

24 April 2023 Student Senate Meeting  
*Meeting Called to Order at 7:05 PM*  
Quorum is met

## Budget Transparency Panel

### 1. Opening Statements

#### a. Provost Kelly:

- i. Provost Kelly will be talking specifically about the academic programs. With fewer students we need fewer course offerings on campus. We have looked at every course offerings for the past year and compared them to enrollments in an effort to understand how many classes we needed based upon projected enrollment. We have suggested reductions in courses based upon the enrollment projections for next year. There are times when adaptations to the normal schedule occur as a response to student demand which is normal and happens every year. Changes to course offerings are not due to budget.
- ii. When we made these course reductions in January this meant that some of our visiting professors will not be returning and some of our tenured faculty may be resigning. This also happens almost every year.
- iii. The school will not be closing any academic majors or minors, we are expected to “teach out” any majors/minors that were promised to you.
- iv. From feedback from the tabling response, we are working on things such as transferring in credits, changing the general education requirements, and working on ease of understanding of the scheduling grid.

#### b. President Bergman: We are interested in your thoughts on the college budget. We also want to clarify misconceptions and rumors.

- i. Gustavus is facing a challenge relating to enrollment. We are optimally sized for 2200-2400 students, and we are currently at 1900 students. This is due to a couple smaller class sizes than previous years and some issues with retention during the pandemic. We are having a much better year in terms of student recruitment. The school is not at risk of closing. The bottom line is that we are 300-400 students below optimal enrollment for the college. We are a mission driven college, but at the same time a tuition driven institution that needs to cover expenses and operations. We cannot increase prices in the middle of a challenge, and we recognize that the tuition that you pay is a significant investment.
- ii. We are hearing the talk of faculty cuts, cuts to student programs, and the closing of Pittman and are ready to discuss this.

#### c. Dean JoNes:

- i. The decision to take Pittman off-line was because of the extra beds we had vs number of students enrolled, especially when we do not take into consideration the automatic exceptions to the 4 yr residency requirement. We anticipate having more beds than students next year, so we decided to close Pittman for a year to save about \$100,000. If we continue to have lower enrollment year after year, we would probably pit Pittman back on and take a different building off. We do not know at this time whether we have the budget to make improvements to Pittman while it is off-line. There is a plan in place for changes that would be made to transfer away from traditional dorm style living once there is a budget for it.
- ii. We have also implemented a new parking plan for the upcoming school year. New first year students are going to be moved to remote parking which will make room for upper class students—particularly in Complex and Uhler.

## 2. Questions

- a. What are the highest priorities on the budget for the college?
  - i. We try to take the lens of students first on everything. The biggest item on the budget is salaries and benefits for employees (abt  $\frac{2}{3}$  of budget). Being a residential campus is a people intensive organization.
  - ii. In terms of financial aid, the college supports financial aid out of the budget.
- b. When was action started to prevent a budget crisis?
  - i. During the pandemic, the school received the benefit of significant federal funding. During the 2021-2022 academic year when we became concerned about slightly lower enrollment, we were interested to see how the college would fare after the pandemic. In a survey done in the previous summer, we found that the name recognition for the college has decreased due to the pandemic. In all, about a year ago action was started in order to ensure we did not lose prospective students because they did not know about us.
- c. Could you explain the 50/50 cut to faculty retirement plans?
  - i. The reduction in faculty retirement is a college contribution reduction. Typically the college makes a 7% contribution to faculty and staff, this was reduced to 3.5% across the employment base as we came into the 2023-2024 academic year.
  - ii. There are faculty retiring, some people may view this as a cut, but this is incorrect. We typically have 4-6 tenured faculty who resign/retire at the end of an academic year. We typically have between 10-15 visiting faculty whose contracts are not renewed in the following year.
- d. Students are concerned about administration v.s. Faculty in this budget cut, how do these compare? Compare across institutions?

- i. First of all, faculty = professors. Staff = everyone who is not a faculty member. Employees = everyone who gets a paycheck.
  - ii. The cut from retirement contributions is all employees. There are also cuts being made to personnel, most of this is right now being handled by not filling positions where people have left. For example, a career specialist recently left and her position will not be filled next year.
  - iii. Employees across the college will not receive raises in the upcoming year.
- e. Why do student orgs, such as CAB receive so much funding, when other areas of campus are receiving cuts?
  - i. The student activity fee will not rise, and it will still be split between student senate, cab, and building bridges. DLC will still be funded by the senate. The spring budgeting request closes at midnight tonight, so student orgs can still request funding. So, the only change would be orgs that fund other orgs cutting back on funding for certain things.
  - ii. When there are fewer students, there is a smaller pot of money that exists for the student activity fee. So, if it feels like there is less funding going to student orgs this is probably why. This money would not get cut by college budget cuts.
- f. Will changes in the overload fee waiver be brought up to the student body? Will students with a GPA over 3.85 have to pay the fee?
  - i. We discussed this at the beginning of the year, as a DEIB issue. Why should some students not have to pay and other students do? We recognize that sometimes it is necessary for students to overload in order to finish their degree. It is not the intention to change that in the upcoming year, but because of the DEIB issue a change needs to be made.
- g. Will funding for DEIB and the CIE be prioritized despite the budget cuts?
  - i. Right now we have no intent to change what the CIE can offer. We are careful about every aspect of the budget.
- h. Are there any plans to raise the hourly wage of staff? How do you plan to address the janitorial shortage on campus?
  - i. The school is constantly looking to hire custodians, so that we are not short staffed. The school is also short staffed in the dining area.
- i. Is Phase 3 of Lund still considered in spite of the budget crisis? How have these projects impacted the college budget?
  - i. There are always capital projects going on in a campus our size. Lund was always next in line to receive an update, Phase 2 and 3 will not start until we raise the funds to do so. These projects are donor funded and are depreciated over the lifetime of the building, the college tries to hold the depreciation to a fixed amount within the budget.
- j. Would Gustavus lock-in student tuition over 4 years?

- i. This was done previously in college history. This can be beneficial for students, but it does not allow for us to give college employees a raise every year. Part of the cost we pass on to students is part of the costs of running the college (staff wages).
- k. How is Gustavus comparing and faring in comparison to other universities?
  - i. Enrollment: the really well endowed highly selective colleges (Carleton) can go up and down a lot easier than Gustavus can. We are aware that other colleges in MN are struggling and making changes in their budgets as well. St. Olaf is very similar to us in some ways, but they charge a higher tuition than we do. Gustavus gives some of the largest discounts to students of all the MN colleges. The school's net tuition is much more similar to the U of MN than that of another private school.
- l. Why was the budget information not made available to students?
  - i. The memo that went out to employees was just sent out 10 days ago, so it has not been public for a long time. We thought it was fair to alert the employees before we held discussions about the budget with students.
- m. What do you think the specific reasons for low retention and employment are?
  - i. Realistically this is a very complex question, COVID definitely had a lot to do with it, the economy has had something to do with it, there are also Gustavus specific issues (such as name recognition). We think this generation is making college decisions differently than the ones before.
  - ii. Before COVID there were imaginings that maybe online college was good. What we found was that we are better in person and so is the Gustavus community. The loss of this in person community was definitely a factor in the retention issues.
- n. The rumor that the money for New Lund was improperly allocated from the music building.
  - i. The answer is no. Phase 1 of Lund was completely funded from the donors and there is no validity to those rumors.
- o. What kind of investments has Gustavus engaged in? Will they divest from fossil fuels?
  - i. This question has come up for a number of years. Gustavus does not own individual stocks in companies (we are an arm's length removed from this.) The portfolio is managed through investment managers and the board of trustees investment committee. We have not precluded owning some stocks in portfolios relating to coal and fossil fuels, but we are increasing our investments in alternative energies.
- p. Do student worker salaries come from the college budget? Would there be cuts to some of the less labor intensive students' jobs?

- i. We do not have answers to the question of less student workers. Many of the college jobs do not scale as a result of low enrollment. There will likely be a small impact on student worker jobs. If you are interested in a student worker job, please work in dining.
  - ii. Student employment comes from 2 different types of money, federal work-study and college operating budget. Student employment is just one of the ways that aid is awarded to many Gusties.
  - iii. The student work supervisor makes a request for student workers for the following academic year, the financial aid office does not make the decision to reduce student workers in a department.
- q. Will you publish a yearly report regarding the college budget?
  - i. (Students would like to see how tuition is broken down by percentage)
  - ii. We would be inclined to hold a session to discuss the college budget. We do not want untrue assumptions to be made. In years past we have had the vice president for finance hold a session for students about this.
- r. Was there money that was donated to the arts that was used for renovation of Nobel?
  - i. There were donors who donated money to fund specific areas of Nobel (such as the theater). The donors who were contributing to the portion of the building that is shared with the arts were handled similarly to the rest of Nobel's funding. There is no validity to this rumor.
- s. Are yearly employee raises fair across administration, staff, and faculty?
  - i. In 2018 it was recognized that faculty salaries were not similar to other institutions. At this time we put in a faculty compensation plan that was more similar to other institutions. This meant that faculty received a greater percentage raise in comparison to other employees at the college. When COVID hit no one received a raise. It was then reinstated, and revoked again this year. Staff usually receive about a 2% raise and faculty have received approximately 3-4.2% raise throughout the year.
- t. There is a rumor that each department has to let 1 tenured faculty member go, is there truth to this?
  - i. Per the faculty governing member, it is really difficult to remove tenured faculty from their positions when they do not want to leave. So, no this is not true.
- u. Why are the endowment fund and investments not publicly available?
  - i. The work of the investment committee of the board that manages the committee is privately held. The current total value of the endowment is around \$280 million. We withdraw funds from the endowment every year that get used in the operating budget of the college (usually between 4.5-5.5% of the budget). This year the board has given additional

endowment funds to help with the marketing campaign and to help turn around a low enrollment year. The endowment serves to help ensure that students can receive the lowest possible tuition.

- v. Will the college still be prioritizing funding that ensures accessibility in all buildings?
  - i. We have put together a plan to make progress on accessibility issues in the buildings. It will not happen overnight, but like everything else the school is trying to pick away at it. If you want to discuss DEIB please reach out to Doug Thompson.
- w. Why are we in a budget crisis when our independent audit showed an increase in net revenue compared to student tuition?
  - i. We experienced some increase in cost that are part of fluctuations of the economy. There is no big bucket of money that the school can just dip into for cash, like any other business we run revenue and expenses.
- x. There is a lot of concern about the water and problems with wasps in the arts buildings. Since the arts bring a lot of students, how will you fix the issues?
  - i. Student senate is under the impression that there is an exterminator that came over spring break to take care of the wasps.
  - ii. The art building in particular has a water problem, but this is a very large problem to fix. This will require us to do some major work on plumbing and piping. As far as we know the water is safe to drink.
- y. My professor told me about the budget issues at the beginning of the year not 10 days ago, why were faculty members asked not to talk to students?
  - i. The provost's office provided talking points for faculty if they wished to discuss the budget issue with students in their classes. We have been discussing this with faculty since late february, but some of the solutions to the budget were not told to faculty until recently.
  - ii. In the student life office we are perpetually in conversation about budgets. So potentially something that you heard from a faculty member could have been from that. We are not making up 10 days about when employees were communicated with about the budget.
  - iii. When we saw a low enrollment year (the first year class has 500 students) someone may have put 2 and 2 together that a low enrollment year means a tight budget.
- z. How are you prioritizing potential and current students? Current students feel forgotten about?
  - i. We have done tabling for current students, sent out surveys, and met with the student senate. We are concerned about current students and what your needs are. Please keep giving us feedback because that's how we learn.

- ii. The incremental money that came from recruiting new students came from a special withdrawal from the endowment. No money was taken out of the budget to increase our recruitment efforts.
- aa. What decisions have led to an increase in tuition by 11% since 2019?
  - i. There is a group of people that meet about what tuition should be for next year. How many students we believe we are going to have, retention, and what overall enrollment is all a factor in these decisions. More years than not, tuition and associated costs have increased a couple percent every year.
- bb. What steps are being taken to rebuild campus culture to pre-covid levels?
  - i. Being back in person is the most important thing that we can do. Every year since covid the culture has improved, and we hope that our seniors feel that they got a normal year of college.
  - ii. The addition of the Rec program this year was meant to be a meaningful opportunity for students to engage and have fun. There has been a big emphasis on ensuring we are offering opportunities for engagement that are relevant in the Student Life office.
- 3. Closing Remarks
  - a. Thank you all for coming. If you have questions please feel free to reach out to the Student Senate members!

*The meeting is adjourned at 8:22 p.m.*