

Budget Proposal Questions and Concerns to be addressed for the Strategic Planning and Budgeting Advisory Committee, Meeting Sept. 7

Corrections to original document:

- Athletics – operational restructuring should total \$103,752, not \$98,350
- College of Arts and Sciences – CAPS – will be able to eliminate a vacant faculty position through the revision of TWO majors, not one as originally listed.

Questions/issues that will be addressed via short presentation:

\$4 million of possible cuts were requested, but after removing those that were deemed not feasible, there remains \$3.06 million in possible cuts. The target is \$3m. So is it the committee's charge to find \$60k from those proposed cuts that would cause the greatest harm to the university community and recommend that those be spared? -- presenter Fritz Erickson

The committee's charge is to think through the proposals and give feedback and the pro's and con's, and where applicable, alternatives to a proposal that has been made. It is not the committee's charge to find \$60K from the proposals to save. When proposals are made they come with an estimated dollar figure that often changes as the actual implementation takes place. What looked like a \$300,000 savings might turn out to be a \$250,000 savings when all the details have been worked out. It is very likely that once all of the proposals are considered we'll find that there is not \$60,000 to work with. The committee's charge is to provide questions, insight, concerns and alternative ideas to the proposals that the university's leadership can consider before making final decisions. That advice will be invaluable in considering proposals from multiple perspectives.

What can be shared about Advancement Division reductions? -- Presenter President Fritz Erickson

There are several changes being made in the Advancement Division. Now that the new CEO, Brad Canale, has begun work at NMU – he officially started Tuesday (Sept. 6) – an outline of the restructuring process can be shared. But again, changes to the NMU Foundation do not impact the general fund budget reductions as the NMU Foundation is a separate budget.

When will the 5-year enrollment plan be released? -- presenter President Fritz Erickson

A revised version of the 5-year enrollment plan has been completed based on feedback from the Board of Trustees, Strategic Planning and Budgeting Advisory Committee, Leadership Team, Academic Cabinet and other NMU groups. The revised version will be shared with the Board of Trustees at its September meetings for additional feedback and then shared with the campus community, along with updates on budget reductions, strategic planning and construction projects, at a university forum in October. The President's Office is in the process of finalizing the date, time and site for the forum.

***Misunderstanding about "eliminated programs with 20 majors or less" – savings unknown
presenter Kerri Schuiling***

The proposal is not to "eliminate" programs with 20 majors or less, the proposal is to create a list of programs that have a three-year average of fewer than 20 major and/or who have twice the decrease in majors than the university's overall student population decline for that period. Also, there are questions about whether this will be a list that includes second majors – those who wrote on this topic strongly support including both first and second majors. One thing to make clear is that this is a starting point for which of NMU's 180 degrees should have their evaluations first – with all being evaluated for innovation and updating over time. Several questions about who would be doing the evaluation and what would be the criteria of the decision-making. Academic Senate's EPC will do the first level of evaluation and make recommendations.

Eliminate the College of Health Sciences and Professional Studies Office—savings \$317,000 – presenter Kerri Schuiling

Questions received on this topic: Are there are other universities of our size and nature that use something other than the college model and how does that work? How can Northern be considering eliminating one college and starting a national search for a dean for another? Can NMU have some academic departments reporting to deans and some academic departments reporting to the provost – isn't that confusing and inefficient? What are the pros and cons of eliminating a dean position? What is included in the \$317,000 in addition to the dean's salary? The discussion will focus on using one-time money to cover what will be a \$500,000 Academic Affairs administrative restructuring with eliminating college offices as one of several alternative to consider.

Eliminate UN100 – savings \$300,000 – presenter Jim Gadzinski

Those who questioned this proposal were very concerned about retention. A lot of retention data was presented to the Academic Senate for over a year before the Senate agreed to make the First-Year Experience Program (including UN100: Freshman Seminar) a requirement for all freshmen. Three primary questions: How will this not negatively impact retention? What are alternatives, if some are being explored? What would the alternatives cost? Several people wrote to say that they were concerned that Jim Gadzinski, who is on the committee, stated he didn't know that this was one of the budget proposals.

Answers to other questions, comments and concerns:

Can it be assumed that by eliminating the term position in the MPA program that the program is going to be eliminated as well? No, the proposal is to eliminate a term teaching position from the Master of Public Administration program. It is not a proposal to eliminate the program. There are at least two other faculty members currently designated to teach MPA courses.

Is the yearly base budget for GTAs really \$600,000? That seems high. Currently NMU employs around 100 graduate assistants, with 80 of these being graduate teaching assistants. The GA stipend is \$9,076 per year. Northern also covers the cost of tuition and fees for most GA's, which average \$8,600 per person. The tuition and fees plus yearly stipend multiplied by the number of GA's on campus this year comes to \$1.77 million. The \$600,000 is the amount in the college budgets that they allocate out annually for stipends and does not include the budgeted amounts in individual departments or the scholarship budgets.

How will there be fewer blocks in the First Year Experience Program? Will they be consolidated into larger blocks? Or less students enrolled in the program? Fewer First-Year Experience program blocks will be a result of both fewer students with a need for fewer blocks and a more strict adherence to the average block size of 25, rather than allowing some sections that are much smaller. Already in this year (2016-17) both dynamics are in play regarding the FYE blocks – there are overall fewer students and there was a more concentrated effort to completely fill each block of 25 and not have as many smaller blocks.

What does the \$163,000 savings for the College of Business proposal to eliminate the General Business/Health Information Processing/Office Information Assistant/Office Services programs cover? If there are about 50 majors in the general business degree, could that program be saved? The savings amount is the cost of two continuing faculty members' salaries. These are the two faculty who teach the majority of these associate degree program classes. There is ongoing discussion right now about whether the general business associate courses could be covered if the health information and OIA programs were eliminated, as well as if the current contingent faculty are qualified to teach the courses that the current position searches are for.

Hasn't the DSO position switch to HRL already happened? If this is already happening, why is it proposed? Yes, this has already happened. Proposals came in throughout the spring and summer – some early summer and some late summer. This was one of the early ones. This one was proposed, reviewed, discussed and a decision was made to act on it over the summer. It remained on the list because it was part of the Student Service area's target total and reflects all of that area's proposals that have been accepted or are being considered. There are also some in Finance and Administration regarding software licensing that had to be acted on prior to the renewal date and have been implemented.

Where exactly are the 18.6 FTE (faculty, staff, temporary, full-time, etc.). How many administrators are being cut? Does the non-rep number represent the two vice president positions eliminated recently? Please remember that the last meeting was Aug. 18 – just a few days from when the faculty had returned and a high period of annual leave among staff. So we were extremely cautious in trying not to identify positions and people holding them when we put out the budget proposals to ensure that all possibly impacted employees could be informed before position details became public information. Additionally, Human Resources has begun discussions with union leaders to notify them of the number of positions that would be impacted in their employee groups. However, because not all decisions are final yet, we still will not identify specific positions or people. The breakdown of the 17.6 FTE is as follows: AAUP – 7 FTE (2 currently vacant); NMUFA – 0 for 2016-17, potential 3 FTE; AP - 3 FTE (2 vacant); AFSCME – 1.1 FTE; TOPS - 2.5 FTE; Non-rep – 2 FTE. The non-rep number does not include the 2 vice president positions eliminated in 2015-16, but it does include the potential loss of a dean position if the College of Health Sciences and Professional Studies office is eliminated. The other is an eliminated SA position. Additional administrator position reductions are undetermined until the full Academic Affairs administrative reorganization is finalized.

The FTE target reduction is confusing. If by FTE we mean faculty positions, where in the document are these accounted for. Four vacant positions are mentioned at the top, which leaves 14.6 FTEs. Where in the document are these indicated?

The 18.6 FTE does not include only faculty as stated above. The 10 potential faculty positions come from the following: College of Arts and Sciences - 1 each in not filling positions in CAPS, Biology and Psychology (2 of these are currently vacant); College of Health Sciences and Professional Studies – eliminate a term position in the MPA program; College of Business – 2 positions would be lost if the associate programs are eliminated; College of Technology and Occupational Sciences – no positions are identified to be eliminated, but if automotive maintenance and aviation maintenance programs cannot survive as cost-recovery programs after the implementation period, the three faculty positions that are currently receiving general fund support would be lost. Academic Information Services – one faculty librarian position is being eliminated. Total – 10 faculty positions.

Only \$100,000 from the reserves is being pulled out for this problem? Reserves are not going to be used to restructure the budget to fit our current enrollment. The university must preserve a sufficient level of reserves to retain its current S&P financial rating and to meet federal, state, insurance and best-practice standards. This is a cut of reserves. In addition to this cut, at least \$1.5 million will be used to cover base budget reductions that need time to be implemented. Keep in mind that Northern spent \$2.5 million in reserves for one-time funding last year as well. Using reserves is not an option for budget restructuring that will sustain the university from year to year to year.

What does "savings realized from university's technology program changes" include? It was a combination of several factors, including savings from moving from a lease to a purchase, going from a three-year to a four-year replacement cycle, and an increase in cost for moving to a higher quality notebook computer. These factors combined with the decline in enrolment amounts to approximately a \$100,000 annual savings.

What does "eliminate some on-campus network infrastructure maintenance licenses and equipment" include? What impact will this have? Restructured maintenance process for equipment by utilizing self-insurance to produce annual savings on campus infrastructure. The impact will be minimal and revenue generated from the LTE system will produce dollars to reinvest in core infrastructure. There is some risk, the but plan is to maintain quality of service.

How much time will be needed to develop and maintain compliance software in house? [Campus] staff are very concerned about taxing programming resources that are already stretched. The development of the compliance software should take less than two weeks programming time. The ongoing maintenance time should be minimal. The same programmer is being utilized that helps maintain the current system in coordination with the current vendor.

Can we get a list of programs with fewer than 20 students that will be examined for sustainability? Now that the 10th day numbers have been calculated and we have the numbers for this year, Institutional Research will begin preparing the lists of programs with low three-year averages for majors. The lists will first be shared with the deans and academic department heads who will share it with their faculty and staff, then the Academic Senate's Education Policy Committee (EPC) and Strategic Planning and Budgeting Advisory Committee, and finally with the overall campus community – the latter most likely at the university forum being scheduled for October.

Other comments and concerns not directly related to the budget proposals:

Is the golf course fully cost recovery? Does it get any support from the university?

Yes, the golf course, which was a gift to the university, is fully cost recovery. The golf course does not receive any support from the University. It is an auxiliary operation, which means it can only spend as much as it brings in.

What return are we getting for the investment in football? How accurate are the Mlive.com numbers from last week?

There are 107 student-athletes on this year's football team sharing 34.32 scholarships. In other words, the average NMU football student-athlete receives less than a 1/3 scholarship. The team recruits students to NMU who would not be attending if we did not have the sport. These students pay tuition, room, board, fees and other student-related expenses above and beyond their typical 1/3 or less scholarship. In other words, they generate both headcount and overall revenue after expenses for the program are covered. The Mlive.com numbers are accurate, although there are institutional reporting differences. NMU is in the middle of the pack for football spending compared to its peers.

We have heard for two years that there is an intent to "flatten" administrative structure. Instead, we have added a VP, a dean, and a diversity officer. This while enrollment has fallen by 18% since 2010 and full-time equivalent teaching faculty has fallen by 16%. When will the flattening occur and how? We did eliminate two vice presidential positions last year. Two of the positions listed above are directly related to student recruitment efforts: VP to oversee online and off-campus program growth and diversity officer. Online education and growing currently underrepresented student populations are two potential ways to attack our current enrollment decline. We must look for new student populations since our traditional-aged, on-campus student population is anticipated to continue to shrink. As for the new dean position, we haven't technically added a position yet as Bob Eslinger, who is serving as interim dean, also continues to serve in his previous role. That will be an additional position when we do the national search in a year or two. The Academic Affairs Division has a task force that is looking at how to restructure Academic Affairs administration.

A couple of people have made comments/ suggestions about eliminating the mid-year (December) commencement. Has this been considered at all? What would the saving would be? This was not made as a formal proposal so it is not known if it has been considered at any point. The cost of last year's mid-year (December) commencement was approximately \$28,400, which

included \$4,800 for the Honors Breakfast. The Honors Breakfast has been recommended for elimination (\$11,000 for both the mid-year and spring breakfasts). Between 350-400 students participate in the December commencement. If the December commencement were to be eliminated, many of these students would not return to campus for the May ceremony. If many of them did return and participate in the May commencement, it is unlikely that the university could accommodate them all in one ceremony. Anecdotally, we know commencement is very important to students and NMU families and our participation rate in the commencement ceremony is quite high compared to many institutions.

How will high school dual enrollment program affect delivery of 100-level courses on campus. Might this cost us more in tuition than it generates? Studies on concurrent enrollment have shown that most students who have a good experience in concurrent enrollment while in high school continue their education with the college or university from whom they took the concurrent enrollment courses. We see concurrent enrollment as good for our current headcount, a potential revenue generator in the future, but most importantly as a cost effective recruiting effort. Because the high schools still pay the students' tuition – although at a discounted rate – we don't believe the loss in tuition dollars at the 100-level outweighs the potential gain in overall tuition if students continue their studies at Northern.

How much will the LTE system cost to build and maintain? We anticipate that each site we add to the network will cost between \$50,000 to \$100,000 to create – probably an average of about \$75,000 -- and then \$15,000 to \$25,000 per year to maintain. But those expenses will be recovered by the revenue generated for the services the network provides users at these sites. We are building a total cost recovery model of 5 years or less and there is potential to bring in revenue beyond the cost to maintain sites once they are established. We are also pursuing some grants that are available for organizations helping to bring high-speed broadband to rural areas. Because we're building the network over several years, it's hard to say exactly what the expense will be each year as sites vary in setup costs, but the goal is to have the network bring educational access to all parts of the U.P. with recovered costs to the university to do so.

Primarily, students come to NMU for the academic programs and quality of faculty. How can we change the incentive structure to encourage departments to make academic programs more student-focused (i.e., reduce unnecessary and arbitrary degree requirements, which will never happen when departments are punished for falling SCH generation). How can we leverage the power of faculty to attract students? The executive leadership is very interested in hearing ideas that go beyond increasing salaries, keeping the status quo or ideas that don't take into account a smaller student population, especially a smaller on-campus student population. What are the ideas? Would these ideas be good PIF grant proposals?

How much do phones cost, and how many could be removed? Could there be conference room in each dept where there is a phone available to faculty on those rare occasions when email, skype, etc are not sufficient, then remove most phones? Making this change would have some logistical challenges and probably wouldn't save the university that much money. The reason is that if the university needs any landline phones then it needs the phone infrastructure and the infrastructure is about the same cost whether there is one phone or 100 phones or 500 phones. The logistical challenges have to do with things like not wanting to publish people's private cell phone numbers as university numbers in case the person leaves the university, as well as addressing privacy issues. Northern purchasing cell phones doesn't work because employees don't want to deal with two cell phones (the one from the university and their personal phone) and offering more cell phone stipends than we have now would be more expensive than landline system over time. All that said, some individual departments may save departmental cost by lowering the number of landline phones it offers has since NMU charges by phone line, but even that is somewhat misleading because the university gives departments a set amount toward phones in their base budgets. Few departments go over their allotted phone funding over an academic year.

Concern about suggestion of going back to four 10-hour day work weeks in the summer. Although we realized energy cost savings when we were able to shut down facilities for three full days rather than two during the summer, the logistics regarding orientation, student recruitment and laboratory conditions became incredibly challenging. It certainly was worth trying at the time and accomplished what its original intent was –energy cost savings. However, at this time there are no plans to shorten the summer work week. Two people wrote in after the suggestion was made at the Aug. 18 meeting to voice strong concern about going back to a shortened week.

No funding of contingents seen "as a perfect storm" scenario. There is concern that there is no funding allocated for contingent faculty. The feedback contributor states that the use of summer monies will not be enough in some departments to fully staff contingent and overload assignments, (even after recent compression--- reduction of course offerings and increased classed sizes). She said that the shift of summer school monies to hire contingents takes money away from student travel and other things that have no base budget funding. Also, "since contingent hire is used instead of full-time hire, many departments will not be able to offer the amount of courses that are required to meet current enrollment and graduation requirements for students to finish degree programs, which can be dire for retention."