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# UA3/9 201 Advanced Practice Doctorates & Budget Reductions

WKU President's Office

Gary Ransdell

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## **1) 2011 General Assembly/Action on Advanced Practice Doctorates/Doctor of Physical Therapy at WKU; and 2) Budget Reductions for 2011-2012**

Ransdell, Gary

**Sent:** Friday, March 18, 2011 2:31 PM  
**To:** Faculty-All; Staff-All  
**Attachments:** Budget Reduction For FY20~1.docx (17 KB)

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Fellow Faculty and Staff:

### 1. Doctor of Physical Therapy at WKU

Legislative authorization to offer the Doctor of Physical Therapy (DPT) degree at WKU was our primary goal in the 2011 Kentucky General Assembly. Over the course of the last five years or so, we have been working with a group of physical therapists throughout western Kentucky, led by local Physical Therapist, Tom Pennington, to create the capacity to establish a Doctor of Physical Therapy degree program at WKU. This effort began in order to address the severe shortage of physical therapists that plagues the western region of our state. Currently, only two DPT programs exist in Kentucky—one public at UK, and the other private at Bellarmine in Louisville. With \$650,000 in private gifts in hand for start-up costs, we pursued passage of a law in the 2011 session of the General Assembly to allow WKU to establish a DPT program. SB130 was passed this session and will allow each of the state's comprehensive universities to offer up to three advanced practice doctorates, opening the door for us to pursue the DPT. The Bill also directs the CPE to work with the university presidents to further study the role of advanced practice doctorates at the comprehensive universities and to reach an agreement with the presidents on a recommendation to the legislature on the future course of these degree programs. WKU already offers the Doctor of Education degree and will begin offering the Doctor of Nursing Practice degree, which was approved in the 2010 legislative session. We will now begin the internal academic process to shape the DPT curriculum and pursue the appropriate campus and CPE approval processes with hopes of enrolling the first class of 30 DPT candidates in Fall 2012.

One of the commitments we made was that this degree would be financially self-sufficient. We will, therefore, price the tuition for this degree at a level considerably higher than other WKU graduate programs, and keep the tuition revenue generated by those enrolled within the business plan for this program. The extensive demand across our region and the number of applicants being turned away by more expensive programs in Louisville, Nashville, and Evansville give us confidence in the financial model.

### 2. FY 2011–12 Budget

The Budget Office has begun the process of preparing the campus budget for FY 2011–12. As you know, this will be the second year of the current 2011–2012 State Biennial Budget. At this point, we are identifying unavoidable cost increases in the context of a projected modest tuition rate increase for next fall. Tuition rates will be determined in concert with the Council on Postsecondary Education later this spring. In preparation for next year's budget, the Vice Presidents and Department Heads are faced with the challenge of further reducing our spending by \$2,311,700. This brings the total reductions in state funding for the four years of FY 2009, 2010, 2011, and 2012 to \$9,351,500. This amounts to an 11.4 percent reduction in state appropriations since 2008. We are tracking closely the current Special Session

in Frankfort dealing with the Medicaid shortfall, and remain hopeful that an agreement will be reached without further reductions to education.

The global recession has affected all aspects of our local, regional, state, and national economies, but as bad as it has impacted us at WKU, I must also acknowledge that our total impact over this period of time has not been as bad as most other states and many other public universities. On a brighter side, our combined University endowments have recovered to prerecessionary levels. Our Capital Campaign continues to march towards its 2012 goal of \$200 million, and the state's economy is showing signs of recovery. We remain, however, focused on pending legislative actions to balance the state budget given the aforementioned deficits in Medicaid.

The challenge we have on our campus is that most of the University's budget is in personnel costs, especially in the smaller divisions of the University. Previous cuts have severely limited the options for much of the University to further reduce operating expenses. Over the years, we have also done a good job of eliminating non-productive academic programs and administrative operations which, while important, may not have been essential to the core operations of the University.

We have tried to limit the impact of recent budget cuts for as much of the campus as possible, although the impact in most divisions is very real. Since 2008, we have eliminated few occupied positions and layoffs have been minimal. We have not instituted furloughs or reduced compensation variables for employees. We are also the only university in Kentucky since 2008 which has provided a recurring base salary increase to our employees. We have done this while continuing to add more University funding to our employee benefits program, particularly in health care premiums, and we have addressed these challenges while experiencing enrollment growth from the fall of 2006 to the fall of 2010 of 1,226 students or 8 percent. Fortunately, enrollment growth and DELO revenue have allowed us to provide a 3.5 percent total salary increase in the current year and fund a broad range of new faculty positions to keep our faculty to student ratios at 19:1.

We have hired five new vice presidential-level positions over the last 15 months who are anxious to make progress within their respective divisions. Most across the University, including our new vice presidents, understand, however, that we must get through this biennium, absorb these budget cuts, and position the University for a renewed period of enhancement going forward in the 2012–2014 biennium. We will begin that strategic planning process next year.

Our immediate challenge is how to most prudently reduce spending by \$2.3 million while sustaining as little negative impact as possible on our faculty, staff, and students. Every division of the University will share these difficult reductions. How divisions choose to make the required cuts is entirely up to those who lead their respective decisions. A description of how these cuts will be handled is attached.

In the meantime, we will do our very best to sustain a reasonable level of campus cohesion and esprit de corps and optimize our resources in the development of the FY 2011–12 University budget. We will utilize the revenue generated by a projected Fall 2011 tuition increase, and we will monitor closely our enrollment projections for next year to make sure that we have a stable revenue stream from tuition. I will keep you informed as this process continues to unfold. Thank you for your commitment to WKU and to your respective disciplines and duties.

Gary Ransdell

Attachment



For FY2012, there will be a recurring budget reduction totaling \$2,311,700. The reduction was distributed based on each division's state funding. Implementation of the budget reduction for FY2012 is as follows:

***Academic Affairs***

Personnel reductions totaling \$1,220,837 (7 full-time faculty and 5 full-time staff positions, 3 part-time transitional retiree faculty positions; partial cuts to 1 staff and 3 faculty positions, part-time funds for temporary faculty and staff members, graduate assistant and student worker funding, stipend and salary contingency funds) operating funds, travel/professional development, and capital funds will cover Academic Affairs' portion of the FY2012 reduction. \$1,476,127

***Athletics***

Contingency funds in Athletic Facilities are being reduced. This will delay maintenance projects and reduce travel capacity for staff and athletic teams. 47,545

***Campus Services and Facilities***

Eliminate 5 positions and another partial, material savings, and utility reduction. 348,800

***Chief Diversity Officer***

Temporary personnel funds, operating funds, and financial aid support will be reduced. This will impact efforts to assist campus units in bringing their websites into ADA Compliance; reduce support of Project Early Start (special orientation program for minority students admitted as "Conditional Admits"); and reduce financial aid support to minority students. 7,772

***Chief of Staff/General Counsel***

Operating and travel funds for professional development will be reduced. 5,952

***Development and Alumni Relations***

Eliminate one full-time position and new-donor acquisition annual fund piece resulting in less donors and a reduction in alumni giving participation rate. 45,965

***Finance and Administration***

Move Employee Wellness position to WKU Health Services (revenue dependent) and reduce computer/equipment replacement funds. 65,702

***Information Technology***

Various departments within the IT division will share in the budget reduction. This reduction will postpone the repair and replacement of aging equipment not only in IT but also in departments and computer labs. Parts and tools necessary to repair computers will be reduced. The amount of equipment available to loan to students and faculty will decrease. This reduction will also impact the implementation of new technologies and will limit the ability to respond to unforeseen equipment failures. 136,387

***President***

Reduce President's Home funds as the lease for the President's house on Chestnut is expiring. 10,908

***Public Affairs***

Reduce travel, non-employee services, operating funds and eliminate student aid and scholarship. The reduction in non-employees services impacts Gala, Marketing and Advertising, Government Relations and Campus Events. 25,995

***Research***

Reduce the cost share budgets for research and outreach. This reduction in the ability to cost-share grant proposals will be offset by increasing the cost-sharing role of the WKU Research Foundation. 23,972

***Student Affairs***

Reduce salary dollars due to savings on a position replacement and eliminate another position. Also will take reduction in computer replacement funds. 61,315

***Central Budgets***

Central contingency budgets will be reduced. This will hinder funding for unique opportunities and unanticipated expenses. 55,260