

# AAUP

# NEWS



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## College financial status remains unclear

Faculty concerns about the College's financial health have not yet been fully addressed by the administration, despite faculty attempts to seek additional information from the College Board of Trustees.

On January 14, the Faculty Senate learned from President Wright that the Ohio Board of Regents (OBOR) is examining Cincinnati State's financial health.

President Wright met with OBOR Chancellor Rodney Chu on February 4 to discuss the situation. According to several administrators, a positive resolution to OBOR concerns is anticipated, but the situation is not yet resolved.

### Wright tells Senate to expect tuition raise & budget cuts

President Wright met with the Faculty Senate on January 14 to discuss several topics, including the Senate's proposal to establish a Quality Team to conduct research and make recommendations to the administration concerning sources of institutional funding.

According to Faculty Senate President Diane Stump, Dr. Wright told the Senate that he would be asking the Board of Trustees to consider approving

a tuition increase very soon.

Dr. Wright told the Senate a tuition increase was needed because the Ohio Board of Regents (OBOR) was examining the College's financial picture in relation to standards the OBOR uses to assess the financial health of all state-assisted colleges and universities. (See "Background" below.)

Diane said that Dr. Wright told the Senate he had discussed the College's financial situation with Chancellor Chu and with OBOR staff members.

According to Diane, President Wright told the Senate that it would be "a dilemma" to

complete fiscal year 2004 (the current budget year) without again falling below the OBOR standard for measuring fiscal health.

Diane said that President Wright told the Senate that in addition to a tuition increase, immediate reductions in College spending would be required.

According to Diane, Dr. Wright said that finding ways to decrease costs in the current-year budget was "not the concern" of the Senate.

Dr. Wright also told the Senate that a calendar for budget

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### Background: OBOR financial standards stated in Ohio law

In 1997 the Ohio legislature passed Senate Bill 6, titled "Campus Financial Accountability."

This law requires Ohio's public colleges and universities to submit quarterly and annual financial information to the OBOR. The Regents use a standard formula to interpret the financial information and to assign each institution a "composite score" on a scale ranging from 0 to 5.

A composite score of 1.75 or lower for two consecutive years

requires the OBOR to place the institution on "fiscal watch."

According to OBOR documents, Cincinnati State's composite score for fiscal year 2002 was 4.0. However, for fiscal year 2003, the composite score for the College dropped to 1.3, which is below the OBOR standard.

More information about Senate Bill 6 is available on the OBOR website at [www.regents.state.oh.us/financial/sb6.html](http://www.regents.state.oh.us/financial/sb6.html).

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processes was "being worked on" by Vice President for Finance Bill Rollins.

### **Board is silent on financial issues**

At the Board of Trustees meeting on January 27, Faculty Senate President Stump informed the Board about faculty concerns.

Mr. Rollins' financial report to the Board, which preceded the Faculty Senate report, did not include any mention of OBOR fiscal concerns, and the Board members did not have any questions or comments about Mr. Rollins' report.

As part of the Faculty Senate report, Diane said that faculty are "very concerned and interested in understanding how the [drop in the College's composite score from 4.0 to 1.3] occurred, and also how the institution plans to address it."

Diane also said to the Board, "As you consider ways to address this fiscal dilemma, as a representative of the faculty I strongly encourage you to include faculty as stakeholders at every level of the data gathering and decision making process."

Diane continued, "Because of our day-to-day interaction with our most important stakeholders, our students, we are your best resource for assessing the impact of proposed financial changes on the quality of our educational mission."

After Diane's statement, Board Chair Annette Smith-Tarver asked Dr. Wright to respond. Dr. Wright said he was "in contact with the OBOR" about how the composite score was calculated. Dr. Wright said he believes there were "errors and miscalculations" in the OBOR's processes.

Dr. Wright said that he would report the results of his meetings with the OBOR to the College community. He also said he "appreciated the concern" of the faculty as well as faculty willingness to "be part of the solution."

The Board members did not question or discuss the concerns expressed by Diane. No mention was made at the Board meeting of either possible tuition increases or possible budget cuts.

AAUP Chapter President Pam Ecker said she asked Board Chair Smith-Tarver for additional information after the Board meeting ended.

"Mrs. Smith-Tarver told me that she expected the situation with the Regents to be resolved in about a week and that she expected that the OBOR would recalculate Cincinnati State's composite score," Pam said.

"Mrs. Smith-Tarver also told me that faculty did not need to worry about a problem with the overall financial health of the College," Pam said.

### **President sends e-mail**

On February 2, a week after the Board meeting, President Wright sent an e-mail "Special Report - College's fiscal rating."

The President's e-mail said that the Regents' low composite score for Cincinnati State stemmed from "an interpretation [by the OBOR staff] of a modification in Senate Bill 6" concerning how to evaluate the unspent proceeds of the bonds sold to finance construction of the new Advanced Technology and Learning Center building.

Dr. Wright's e-mail said that he would be meeting with Chancellor Chu on February 4 to "determine how we can remedy the calculation [of the composite

score]." The President's e-mail said, "Our expectation is that we will find a mutually beneficial resolution to this matter," and the President said he would keep the College community informed of progress.

### **Administrators & some divisions discuss possible budget cuts**

On Friday, February 6, College administrators were asked to attend a specially-scheduled meeting dealing with the College budget and other topics.

According to Pam Ecker, several College administrators said that as of Friday, the situation with the OBOR was not yet resolved, and that Deans and non-academic department managers had been asked to examine their current-year budgets to determine where cuts could be made.

The administrators said that no specific amount or percentage for cuts was given at the meeting.

Faculty in some divisions were told on Thursday, February 5, at scheduled divisional meetings that Deans had been asked to find ways to cut their operating budgets for this year, including possible cuts in assignment of overload classes to full-time faculty, or possible reductions to budgets for faculty professional development and travel.

Pam said, "I attempted to meet with Dr. Wright on Friday to gain information about the outcome of his meeting with the Regents and about impending changes to the College financial picture, but Dr. Wright was not available."

Pam said, "Administrators who were available said that the OBOR has not reached a conclusion, but it seems likely that the College's low composite

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# Let the sunshine in on College finances

-- A statement by the Cincinnati State AAUP Executive Committee

We are concerned about our Board of Trustees' lack of public discussion about the financial health of the College.

Each year the Board routinely approves a College budget with little, if any, public discussion of details. Attendees at the January 27 meeting of the Board were treated to yet another troubling example of the Board's public silence on financial matters.

After the financial crisis experienced by Central State University in the mid-1990's the Ohio legislature passed in 1997 Senate Bill 6, which requires Ohio's public colleges and universities to submit quarterly and annual financial information to the Ohio Board of Regents.

The Regents then use a standard formula to interpret these numbers and calculate a "composite score" from 0 to 5. A score of 1.75 or below for two consecutive years causes the Regents to place an institution on "fiscal watch."

Cincinnati State has enjoyed fairly good composite scores over the years. At the end of fiscal year 2002 the College's composite score was 4.0.

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score for fiscal year 2003 may be viewed by the OBOR as a 'one-time blip' in Cincinnati State finances."

"Administrators said they were told to continue looking for ways to cut their budgets, and they said the President will be asking the Board to approve a tuition increase," Pam said. "However, at this point there does not appear to be a clear timetable in place for when these changes will happen."

However (as the story on pages 1 and 2 explains) our Faculty Senate recently learned--beginning with a conversation with Dr. Wright-- that the Regents are concerned because Cincinnati State's fiscal year 2003 composite score dropped to 1.3, well below the 1.75 threshold for fiscal watch. And, apparently, the first two quarters of fiscal year 2004 did not show much improvement.

A number of faculty members attended the January 27 meeting of the Board, expecting that we would hear the Board members discuss this situation.

Chief Financial Officer Bill Rollins made his regular report to the Board on the College's financial status. The Board members heard and accepted the report with deafening silence. Not a single question was asked and not a bit of discussion was heard regarding the potential fiscal watch situation.

Fortunately, Faculty Senate President Diane Stump was not silent. During the Faculty Senate's standing slot on the Board's meeting agenda, she asked the Board to address the question of the College's financial health.

Only then did the President, at the direction of the Board Chair, address the issue. There was no comment or discussion by the Board members.

A week later, the President sent an e-mail to the College community reiterating what he had reported at the Board meeting: our administration and the Board of Regents have a difference of opinion on how the composite score is calculated. This difference of interpretation of the law stems from the ways that accountants keep track of

the College's assets. At the least, there seems to be a question about whether the revenues from the bonds sold to construct the new building should be counted as assets or not.

The President said on Jan. 27 and again on Feb. 2 and again (to administrators) on Feb. 6 that he is discussing the situation with the Regents and that this matter will be cleared up soon.

We don't know whose interpretation of Senate Bill 6 is correct, or what is really the current financial health of our College. Rumors about imminent tuition increases and budget cuts continue to fill the halls.

Our concern is that we cannot rely on hearing any discussion of these matters at the public meetings of our Board of Trustees.

Ohio Revised Code 121 (the "Sunshine Law") requires that all meetings of a "public body" like our Board of Trustees, and that all discussions about matters facing a "public institution" like our College should be held in the open, subject to the scrutiny of all citizens.

Only certain exceptions are permitted for discussion behind closed doors, in a board's "executive sessions." These legal exceptions include topics like real estate acquisitions, trial preparation and matters requiring attorney/client privilege, employee discipline issues, and collective bargaining.

The fiscal health of our institution is not a proper matter for secret, executive-session discussion. We urge our Board members to open their meeting room door and let a little sunshine in.

# Days can be donated to Sick Leave Bank starting Feb. 13

The second annual "Have a Heart; Do Your Part" campaign to encourage donations to the employee Sick Leave Bank will begin Friday, February 13. A Continental Breakfast will be available from 8:00 to 9:30 a.m. in the Continental Room.

All employees are welcome to stop by for refreshments and AAUP bargaining unit members may also fill out the form used to donate days to the College Sick Leave Bank.

The Sick Leave Bank is described in Article X(E)(2) of the AAUP Unit 1 contract. Faculty bargaining unit members with at least 35 days of accumulated sick leave may donate up to 10 non-refundable days each year to the Sick Leave Bank.

Any College employee (not just faculty members) who has fewer than 10 days of accumulated sick or personal leave, and who anticipates the

need for more, may submit a request to the Human Resources Office to use time from the Sick Leave Bank.

AAUP Chapter President Pam Ecker said, "Last year, in our first 'Have a Heart; Do Your

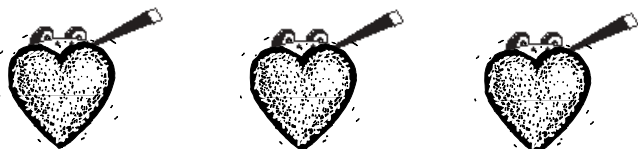
requested additional leave days because they were having surgery or dealing with serious illness, and had used up their own available sick leave and personal leave days."

Pam added, "It's gratifying to know that the Faculty initiative to start a Sick Leave Bank, which was achieved as a part of our Unit 1 contract negotiations, has been able to provide real help to several members of the Cincinnati State community."

"Although the Bank is not 'empty' at the moment, we hope all faculty members with at least 35 days of accumulated leave will consider donating some days to the Bank this year," Pam said.

Additional information about the processes for donating and requesting days will be available at the Breakfast on Friday.

**Have a Heart; Do Your Part**  
**Contribute to the Sick Leave Bank**



**Enjoy Breakfast in the Continental Room**  
**Friday, Feb. 13 • 8:00 to 9:30 a.m.**

Part' campaign, 39 faculty members participated in donating a total of 203 days to the Sick Leave Bank."

"During the past year, the Human Resources Office has allocated a total of 79 days from the Bank," Pam continued. "Those days were used by faculty and non-faculty employees of the College who

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