

TO: Fiscal Affairs Committee, Faculty Senate
FROM: D. W. Bailey, Chairman
SUBJECT: Report to Faculty Senate

The attached report was written some 10 days ago, shortly after the last Faculty Senate Meeting. I have been holding it wanting to be sure that I wanted to verbally present it to the Senate at the March meeting. As you will notice, it is not a committee report -- just my personal response to the Seeger and Buckman proposals. I felt the Seeger proposal in particular was poorly developed, poorly presented, full of variables, not backed with anything substantial, etc. I was at the point of standing to comment on the proposal when Dr. Buckman put the motion on the floor that gave the Seeger proposal to our committee. After the proposal was ours to deal with, I did not feel that my comments (which I had planned to make) would be appropriate.

Additional thought regarding a plan of attack on the subsequent Buckman motion did not lead me to anything but hopelessness. I am convinced that the fastest way to make us (as a committee) look like a "bunch" of fools would be to go to the university budget committee and ask for what Dr. Buckman wanted us to ask. The egg on our faces (and those of the whole Senate) would appear when after sitting in on the budget considerations, the Senate would not be able to agree on any area of the university's expenditure which should be reduced or done away with. I personally place both motions in the category of ill-conceived and short-sighted.

Unless something occurs to change my mind, I will present the attached report as coming from myself. I would, however, appreciate your allowing me to use you as a sounding board. I am not asking you to agree with the position I have taken, but I would like to hear your reaction and any suggestions you would like to make. If you feel I am in error, please let me know. I can always make a lot more changes.

D. W. Bailey

REPORT to the Faculty Senate regarding the Proposal of Dr. Ron Seeger, submitted to the Senate By Dr. Al Peterson (February, 1979 Meeting).

FROM the Fiscal Affairs Committee Chairman.

Data presented in this report were taken from the 1976-77 expenditure record of Western Kentucky University (Post Closing Trial Balance). The same data are now available in the 1977-78 record; however, this record has not been received as yet.

The proposal submitted by Dr. Seeger is that the Senate go on record (and recommend to the regents) as opposing the addition of 15 scholarships (Grants-in-Aid) to the football program, the idea being that this money could be added to faculty salaries. In addition, the proposal statement includes at least six statements, the purpose of which is to support the proposal. Due to the character of the support statements, both they and the proposal are dealt with in this report.

The support statements are repeated below with accompanying data and reaction by the Fiscal Affairs Committee Chairman.

1. That the current value of a Grant-in-Aid is about \$3000. This is probably rather accurate, as the value for the same in 1976-77 was \$2605. I would speculate that \$2850 to \$2950 would be more accurate. Data from the 1977-78 Post Closing Trial Balance will allow a better estimate.
2. That the football program operates at a considerable deficit. The program does in fact operate at a considerable deficit. During 1976-77 the total of football expenditures was \$257,722. Gate receipts totaled \$66,718. Revenue from Student Athletic Fees totaled \$184,737; some substantial part of this (probably about 40%) should be associated with the football program as revenue. This would suggest something on the order of a \$110,000 deficit. [The same type analysis applied to the basketball program (and assuming that about 50% of Student Athletic Fees should apply) would indicate that basketball probably operates at a minimum of a \$45,000 excess].

It is my opinion that more meaningful figures can be dealt with, if the entire athletic program is considered rather than just football. In a later part of this report that approach will be taken.

3. That decreases are projected in student enrollment. The trend seems evident, but members of the Senate did not seem to agree as to how extensive these decreases might be.
4. That possible losses in faculty positions may occur. Again, there is no basis for predicting this; however, it is always a possibility.
5. That no increases of a similar nature have been made in academic scholarships. This statement seems to be irrelevant to the purpose of the proposal -- to find more money for faculty salaries. In

addition, it should be pointed out that granting in-state tuition rates to certain southern Indiana counties has probably been far more effective in turning up warm bodies than doubling the value or the numbers of scholarships would be.

6. That there are positive rewards in belonging to the OVC. There are many who do not agree necessarily with this position. What would the OVC be without Western?

The proposal itself seems to be rather short-sighted. If it is a good thing that the number of Grants-in-Aid not be increased (for the reasons suggested in the proposal), then it ought to be a better thing to propose that the number of Grants-in-Aid be decreased, or that all Grants-in-Aid to athletes be eliminated. This would at least temporarily provide some additional funds for faculty salaries. Elimination of all Grants-in-Aid would have released (in 1976-77) \$285,435. This would have allowed slightly over a one per cent across-the-board faculty salary raise.

The second assignment (the Buckman Motion) given the Fiscal Affairs Committee at the last Senate meeting is closely related to the above discussion of the Seeger Proposal. The Fiscal Affairs Committee was asked to seek to meet with university fiscal officers now working on the budget and attempt to determine by studying the budget if any funds could be found which might be diverted into faculty salaries. The Fiscal Affairs Committee has not met with the appropriate university administrators (nor has the chairman).

A major obstacle which the Chairman of the Fiscal Affairs Committee sees in undertaking any study of this type is that he would like the Senate to instruct him as to which areas of the university operation it would like to see reduced in the budget or deleted from the budget. Actually, if the Senate could agree on this, the work of the Committee would be done.

The Chairman of the Fiscal Affairs Committee has not come to this meeting of the Senate having done nothing, however. Having spent many hours studying the university's expenditure records, he is prepared to suggest some areas which the Senate might wish to consider for cuts. They are as follows:

1. Delete the total Intercollegiate Athletic Program. The total cost in 1976-77 was \$792,608, revenue was \$336,955, and the deficit was \$455,753. The pertinent question that follows is, "Is the athletic program worth \$455,753?" I asked six persons (independently) to tell me what they thought would happen to student enrollment if Western suddenly disbanded intercollegiate athletics. I got almost exactly the same response from each. According to them I might expect a response similar to announcing that the ship was sinking or that I had bubonic plague. Their estimate was that it wouldn't take over a year to reduce the number of students by half.
2. University Farm. It operated at loss of \$5,474. That isn't much, but think of the increase in available funds if the whole thing were sold.

3. Incidentally, we don't want to say anything negative about the areas of Food Services, Housing, and the University Centers; they bring in much more than their cost of operation. Some of that excess may be directed toward debt retirement, however.
4. Speech Clinic. It cost us \$7,840. We could get along without that.
5. Hardin Planetarium. It cost \$41,057 to operate. We could close it down and try to sell it to "Hungry Jack" for a hat.
6. Campus Radio Station. It cost \$9,248.
7. University Honors Program. It cost \$4,673.
8. Faculty Senate. This meddling, but it cost \$1,167.
9. International Student Affairs Office. It cost \$8,995, and this figure is considerably larger now than it was in 1976-77. We could save a lot here.
10. University Sponsored Faculty Research, and Instruction Improvement, Grants. This cost \$49,744. Since I got one of these for this coming summer, I guess we had better keep that item.
11. Sabbatical Leave Program. There is no way to estimate the cost of this program, as much of it is absorbed within the departments.
12. Health Services. This cost us \$224,466. The students could get their morning-after pills somewhere else.
13. University Recreational Activities Program. This cost \$75,252. I don't know what this is, but it sounds like something we might be able to cut out.
14. Graduate Programs (especially those with few students). Both your guess and my guess as to the cost of this would probably be too low.
15. Department of Public Safety. This cost \$379,541. We could get rid of this and park anywhere we wanted to. This would solve two problems considered by the Senate.
16. University Attorney. That office cost the university \$35,982. In view of the fact that the regents recently approved securing outside legal services, there should be no reason why we would miss this office.
17. Office of Public Affairs and Community Relations. This cost \$170,563.
18. Alumni Affairs and Placement Office. This cost \$81,508 to operate. We could do away with this office and kill two birds with one stone: Save money, and take care of the rumored need for a new president's home.

19. Administration Undistributed (p. 142). This amounted to \$391,918. Since it would appear no one wanted to claim this, it probably ought to be the first area of the budget deleted. Actually, it includes a number of expenditures which cannot be assigned to any one office.
20. University School Relations. This cost \$102,971. Each department could do its own recruiting. The Biology Department does.
21. Office of University Publications. This cost \$123,942.
22. College Deans. I have heard numerous faculty say that their college deans didn't do anything, so maybe we could cut out that level of organization. That would save \$784,075. Although it is a smaller number, saying "three-quarters of a million dollars" sounds like more money.
23. Etc.

So what do we do in order to find more money for faculty salaries? There are many places where cut-backs probably could be made. The area of "Services" (to students, to faculty, and to the public) could be reduced. This is a very heavy segment of the operation of the University. Or we might want to phase out some of the more expensive programs, especially where there are small enrollments. In addition, there conceivably are far too many assistant deans and staff assistants. And on and on and on one might continue in listing areas.

In Summary: The much needed boost in faculty salaries can come about (on a limited allocation) only at the expense of some program, some service, someone else's job, etc. It takes approximately \$200,000 to provide an increase across-the-board in faculty salaries of one per cent. It would take a lot of cutting to get salaries back to the purchasing power of 1972. So where do we suggest cuts be made. I will speculate that there might not be one single item in the budget which at least 50% of the faculty would think ought to be deleted. As for myself, I probably could come up with ten to twenty areas in the budget which I think would never be missed if deleted from the budget. But could I get 50% of the faculty (much less the whole university community) to agree with me? No!

Although I am very hesitant to mention this, you and I are caught in a supply and demand pinch. I want to see salaries where they ought to be as badly as anyone; and I think the Faculty Senate should keep this concern continuously before administrators, the regents, and legislators. But, if projections on student enrollment are correct, and if we don't successfully counter these trends, the day will come when we will wonder what was so bad about a 4% raise.

Don W. Bailey, Chairman
Fiscal Affairs, Faculty Senate