



University of Oregon
College of Arts and Sciences

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To: CAS Department Heads and Budget Managers

From: W. Andrew Marcus

Re: CAS Budget

Following the update I provided at our December heads meeting and today's heads and managers meetings I have heard from several of you regarding concerns about the CAS budget deficit. I appreciate how disconcerting it is for us to be making budget reductions right now, and this prompts me to reiterate the reasons behind this and clarify the process ahead.

As President Schill stated in his message to campus last week; it is imperative that we move the institution forward by aligning our resources to our greatest priorities (<https://president.uoregon.edu/content/aligning-our-resources-support-academic-excellence>). For CAS, this means we must make difficult but necessary budget cuts that allow us to align instructional resources with instructional needs while creating the opportunity to grow our tenure-track faculty. Although it will force us to make difficult decisions, I strongly endorse President Schill's message—that attaining a higher level of research excellence as an institution requires us to realign our resources to better support our goals.

Achieving our research and instructional goals has been complicated by the significant budget shortfall that CAS has carried for the last two years, something we have discussed many times in meetings with heads, faculty, and staff. At one point, our projected annual operating deficit exceeded \$12 million. Thus far, we have been able to avoid major reductions by using carry forward funds. In addition, central administration has worked with the college to shift funds to CAS. In the past year alone, our central administration has authorized a permanent, recurring budget augmentation of \$7 million per year, provided a one time transfer of \$4M to our budget, altered the budget model to add SCH-based funds to all school and colleges, and helped CAS remove major costs centers (startups and high performance computing) from our budget. Even with these measures, however, we face a projected deficit of about \$4 million in the 2015-16 fiscal year. We therefore need to implement cost-savings measures in order to balance the budget in future years.

At our September heads retreat, Provost Scott Coltrane outlined the many steps taken by central administration to help CAS balance its budget—and also made clear the expectation that CAS must bring costs in line with expenses within the next year and a half. Now that we know the level of support that will be provided by central administration, it is time to move forward with a plan.

Because 96% of the college budget supports personnel, reducing costs means we have to reduce overall personnel numbers. At the same time, per the President's mandate, we need to align resources to support growth of tenure-track faculty and position ourselves to attain the highest

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levels of research excellence. Reductions in personnel will primarily involve NTTFs and a smaller number of staff.

Our decision-making will be aimed at addressing imbalances in enrollment and the number instructional personnel in departments that have experienced dramatic increases or decreases. Student credit hours in the humanities, for instance, are down 8% overall since 2007-08 while our humanities tenure-track lines have grown by 19%, GTFs by 4%, and instructional NTTF FTE by 80%. There are many reasons for these disparate growth rates, including some that reflect good pedagogical practice (e.g. decreasing composition section sizes), but the overall picture indicates a need to bring our instructional resources in line with our instructional needs and research aspirations. I have attached four graphs which illustrate the large shift in student credit hours over the last eight years — a shift that has created significant imbalances between instructional need and non-tenured personnel. The preponderance of cuts will be in those departments where enrollment is down and instructional staffing is up.

As I have said for many months, this will require hard decisions — decisions we will make in close collaboration with you. In this month and next, the dean's office will be meeting with individual departments to discuss personnel needs for 2016-17. We will also be working closely with central administration and United Academics.

I know these decisions will have a direct impact on you and your colleagues. I also realize that budget reductions have an impact on morale and, in particular, contract non-renewals will affect people who are important to us. Therefore, I want to share our guiding principles going forward. We will work to be respectful and sensitive to the needs of those affected. In order to be transparent and consistent, we will use metrics to guide our decision-making; however, we will not be subservient to the metrics—department heads will have the opportunity to discuss budget reductions and offer alternative mechanisms to try to achieve the same recurring cost reductions within their department. We will work to provide as much advance notice as possible to those whose contracts will not be renewed.

I do not take any of this work lightly; in fact, I have thought often over the past two years about the best path forward through these challenging times. During that period, I have reached out to many of you and sought your input. While the decisions regarding how to balance our budget are mine, I want to emphasize that my thinking has been profoundly influenced by the feedback I have received from many within our campus community.

This will be challenging. Thank you in advance for the thought, care, and passion I know you will bring to these conversations as we work through this time of transition.

Normalized ratio figures: The four graphs below display the growth in various instructional personnel FTE (TTF, NTTF, and GTF) and student credit hours (SCH) since AY2007-08. That year is used to normalize each series because it came at the end of a period of stable enrollments and state funding when instructional resources and needs were in relative alignment before major enrollment swings. The relative change since that date is used to calculate the ratio; for example, if there were 100 TTF in 2007-08 and 150 TTF in 2014-15, then the ratio in AY2014-15 relative to 2007-08 is $150/100=1.5$. Another way of thinking of this is that the ratios indicate the percent change since 2007-08. For example, the graph below for all of CAS shows that 2015-2016 NTTF FTE have grown by 89% (ratio = 1.89) relative to 2007-08.



