

deans newsletter

A Newsletter from the Deans About Issues Important to the Evergreen Community

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Update on Budgetary Matters

By John H. Perkins

I wanted to bring you up-to-date on the state of the instructional budgets. Evergreen's 1983-1985 biennial allocation was enough to keep us in business, but it had complexities that in the final analysis must be considered troublesome. We are fine as long as we have no new budget cuts and as long as regular faculty take leaves-without-pay in the numbers they usually do. We also have some reasons to hope for a supplemental appropriation from the 1984 Legislative session. The Board of Trustees remains committed to growth, and the President's Cabinet has made budget allocations in a way that supports our current growth momentum.

Background Information on the 1983-84 Allocation to Academics

The Legislature gave us an enrollment target of 2209 FTE students in each year of the 1983-1985 biennium. We believe that a mistake was made and that we should have had a higher target. As explained in more detail below, the College made a decision to use its Faculty Equalization Fund (a specially designated appropriation from the Legislature to improve the quality of education at the regional universities), to keep our faculty size at about the same level in 1983-1984 as it was in 1982-1983. We had been budgeted for 2300 FTE students in 1982-1983, and an enrollment of 2209 would have required reducing our faculty size by about 5 faculty FTE.

In addition to the size (2209), the Legislature mandated that we have at least 125.73 faculty FTE. We are therefore required to operate at a student/faculty ratio of 17.57 or lower ($2209 \div 125.73 = 17.57$). Ratios in the classroom are higher, of course, because some of our faculty are on leave, others are deans, and some direct graduate programs or centers. In addition, we must allow higher enrollments in our offerings in order to balance those offerings that have fewer than 17 students per faculty and to allow for attrition during the year.

It should be noted that the Legislative mandate for quality in 1983-1985 was a new move in State policy. In previous biennia, colleges were penalized for underenrollment by having to make paybacks. Now, we are forbidden to overenroll and thereby dilute the resources spent per student. I think all of us will appreciate the Legislature's concern for quality, but the new set of rules in a period of enrollment growth is causing some problems for us.

The President's Cabinet decided last spring that we would aim for an enrollment of 2250 student FTEs in 1983-84, which would require at least 128.06 faculty FTEs ($2250 \div 17.57 = 128.06$). In addition, the Cabinet decided to hire two extra visiting faculty (music and film/video) in order to have offerings in areas that are known to have high student demand. If we assume that each of two new faculty has no more than 17.57 FTE students, then the Cabinet's implicit enrollment target was 2285 FTE students ($2250 + (2)(17.57) = 2285$). For this student FTE load, we must be able to show the Legislature that we had 130.05 faculty FTE ($2285 \div 17.57 = 130.05$).

How Do We Pay for the Faculty Needed?

Faculty salaries and support costs are generated by formulas that are driven by the number of student FTEs that the State agrees to educate. In other words, once the State has decided how many students it will educate, a dollar figure is generated for faculty salaries, benefits, and support costs. Support costs include all travel, supplies, secretarial help, instructional technicians, and other items that must be provided in order for the instructional program to proceed.

An enrollment of 2209 student FTEs generates by formula \$5,436,390. The amount needed to support the faculty for 2285 FTE students is \$5,744,824, or \$308,434 more than was allocated by the Legislature for 2209 FTEs ($\$5,436,390 + \$308,434 = \$5,744,824$).

Where did the extra \$308,434 come from? \$129,434 was "taken" from the support funds allocated by the Legislature to other units of the College (Facilities, Administration, Library, etc.). The reason for this "rich" allocation to academics is that we have always believed that the teaching activity merited the highest support levels.

The rest of the money, \$179,000, came from the Faculty Equalization Fund ($\$129,434 + \$179,000 = \$308,434$).

The Faculty Equalization Fund

Our appropriation bill from the Legislature provided that for 1983-85, "\$462,000 is appropriated from the general fund for regional university and college faculty resource equalization. These moneys may be used for faculty salary adjustments and staffing purposes."

The genesis of the Fund was an attempt by the Legislature to equalize the quality of education at each of the regional universities. "Quality" in this context meant an equal number of dollars spent per student. Eastern Washington University has higher expenditures per student because they have a higher average faculty salary than the other regionals (Central, Western, and Evergreen). (There is some evidence that Eastern's faculty is more senior than those at the other regionals.) The theory was that all of the regionals except Eastern would have this special Fund that could be

used to equalize the per capita expenditures. The Fund could be spent either on raising faculty salaries or on increases in faculty and staff numbers.

The President's Cabinet chose last spring to allocate at least part of the Faculty Equalization Fund to increasing the staffing of the college. The Legislature's mandated enrollment of 2209 FTEs was down 91 from our 1982-1983 budgeted enrollment of 2300 FTE. Had we not used some of the fund for hiring faculty, we would have had to shrink our faculty size from 130.90 to 125.73, a loss of about 5 FTE.

By our own RIF policy, the first faculty to go would have had to be visiting faculty. All of our visitors, however, are in curricular areas that have high student demands. Had we not used the Fund to increase our student enrollments, therefore, we would have been in the peculiar situation of releasing our visitors in order to shrink to 2209 FTEs yet possibly not being able to make the 2209 FTEs because certain high-demand offerings would have been cancelled, and the students currently enrolled in them may have chosen not to attend Evergreen. Beyond this immediate paradox, the College is still quite precarious in terms of its size. We have been ordered by the Legislature to grow. To be sure, the State in the past few years has not given us the faculty salary dollars to hire faculty in order to grow. Nevertheless, we dare not show an easy willingness to shrink lest the demands for closure due to insufficient size get re-kindled in the Legislature.

Request for Supplemental Appropriation

We believe we have a particularly strong case for asking for a supplemental appropriation in 1984: The mistake in our enrollment numbers combined with our healthy enrollments of 2472 FTE in Fall Quarter, give us urgent needs for more funds. Accordingly, Dick Schwartz submitted a request to the Governor for a sum of money that would enable us to have 2350 FTE in 1983-1984 and 2400 FTE in 1984-1985.

If we are fortunate enough to receive the entire supplemental appropriation, it will be possible for us to have our current size, grow slightly in 1984-1985, and still not have to use the Faculty Equalization Fund entirely for staffing purposes. The Fund would then be free to be used for its original purposes, such as faculty raises. If we receive only a part of the supplemental appropriation, we will have to see how much it is and then decide what to do about the Fund.

Use of the Fund if no Supplemental Appropriation Is Approved

What does the current situation mean for the Fund? We spent \$179,000 of the \$462,000 in 1983-1984 in order to have a faculty large enough for 2285 FTE. In fact, we got 2472.9 FTE, and we are expecting to show an annual average FTE of 2360, which is 75 FTE larger than what we budgeted. We thus have the unusual pleasure of

being overenrolled for 1983-1984. In fact, due to the Legislative mandate of showing no more than 17.57 student FTE per faculty FTE, we may have to increase our adjunct faculty size during the current year or decrease enrollments in order to be in compliance with the Legislature.

What fate, therefore awaits the Fund if no supplemental appropriation is received? To maintain our currently budgeted size at 2285 in 1984-1985 means that we must also spend \$179,000 from the Fund in the second year of the biennium. Therefore we would already have obligated \$358,000 of the Fund ($\$179,000 + 179,000 = \$358,000$). Only \$104,000 of the fund would remain unencumbered.

The problem is, a budget for 2285 FTE is not large enough in terms of the students who are actually here. We would in all likelihood have to dip into the remaining \$104,000 in order to increase our faculty size enough in order to meet the Legislature's mandated student/faculty ratio. Alternatively, we could cut back on enrollments, but that solution is filled with considerable risk. Evergreen is still precarious enough to suggest that we are best advised not in any way to limit our enrollments or stifle our current growth momentum, especially when growth appears feasible.

The Problem of Our Faculty Size

As of this moment, we have 117 people with three-year contracts. In addition, six administrators are Regular Members of the Faculty (4 Deans, the Provost, and the President). Two of the administrators are paid from a state allocation separate from faculty salary money, but the Deans are paid from the funds allocated to the Faculty. For the most part, the six administrators with faculty appointments do not cloud the picture of how many faculty lines we have committed, but occasionally an administrator reverts to the faculty. We must be prepared to honor the movement to the teaching faculty when it occurs.

How many faculty lines can we afford? The answer depends clearly upon (a) the target enrollment given to us by the Legislature and (b) the use we make of the Faculty Equalization Fund. Based on our mandated enrollment of 2209 FTE, we can have a faculty of 125.73 or more. At 2285, we can have a faculty of 130.05 or more. As mentioned earlier, we were able to move to an enrollment of 2285 FTE and a faculty size of 130.05 FTE only by using the Fund.

Are we still in "bad shape" in terms of our faculty size? Based on the mandated enrollment of 2209, the answer is clearly yes. At 2209 FTE, our current faculty "needs" are higher than 125.73. If all our faculty were here we would have almost 125.73 commitments based on the following: 117 regular faculty + 5.33 deans + 2.33 teachers' certification - 124.66. We would have only 1.07 FTE for all adjuncts and visitors ($125.73 - 124.66 - 1.07$).

Currently we have 5.67 visitors and about 3 adjunct FTE. We were able to afford the extra 8.67 FTE only by use of two resources. First, 4.33 regular faculty FTE went on leave-without-pay in 1983-1984. Second, we used part of the Faculty Equalization Fund to bring our budgeted enrollment to 2285. Without those two resources, our ability to offer our curriculum would have been severely impaired.

The bottom line of these calculations is that our "RIF cushion" has been eroded by the budget cuts of the past three years. The RIF cushion served its purpose well in that we never had to enter a RIF situation. Nevertheless we collectively must remember that we remain in a rather difficult situation. Our needs for our current 5.67 visiting faculty FTE and for adjunct faculty are genuine, yet by our current Legislative appropriation we have no way of meeting that need except through leaves without pay from the regular faculty and from use of the Faculty Equalization fund. If we receive a supplemental appropriation, we may be in good shape to support our current faculty size, allow for some likely growth in 1984-1985, and use some of the Faculty Equalization Fund for faculty raises.