a clear and transparent manner. It has maintained this philosophy and will continue to do so.

Representative examples for inload/overload management for low-enrolled courses

Based on the data showing that approximately 29% of our courses offered in a given year at EOU are enrolled at less than 11 students, assuming an average annual salary of \$45,000 plus OPE, EOU loses approximately \$400/course if those courses are run and inloaded. As noted in the draft plan, if those courses typically generate approximately \$6,000 in revenue, and if the average inload instructional cost of those courses is \$6,400, then we are facing approximately \$200,000/year in direct losses through mismanaging these courses. When the total direct costs and other indirect costs and ripple effects are factored in, the total impact on our institution of letting all of these courses run is enormous, with the direct costs alone approaching \$1.6 million. Clearly, many courses SHOULD run with fewer than 11 students in them for any number of reasons, but just as clearly we have long been running courses which we should have canceled. Better management of these low-enrolled courses also directly affects the ability of our academic deans to effectively manage instructional load and overload. In sum, this broad area represents the single greatest opportunity to the long-term health of our academic programs and our institution.

Data Excludes the following type of Courses
(Research, Seminar, Capstone, Practicum, Thesis, Reading and Conference, Labs, Field Placement, Course by Arrangement (Under 10) in addition to 401, 407 & 409 course numbers)
Note: Winter 2013 data is not final until the end of winter term



Example #1: Program X, 7 low-enrolled courses last year.

Course #1—6 credit course, 6 load credits, 6 enrolled, 36 sch
Course #2—5 credit course, 5 load credits, 10 enrolled, 50 sch
Course #3—5 credit course, 5 load credits, 10 enrolled, 50 sch
Course #4—5 credit course, 5 load credits, 3 enrolled, 15 sch
Course #5—5 credit course, 5 load credits, 4 enrolled, 20 sch
Course #6—5 credit course, 5 load credits, 6 enrolled, 30 sch
Course #7—5 credit course, 5 load credits, 10 enrolled, 50 sch

Total load credits: 36 (1.0 instructional FTE)

Total average inload cost: \$59,966.00

Total cost if overloaded: \$11,923.00

Direct Savings: \$48,043.00

Total Savings with additional overload eliminated: \$54,031.00

Example #2: Program Y, 9 low-enrolled courses last year.

Course #1—4 credit course, 4 load credits, 10 enrolled, 40 sch
Course #2—4 credit course, 4 load credits, 8 enrolled, 32 sch
Course #3—4 credit course, 4 load credits, 6 enrolled, 24 sch
Course #4—4 credit course, 4 load credits, 8 enrolled, 32 sch
Course #5—4 credit course, 4 load credits, 9 enrolled, 36 sch
Course #6—4 credit course, 4 load credits, 7 enrolled, 28 sch
Course #7—4 credit course, 4 load credits, 4 enrolled, 16 sch
Course #8—4 credit course, 4 load credits, 3 enrolled, 12 sch
Course #9—4 credit course, 4 load credits, 8 enrolled, 32 sch

Total load credits: 36 (1.0 instructional FTE)

Total average inload cost: \$78,294.00

Total cost if overloaded: \$11,970.00

Direct Savings: \$66,324.00

Total Savings with additional overload eliminated: \$78,006.00

Example #3: Program Z, 16 low-enrolled courses last year.

Course #1—3 credit course, 4 load credits, 6 enrolled, 18 sch
Course #2—4 credit course, 4 load credits, 7 enrolled, 28 sch
Course #3—4 credit course, 5 load credits, 10 enrolled, 40 sch
Course #4—4 credit course, 4 load credits, 4 enrolled, 16 sch
Course #5—4 credit course, 4 load credits, 8 enrolled, 32 sch
Course #6—3 credit course, 3 load credits, 5 enrolled, 15 sch
Course #7—4 credit course, 5 load credits, 8 enrolled, 32 sch
Course #8—3 credit course, 4 load credits, 5 enrolled, 15 sch
Course #9—4 credit course, 5 load credits, 5 enrolled, 20 sch
Course #10—3 credit course, 3 load credits, 10 enrolled, 30 sch
Course #11—3 credit course, 3 load credits, 7 enrolled, 21 sch
Course #12—3 credit course, 3 load credits, 9 enrolled, 27 sch
Course #13—4 credit course, 5 load credits, 6 enrolled, 24 sch
Course #14—4 credit course, 4 load credits, 9 enrolled, 36 sch
Course #15—4 credit course, 4 load credits, 10 enrolled, 40 sch
Course #16—4 credit course, 5 load credits, 10 enrolled, 40 sch

Total load credits: 77 (2.14 instructional FTE)

Total average inload cost: \$117,688.00

Total cost if overloaded: \$20,615.00

Direct Savings: \$97,073.00

Total Savings with additional overload eliminated: \$108,073.00