BEFORE THE STATE EMPLOYMENT RELATIONS BOARD

In the Matter of the Fact-Finding Between)
)
WRIGHT STATE UNIVERSITY CHAPTER)
OF THE AMERICAN ASSOCIATION OF) Case No.: 2017-MED-02-0172 Fact-Finding
UNIVERSITY PROFESSORS)
) Fact-Finder: David W. Stanton, Esq.
Employee Organization,)
)
and)
)
WRIGHT STATE UNIVERSITY)
)
Employer.)

POST-HEARING BRIEF OF WRIGHT STATE UNIVERSITY

I. <u>FRAMEWORK OF UNRESOLVED ISSUES</u>

It is uncontested that Wright State University ("WSU" or the "University") is undergoing one of the most severe financial crises in the history of higher education in the United States. David Cummins, Interim Vice Chancellor from the Ohio Department of Higher Education, testified that the University's financial health as measured by the formula recognized under Ohio law is the lowest recorded for a university of this size. Longtime university administrator and former Interim President of Wright State, Dr. Curtis McCray, testified that in his 55 years in higher education he never experienced anything like the financial uncertainty the University is currently facing.

Because of the financial crisis, the University can no longer maintain the status quo and continue to provide its normal and expected standard of public service. Although employees not represented by the American Association of University Professors ("AAUP" or the "Union") have already made concessions in their terms and conditions of employment, including concessions in pay and health insurance, there have been no similar concessions made by AAUP faculty members. In fact, the AAUP collective bargaining agreement has remained unchanged through the financial crisis – even as the University ran out of money and depleted the bulk of its financial reserves. The lack of similar concessions from the AAUP as compared to those made by the rest of the University community is particularly problematic for the financial recovery because approximately one fourth of University employees fall within the AAUP bargaining unit, and they are the highest paid group of employees as a whole.

Despite one of the most severe financial crises in the history of higher education, throughout the negotiation process AAUP leadership refused to engage in interest-based concessionary bargaining as proposed by the University to address the financial issues collaboratively. Instead, the AAUP used its blog, newsletters, other public platforms, and enlisted students to tell its own version of the "story" and win the "PR battle" blaming past and current administrators as the sole cause of the financial issues facing the University.

In other words, the AAUP has focused very publicly on threatening and preparing for a strike. It has consistently overlooked the decline in enrollment and revenue, the rise in healthcare costs, and the freezes in State funding and tuition. The apportionment of "fault" for the financial crisis, and upholding at all costs the Union leadership's staunch philosophical belief in the need to portray union strength, has been more important to the AAUP than rolling up its sleeves and making similar concessions as the rest of the campus and the rest of the State's public workforce when faced with similar financial uncertainty.

The AAUP has tried, many times successfully, to create a hysteria on campus for bargaining leverage even through no concessions have yet been made in the labor contract. The AAUP has strategically sought to put undue pressure on the Fact-Finder by labelling customary bargaining proposals that are sought by employers facing financial distress as "extreme." These tactics ignore the fact that many other public employers around the State have in the past taken very similar cost savings measures, such as wage freezes, cost savings days (furloughs), retrenchment (layoffs), and other contractual concessions for the sustainability of the employer as a whole.

Why is this important? Because these tactics operate as a smokescreen that the Fact-Finder is required by law to see through in order to correctly apply the statutory factors set forth in the Revised Code. Simply put, if these financial circumstances before the Fact-Finder do not constitute an inability to pay and an inability to maintain a status quo, then what does? It is safe to assume that the Fact-Finder will never again see in his career a more straightforward example of inability to finance the current collective bargaining agreement. The Revised Code guidelines for Fact-Finding were adopted for a reason – and this is it. When financial conditions dictate change, and one party is not willing to make change, the Revised Code sets forth a process to ensure that change is recommended by a neutral. This is critical to the students, the University community, and the people of Southwest Ohio who rely on the ongoing viability of this institution.

That is why the parties are here before the Fact-Finder. Simply put, the University cannot maintain its normal and expected standard of public service without AAUP faculty concessions. But the AAUP refuses to consider making similar concessions as the rest of the campus and instead has proposed maintaining the "status quo" on the material terms that impact the University's finances.

The University's proposals are limited in scope. Several of them have objective financial triggers before implementation. Others have "sunset provisions." All of the proposals without exception may be opened and bargained the next time the parties sit down at the table to negotiate a successor agreement. Many of the University's proposals draw their genesis from other public employers who experienced financial harm similar to Wright State and needed concessions to restore sustainability.

The most analogous guidance would be how the workforce of the State of Ohio dealt with the financial crisis in the late 2000's. That financial crisis led to the State's "rainy day fund" being used to cover day-to-day expenses and at one time being depleted to just 89 cents. For guidance, the Fact-Finder must look to that situation. There, the parties agreed via interest-based negotiations to concessions and cost savings measures. On the issues that could not be agreed to at the table, the Fact-Finder recommended a wage freeze, further cost savings days, healthcare and benefits changes, and a freeze on other economic items such as step increases, longevity bonuses and the ability to cash in leaves. In that situation, the parties worked together at concessionary bargaining and a Fact-Finder pushed the concessions even further that eventually led to a recovery and stability. There were no calls for unrest.

This is a similar situation, where WSU's reserves have been almost entirely depleted and budget cuts have slashed operations to the bone. Here, though, the AAUP leadership is more concerned with rallying the membership for a strike to avoid cost savings measures and concessions that will help ensure stability in the future, than with cooperating to work through usual and customary changes that are needed during a financial crisis.

We believe the very important role of the Fact-Finder is to look to the statutory factors: can the University pay for the AAUP's status-quo proposals and still maintain operations without sacrificing the level of services it provides to the public? Are the AAUP's proposals to maintain status quo consistent with how other Ohio employers have met similar financial challenges? Are current provisions in the labor contract, such as issues of staffing, assignment, and health insurance, able to be modified and still be comparable to other terms found in contracts of other public employers around the State? Have other employees of the University been asked to make the same concessions that WSU is now asking of the AAUP?

In some situations, the appropriate recommendation is so obvious and apparent that we make it harder than it needs to be. That is the case here. No school of this size has ever lost so much money so fast ($130 Million in unrestricted reserves depleted over five years), and no university is facing a future less certain than Wright State faces now. A status quo contract is simply untenable.

The University's proposals must be adopted. For example, some of the proposals the University seeks are a wage freeze, targeted merit pay to retain talent without overspending, a University-wide health insurance plan that will save the school significant money in administration and benefit negotiation with vendors (and importantly the University's health insurance proposal, if adopted, can of course be renegotiated during the next round of bargaining if the school ignores the "guardrails" carefully set forth in its proposal to treat union and non-union employees equally), staffing summer school in the same manner that it now staffs Fall and Spring semesters to maximize revenue, and allowing for the possibility of retrenchment (layoffs) and cost savings days (furloughs) to be implemented based on objective factors suggested by the Fact-Finder at mediation.

The changes the University seeks are necessary and appropriate as WSU can no longer only rely upon cuts to non-AAUP employees' terms and conditions to maintain day-to-day operations any further. Like the State of Ohio and other public employers who faced budget deficits and financial difficulties, Wright State asks the Fact-Finder to recommend what is necessary to restore the financial health and sustainability of the University. As the Fact-Finder witnessed at four days of hearing, the AAUP has offered no solutions or compromises for the Fact-Finder to even consider in lieu of a status-quo contract. This leaves the Fact-Finder with little choice but to adopt and recommend the University's proposals to address the unprecedented and undisputed financial crisis the University is facing.

II. PROCEDURAL POSTURE

The Fact-Finding hearing for this matter took place on April 3, April 4, May 23, and May 24, 2018. The hearing was held at Wright State University's Dayton Campus in Fairborn. The University and the AAUP presented arguments, as well as witnesses, exhibits, and other evidence, to Fact-Finder David Stanton. The parties agreed to submit post-hearing briefs to the Fact-Finder. The parties previously submitted pre-hearing statements describing the bargaining units, a history of these negotiations, and positions of the parties on unresolved issues.

The Fact-Finder should have three Binders of evidence presented by the University in support of its proposals. Those Binders are labeled as follows:

- WSU Fact-Finding Financial Background
- WSU Fact-Finding Insurance and Benefits
- WSU Fact-Finding Other Open Articles

In addition to the three Binders, the University also presented at hearing 19 other exhibits numbered "Univ. 1" through "Univ. 19." Those exhibits were separately numbered, marked, and introduced during the hearing. Finally, attached to this post-hearing brief are specific exhibits from the hearing the University would like to bring to the Fact-Finder's attention.

III. FRAMEWORK UPON WHICH THE FACT-FINDING RECOMMENDATION MUST BE BASED

Revised Code Sections 4117.14(C)(4)(e) and (G)(7)(a) through (f) direct the Fact-Finder "to take into consideration" the following criteria in reaching his recommendations on each of the issues in dispute:

(a) Past collectively bargained agreements, if any, between the parties;

(b) Comparison of the issues submitted … relative to the employees in the bargaining unit involved with those issues related to other public and private employees doing comparable work, giving consideration to factors peculiar to the area and classification involved;

(c) The interests and welfare of the public, the ability of the public employer to finance and administer the issues proposed, and the effect of the adjustments on the normal standard of public service;

(d) The lawful authority of the public employer;

(e) The stipulations of the parties;

(f) Such other factors, not confined to those listed in this section, which are normally or traditionally taken into consideration in the determination of the issues submitted to final offer settlement through voluntary collective bargaining, mediation, fact-finding, or other impasse resolution procedures in the public service or in private employment.

The Fact-Finder must apply these statutory considerations in considering the arguments, testimony, and evidence presented at the hearing. Much of the testimony and evidence concerned WSU's ability to finance and administer the issues proposed and the effect on the normal standard of public service offered by the University. As a seminal matter, therefore, the Fact-Finder must determine whether WSU has the ability to finance the proposed salaries and status quo provisions set forth by the AAUP without reducing the normal standard of public service WSU offers to its students and the surrounding community.

As explained below, the undisputed testimony and evidence proves that WSU cannot finance the proposed salaries and status quo provisions of the AAUP. It is necessary to award the reasonable and narrowly tailored changes proposed by the Administration. WSU is facing an unprecedented financial crisis. Without the changes sought by the Administration, the University cannot restore financial sustainability and it would be forced to further cut the normal standard of public services the University provides.

IV. QUESTIONS PRESENTED

1. Whether the testimony and evidence establishes that WSU is suffering from a financial crisis;

2. Whether the University's financial crisis impacts its ability to finance the current salary and benefits of AAUP members without the changes proposed by the Administration under the labor agreement;

3. Whether the changes proposed by the Administration are needed to avoid adjustments to the normal standard of public service the University offers;

4. Whether the University should finance the AAUP's proposals by cutting the normal standard or public services (for example, by cutting athletics programs) as the AAUP has proposed;
5. Whether other comparable employees involved with financial crises around the State of Ohio agreed to furlough, cost savings days, and other concessions to do their part in helping the public employer restore financial sustainability;
6. Whether other comparable WSU employees not represented by the AAUP have experienced changes in the terms and conditions of their employment to assist the University in restoring financial sustainability;
7. Whether the interests and welfare of the public and the surrounding community would be served by ensuring the long-term financial viability of the University;
8. Whether the labor agreement should reflect the lawful authority of the University as set forth in the Revised Code on the prohibited subject of bargaining of "workload";

V. ABILITY TO FINANCE

As set forth above, Section 4117.14(G) of the Revised Code requires the Fact-Finder to consider "[t]he interests and welfare of the public, the ability of the public employer to finance and administer the issues proposed, and the effect of the adjustments on the normal standard of public service." The AAUP argues that WSU should maintain the status quo under the labor agreement and even increase faculty salaries by 8 percent over the last two years of the contract, no matter the consequences on the other services offered by the University.

It is absurd to suggest that the University's "ability to finance" the status quo is a question of what the University can cut. Perhaps the University could afford to maintain the status quo contract if it closes part of the campus, transitions its medical school to another Ohio university, or eliminates athletics. The statute cannot be construed to require such an absurd result. Whether the University has the "ability to finance" the AAUP's proposals must be a question of what is appropriate, reasonable and fiscally responsible in light of WSU's finances as a whole and the potential impact on other services.

The Ohio Supreme Court has made clear that "ability to finance" cannot be a question of what a public employer can actually afford regardless of the consequences. *See City of Rocky River v. SERB,* 43 Ohio St. 3d 1, 18 (1989) (available as Exhibit C in Volume II). In *City of Rocky River*, the Court explained that the statute was not intended to allow the conciliator to adopt an employee proposal that would spell financial disaster for the public employer. *See id.* at 18. However, a public employer need not be on the brink of bankruptcy to be deemed unable to finance a proposal:

> Past practice has demonstrated that conciliators do not hesitate to reject an employee demand which they find to be ***beyond the financial means*** of the particular public employer.

Id. at 18 (citing decisions in which a public employer's inability to finance caused conciliator to reject union's final wage offer because employer was in a state of financial distress and could not afford the increase) (emphasis added). *See also Cleveland Police Patrolmen's Ass'n v. City of Cleveland*, No. 78427, 2001 Ohio App. LEXIS 5924 (Cuyahoga Cty. Dec. 27, 2001) (arbitration panel considered the ability of the public employer to finance and determined that the union's proposal would ***seriously strain the employer's financial resources***); *Coral Gables Prof. Fire Fighters Ass'n v. City of Coral Gables,* No. CA-84-012 & 84U-191, 1984 FPER (LPR) LEXIS 207, 10 FPER (LPR) P15,235 (Sept. 5, 1984) ("inability to pay" union's wage proposal is ***consistent*** with employer's position throughout negotiations that funds were ***limited and prioritized***).

In determining whether the University has the "ability to finance" the AAUP's proposals, the Fact-Finder should consider what is ***appropriate, reasonable and fiscally responsible*** for the University in light of its overall financial picture. In doing so, the Fact-Finder should rely on the comprehensive testimony and opinions of the experts on the subject matter—Vice President of Finance and Operations and Chief Business Officer Walt Branson, Interim Vice Chancellor from the Ohio Department of Higher Education David Cummins, and well regarded higher education consultant and former Interim University President, Dr. Curtis McCray—who are in the best positions to determine what the University can, and cannot, afford.

VI. UNPRECEDENTED FINANCIAL CRISIS

It is undisputed that WSU is suffering from one of the most severe financial crises in the history of public colleges and universities in this country. There is no legitimate question about the University's financial crisis. The situation is dire. The University is simply out of money. It has spent its financial reserves. Its enrollment and revenue keep falling. It cannot make up the difference by increasing tuition or asking for more State support. It has deferred more than $30 million in urgent maintenance. It has literally stopped taking out the trash except for one day per week. It has stopped hiring for vacant positions. It banned overnight travel.

What this shows is that the University must now implement structural changes to restore its long-term financial sustainability. The numbers speak for themselves. For example:

- The University faces declining enrollment and higher health care costs while it grapples with millions of dollars in cuts to avoid deficit spending.
- Charitable contributions to the University dropped by more than half from 2011 to 2015, putting its $7.2 million total below local Wittenburg University, which is about one-sixth its size.

- Prior to 2011, WSU's tuition exceeded the national average, but due in part to recent tuition freezes in the State of Ohio, the University's tuition is now almost $1,000 less than the national average per student.

- Throughout the last few years, the University struggled to keep its enrollment steady, let alone increase it. From FY 2011 to FY 2017, the University experienced a 12 percent decline in enrollment. *See* Financial Background Binder, tab 7.

- The enrollment of international students (who pay higher tuition than in-state students) fell by 23 percent in 2016 and by another 29 percent in 2017. *See* Financial Background Binder, tab 9.

- International enrollment has declined by 779 students since 2015, causing a $15 million blow to WSU's budget over the past two years and a decline in net tuition revenue.

- Fewer students enrolled from outside Ohio than expected. That resulted in tuition coming in $4.7 million under projections because non-Ohio residents pay more for tuition that in-state students do.

- Enrollment in the summer of 2017 was down enough that it caused the school to start out the fiscal year in a nearly $3 million hole, and Fall enrollment was also projected to be one of the University's lowest in a decade.

- The University's net revenue from tuition and fees has fallen by over $23 million in the past two years alone.

- Compensation and expenditures for faculty and other employees continued to increase by over 14 percent in five years even as enrollment and tuition revenue declined.

- The University's total operating expenses rose from $261 million in 2011 to $329 million in 2016. *See* Financial Background Binder, tab 15.

- The University's operating expenses exceeded its revenue for three years straight, from FY 2015 to FY 2017. *See* Financial Background Binder, tab 16.

- Unbudgeted scholarship and fellowship expenses cost WSU around $3.5 million last fall.

- WSU struggled to stay on budget for FY 2018 due to its declining enrollment and increased health care costs.

- In February 2018, the Board of Trustees learned that WSU went $6 million over its FY 2018 budget on employee health benefits. Medical claims have increased or decreased by as much as $500,000 in a single week.

- The Dayton Daily News – the newspaper of record for Dayton and the surrounding area – has reported that the University "overspent by a combined $20.7 million" from 2012 to 2014. *See WSU budgets portrayed finances as 'strong' while school lost millions*, Dayton Daily News, by Max Filby (March 31, 2017).

- The Dayton Daily News has further reported that spending "eventually balloon[ed] to $34.9 million in fiscal year 2016," that those numbers "bring to more than $120 million the amount of spending that has exceeded revenues over a six-year period." *Id.*

- The University's net financial position decreased each year from FY 2012 to FY 2014 – then fell by $22 million in FY 2015, by another $37 million in FY 2016, and by yet another $47 million in FY 2017. *See* Financial Background Binder, tab 18.

- The market value of WSU's cash and investments, which was over $170 million in June 2011, fell by 77 percent to just $41 million in June 2017. *See* Financial Background Binder, tab 19.

- The University's claim on cash and investments (its "money in the bank" not designated for specific departments or uses) fell from $59 million in FY 2014, to $38 million in FY 2015, to $10 million in FY 2016, and finally to negative $11 million in FY 2017. *See* Financial Background Binder, tab 20; Univ. Ex. 8 (attached).

- The University's trustees slashed more than $30.8 million from the FY 2018 budget in an effort to rebuild its reserve fund.

- WSU's Board of Trustees voted to enact a mandatory furlough policy for employees outside the AAUP bargaining unit in February 2018.

- WSU needs to cut an additional $10.5 million from its budget because of enrollment issues, and to cover additional scholarship and fellowship costs.

- In April, WSU's President ordered departments to slash their remaining budgets by 66 percent, an attempt to cut $10 million from spending by June 30.

- On May 21, 2018, a member of the WSU Board of Trustees called the budget cuts and falling enrollment "a recipe to die." *See* Univ. Ex. 12 (attached). The Trustee

> said the budget cuts are not a long-term sustainable solution for the University's financial problems. He commented: "I'm serious… This is crazy. The university can't survive this way."

There is no question about the University's financial crisis as set forth in part above. WSU's finances have been publicly reported by the local newspaper of record, openly discussed by the Board of Trustees, confirmed in certified financial statements, examined and established in judicial proceedings before the State Personnel Board of Review, and even publicly acknowledged by the AAUP itself.

For example, an Administrative Law Judge for the State Personnel Board of Review confirmed that WSU is suffering from a severe financial crisis. *See* Financial Background Binder, tab 24. The Judge found that WSU "was facing a very serious and unsustainable fiscal crisis for its impending FY 2018 budget, with a shortfall from FY 2017 of nearly $30,000,000." *Vaughn v. Wright State University*, SPBR Case Nos. 17-INV-06-0089, 0090, and 0091 (2017). The Judge continued:

> WSU was less than one year away from being placed on Fiscal Watch under the Ohio Department of Higher Education. WSU's executive management and Board of Trustees addressed these issues head-on and made difficult but necessary choices that included abolishing a number of positions for an estimated savings of about $33,000,000.

Id.

AAUP's own blog, publicly available through links on the WSU website, openly acknowledges the University's financial crisis. *See* Financial Background Binder, tab 25. In an entry entitled "Cracking the Nut, part 6," the Union published a chart of WSU's cash flow over the last fifteen years. *See* AAUP WSU Blog, *Cracking the Nut, Part 6*, January 1, 2017. The chart shows that WSU had negative cash flow from 2013 to 2016. AAUP acknowledged this was extremely rare for a public university: *"It is important to note that for a public university to have negative cash flow is a relatively rare occurrence, but for a university to have successive years of negative cash flow is almost unheard of." Id.*

Likewise, in a letter to the Board of Trustees, the AAUP again acknowledged the severity of the financial crisis. Union President Marty Kich stated that the AAUP believes "that Wright State is indeed in the midst of a financial crisis." *See* Financial Background Binder, tab 26. The Union President explained:

> We believe that Wright State is indeed in the midst of a financial crisis, because we know that for the first time since the University was required to produce cash flow statements starting in 2002, it has experienced negative operating cash flows for the past three years. That means more cash has been flowing out of the University than has been flowing into the University from the University's operations. . . . One year of negative operating cash flows should have set off alarm bells. Three consecutive years of negative operating cash flows is prima facie evidence that the administration is incompetent and that the Board of Trustees has abdicated its fiduciary responsibility.

Id.

Based on the financial statements, the annual budgets, the newspaper articles, the findings of an Administrative Law Judge for SPBR, and the Union's own articles and letters, the Fact-Finder can only reach one conclusion about the University's financial condition and ability to finance the AAUP's status quo bargaining proposals. The undisputed testimony and evidence demonstrates that WSU is in the midst of a severe financial crisis. Simply put, the University is out of money. The University simply cannot pay for increasing salaries and maintaining a status quo contract while enrollment and revenue continue to decline. The situation is urgent.

A. Deferred Expenses and Cuts in the University's "Normal Standard of Public Service" in FY 2018

As noted above, because of the severe financial crisis, WSU undisputedly had to cut or defer expenses from its budget for FY 2018 by more than $30 million. This resulted in significant cuts to the "normal standard of public service" offered by the University to students, employees, and the surrounding community. For example, the University deferred maintenance on buildings, cut custodial services to once a week, and held off on replacing outdated computers. It stopped filling key vacancies important to the success of the University. It instructed its strategic hiring committee not to approve new hires unless absolutely needed to address health, safety, revenue, or compliance needs.

The University banned overnight travel, catering, and cell phone reimbursements. More than 150 faculty and staff have taken a voluntary retirement incentive. WSU cut 20 fulltime jobs and 28 interns from research entity WSARC. It eliminated the positions of at least 23 other employees. It stopped filling key vacancies important to the success of the University. Its strategic hiring committee has been instructed not to approve new hires unless they are absolutely needed to address health, safety, revenue, or compliance needs.

WSU cut the funding for the University library by more than $1 million. It stopped subscribing to certain publications and periodicals. It cut the funding for facilities management by more than $2 million – and started emptying the trash in certain offices once a week instead of every day. The budget for student affairs was cut by $1.7 million. Funding for the Provost's office was cut by over $2 million. The University cut the budget of the School of Medicine by $3 million, the College of Engineering and Computer Science by $2.9 million, the College of Liberal Arts by $1.4 million, and the College of Business by $1 million. WSU eliminated foreign language courses in Russian, Italian, and Japanese. It had to cut the funding of every college and professional school within the University.

B. Additional Cuts in the University's "Normal Standard of Public Service"

Although WSU was able to cut its FY 2018 budget by more than $30 million, it only accomplished the reduction through one-time austerity measures. In other words, many of the cuts were not sustainable over the long-term.

This means that the $30 million WSU cut or deferred from its FY 2018 budget will not necessarily carry over to FY 2019. The University will need to make additional cuts to the "normal standard of public service" just to avoid further spending ***increases*** in FY 2019. In addition, as Vice President of Finance and Operations and Chief Business Officer Walt Branson explained at the hearing, WSU still must cut another $10 million from its budget for FY 2019 even beyond and on top of the $30 million cut the previous year.

The Proforma Budget for the years ending June 30, 2018 and 2019 shows how much WSU must cut its total expenditures in FY 2018 and 2019. *See* Financial Background Binder, tab 23. The University incurred $330 million in expenses for the year ending June 30, 2017. After $30 million in one-time austerity measures and other spending reductions, WSU cut its expenditures for the year ending June 30, 2018 below $280 million. That was about $50 million less than the previous year. Importantly, however, the University will need to cut its expenses even further – to around $270 million – for the year ending June 30, 2019.

C. **Fiscal Watch**

As explained at the hearing by Mr. Branson and by David Cummins, Interim Vice Chancellor from the Ohio Department of Higher Education, WSU is now on the cusp of "fiscal watch" under the Revised Code. Ohio's "Senate Bill 6" looks at three key financial rations to ensure public universities and colleges are financially accountable. They ask whether resources are sufficient and flexible enough to support the mission of the University (the primary reserve ratio), whether the operating results indicate the institution is living within available resources (the net income ratio), and whether the institution is managing debt strategically to advance its mission (the viability ratio). The highest score possible is 5.00, and a score of below 1.75 for two consecutive years results in an institution being placed on official "fiscal watch" by the State.

WSU's Senate Bill 6 score for 2017 is only 0.8, less than half the score necessary to avoid fiscal watch over two years. The University received the lowest score of any public university of its size since Senate Bill 6 passed in the 1990's. In other words, its financial circumstance is more at risk than any other comparable public university in Ohio has ever been. If the University is placed on "fiscal watch," it will be forced to report to State officials and legislators and meet even more rigorous requirements to change its fiscal emergency status. Even more importantly, being placed on "fiscal watch" could result in further declines in enrollment and tuition revenue.

D. Testimony of Dr. McCray

The University presented numerous witnesses who testified about the scope of the financial crisis. As noted above, Mr. Branson testified about how the University depleted more than 75 percent of its financial reserves after years of enrollment declines and overspending. Interim Vice Chancellor from the Ohio Department of Higher Education David Cummins testified about the significance of the University's Senate Bill 6 score and its precarious financial position as measured by objective data. The AAUP presented no credible evidence to dispute their testimony about the unprecedented nature of the financial crisis the University is facing.

Perhaps most importantly, longtime university administrator, well-regarded higher education consultant, and former Interim President of WSU, Dr. Curtis McCray, testified about the impact of the financial crisis and what the University must do to survive it. Dr. McCray has been working in higher education for 55 years. He has helped address financial problems at a number of other colleges and universities – but he testified that WSU is in the worst shape of any college or university that he has seen in his career. He explained that the University must immediately and drastically implement structural changes to reduce spending under the labor agreement. For example:

- Dr. McCray testified that to avoid deficit spending, the University has deferred $10 million of maintenance that needs to be completed now, and $30 million of maintenance that is also urgent (***see* University Ex. 9, Wright State University Facilities Deferred Maintenance**, also attached hereto at tab 9);
- He testified that the summer courses and teaching assignments are critical for generating positive revenue through increased enrollment and more efficient staffing choices;

- He testified that the University must have flexibility in its health insurance programs to achieve the savings needed during the financial crisis;

- He testified that the University needs an expanded right to implement retrenchment and furlough procedures, and needs to take control of the health insurance plan offered to AAUP members, even if the Union does not like it, on order to preserve the quality of the University as a whole;

- He testified that although he wouldn't be happy about it, ***he would implement these changes proposed by the Administration even facing a possible strike by the AAUP***;

- He testified that the changes proposed by the administration are in the best interests of the University, its students, and Southwest Ohio; and

- He testified that the changes proposed by the administration are ***necessary to keep the University intact***.

Dr. McCray's testimony illustrates what is at stake in this Fact-Finding. The University has proposed reasonable cost savings and revenue-generating measures Dr. McCray believes are necessary to keep the University intact. Despite the unprecedented financial crisis, the AAUP has focused more on rallying its members for a strike than on collaborating or making reasonable concessions to help the University achieve cost savings or generate more revenue. WSU's proposals help keep the University intact and restore financial sustainability, in the best interests of its students and the surrounding community.

E. Impact of Financial Crisis

As explained above, WSU faces extreme financial restrictions in FY 2019 and beyond. WSU has only just begun to restore a very small portion of the financial reserves it depleted over the past five years. Even after cutting its budget for FY 2018 by $30 million, the University was only able to replenish $6 million of financial reserves. That is less than one tenth of the financial reserves it depleted from June 2015 to June 2017 alone – and less than 5 percent of the financial reserves WSU depleted since June 2012.

At this rate, even without increased expenditures or further declines in enrollment revenue (which are both unavoidable and which the University is already projecting), it will take WSU more than 20 years to get back to the financial position it was in just six years ago. This shows that the financial crisis was far too severe for the University to repair the damage through a single year of austerity measures.

Because the financial crisis is undisputed, the only question for the Fact-Finder is what changes he should recommend in the labor agreement to help the University address and restore its long-term financial viability. This Fact-Finder must base his determination on the statutory factors. When applied to the undisputed evidence, these factors establish that the University has proposed reasonable and narrowly tailored changes to remedy the financial crisis and restore WSU's short-term stability and long-term fiscal sustainability.

VII. BARGAINING HISTORY

Negotiations for a successor agreement began in January of 2017. Initially, Dr. Steven Berberich, Professor and Associate Provost for Faculty and Staff Affairs, served as the Chief Negotiator for the University and Dr. Adrian Corbett served as the Chief Negotiator for AAUP-WSU.

During the course of negotiations, the financial crisis engulfed the University leading to unprecedented change. This financial crisis and change put a temporary halt to negotiations as the University looked to stabilize its economic status and leadership positions. In March 2017, University President Hopkins stepped down; Interim President McCray was brought in from outside the University to serve until June 2017; and current President Schrader was brought in from outside the University and began her leadership in July 2017. To put the leadership change into perspective – there have only been seven University Presidents since 1966.

When the parties resumed bargaining, Dan Guttman of Baker Hostetler LLP served as the Chief Negotiator for the University and Rudy Fichtenbaum, Advisor to the AAUP-WSU Executive Committee, served as the Chief Negotiator for AAUP-WSU. The parties met in FMCS mediation with the assistance of George Albu and also conducted negotiations outside of mediation. The bargaining teams met approximately twenty different times.

The AAUP's demands at the bargaining table were unprecedented in light of the University's financial crisis. When public employers in Ohio run out of money, unions have typically agreed to work with their employer to save costs through concessionary bargaining, which ensures long-term stability (and viability). Both parties typically have a strong interest in restoring the financial viability and sustainability of the public employer over the long-term in the best interests of the employees and the public.

Yet the AAUP has refused to help WSU address the financial crisis and regain control over its budget on the key issues before the Fact-Finder. It refused to accept a wage freeze like the rest of the campus. Instead, the Union proposed an 8 percent raise taking effect in 2019 and 2020. AAUP ignores the fact that WSU simply does not have the money to further increase compensation and maintain its service level, especially as enrollment and revenue continue to fall.

Throughout numerous negotiating sessions at the bargaining table, the AAUP openly acknowledged the University's financial crisis. The Union claims the previous Administration created the severe budgetary deficit by overspending, but regardless everyone agreed WSU had no money left. Now, the Union argues that the University's finances are healthy enough to sustain an 8 percent raise for faculty even as revenue continues to decline. It refuses to accept the same health insurance and other benefits the University provides to every other employee. It will not agree to a temporary, short-term furlough provision that could help WSU avoid further layoffs and reductions in the services it offers to students and the public. The Union argues it is not responsible for the financial crisis because it believes previous administrators overspent and made mistakes, so it refuses to help with the solution. Even though the current contract cannot be administered status quo, the AAUP has openly stated at the table that it will not help the University avoid fiscal disaster by making the reasonable proposed economic concessions.

WSU is seeking the Fact-Finder's help. There is a great public interest in making sure the University continues to function and offer classes and services to its students and the surrounding community in the Dayton area. The Fact-Finding process has always been an extension of the bargaining process and a method by which a neutral can hopefully assist in resolving negotiations. This Fact-Finding is not about who is to blame for WSU's financial problems.

VIII. <u>TENTATIVELY AGREED ISSUES</u>

The Articles and Appendices that have been tentatively agreed upon by the parties should be adopted by the Fact-Finder and incorporated by reference into his decision and report.

IX. UNRESOLVED ISSUES

When a public employer is suffering from such an extreme and widely acknowledged financial crisis, the usual norm in Ohio is for the negotiating parties to work together to control or eliminate costs. That is especially so when the employer cannot increase revenue. That did not happen here. As discussed above, AAUP chose not to work together with the University to reduce or eliminate costs at the bargaining table.

What that means is that the statutory criteria take on even more importance. Past collective bargaining agreements between the parties show the parties have modified many provisions in the past to adapt to changed circumstances. Other University employees have already made shared sacrifices identical to what WSU is proposing to the Union on many issues. The interests and welfare of the public strongly favor public universities that remain financially viable, rather than raising salaries without the revenue to support it, as formally reflected in Senate Bill 6.

Perhaps most importantly, WSU simply lacks the ability to finance and administer the labor agreement based on the AAUP's proposals. It is a matter of undisputed public record. The Union's proposals to maintain the current labor contract status quo would further erode the public services offered by the University to its students and the surrounding community.

The Fact-Finder should note that WSU chose not to unilaterally open its labor agreement with AAUP due to "exigent circumstances." It had the right to do so under well-established case law from the State Employment Relations Board (SERB). In *City of Toledo*, the City of Toledo faced a budget deficit of $37 million. SERB 2011-001 (April 28, 2011). To balance its budget, the City unilaterally eliminated pension pick-ups, required payment of 20 percent on all healthcare costs, and reduced wages by 10 percent. *Id.* SERB held that the City did not commit an unfair labor practice by unilaterally modifying the labor contract "due to exigent circumstances that were unforeseen at the time of the negotiations." *Id.* SERB found that "facing a 24% funding deficit and requiring a budget that must be balanced … certainly fits the description of exigent circumstances in the present case." *Id.*

Here, too, the University could have unilaterally altered the AAUP's labor agreement due to a funding deficit that clearly constituted "exigent circumstances." Instead, WSU went to the bargaining table in good faith and tried to work through its financial issues with AAUP through the Administration's proposed modified interest-based bargaining. The University sought to engage in big picture discussions about potential solutions to the financial crisis and the budget deficit, but the Union refused and insisted on an exchange of traditional bargaining proposals. WSU went along with the Union's approach and presented good faith financial proposals intended to help improve its sustainability. But AAUP rejected the University's financial proposals.

The proposals set forth below are all measured and narrowly tailored changes to address WSU's financial crisis. Many of the proposals track compensation, insurance, and benefit terms that already apply to every other University employee. WSU is not asking faculty members to bear a disproportionate burden of the financial strain – it is asking them to help solve the financial crisis just like the staff, administrators, and every other employee. Many of the University's proposals also include specific language that only relates to this contract term, making clear that WSU intends to give AAUP an opportunity to bargain about the prior language (or new language) once the financial crisis is addressed.

Specifically, the Fact-Finder's intervention is sought with the following:

A. Summer Teaching/Faculty Responsibilities (Article 7.8, portions of 23.6 and Appendix H)

1. Summary of WSU and AAUP Position:

WSU Position:	**AAUP Position:**
• More efficient and practical method to assign summer teaching to drive revenue. • Seek same management discretion it currently has for Fall/Spring. • Assignments at Chair/Dean discretion, based on student and curricular needs; • Removal of ability for BUFMs to "bump" non-BUFMs • Maintains the same pay terms in place currently if selected to teach.	• Maintain current status quo contract language that establishes a "rotation" of summer teaching assignments based on seniority; • Maintains requirement to preserve teaching opportunity for BUFM if class is cancelled and ability to "bump" non-BUFMs for Summer; • Maintains status quo level of expenditures and revenue generation opportunities for the University.

2. WSU Proposed Contract Language:

Article 7

*   *   *

7.8 Summer Teaching Assignments. (See Section 23.6 regarding compensation for summer teaching.) Current provisions in bylaws and as set forth in 7.8.1 through 7.8.5 are void and shall not be applicable during the term of this contract. Summer teaching assignments will be at the discretion of the Department Chair and with the approval of the Dean, based on student and curricular needs.

*   *   *

Article 23 – TET

*   *   *

23.6 Summer Semester. A Bargaining Unit Faculty Member with an academic year appointment who has completed two semesters of service and is assigned by the University to teach during the summer semester will be compensated as specified in Sections 23.6.1 through 23.6.~~9~~5. Summer teaching assignments will be at the discretion of the Department Chair and with the approval of the Dean, based on student and curricular needs ~~by the chair with approval of the Dean.~~

*　　*　　*

23.6.4 Once registration for summer has begun, cancellation of a class scheduled to be taught by a Member requires approval by a provost. ~~For purposes of determining whether to cancel summer classes, 1 graduate student shall be the equivalent of 2 undergraduate students.~~

~~23.6.4.1 The University will not cancel a summer class scheduled to be taught by a Bargaining Unit Faculty Member if it has an enrollment of 15 or more undergraduate students, or the equivalent. If it becomes necessary to cancel a class, the university will make a good faith effort to preserve the Members' opportunity to teach summer classes as set forth in Section 7.8.1.~~

~~23.6.4.2 If summer classes assigned to a Member pursuant to Section 7.8.1 have an average enrollment of 15 or more undergraduate students, or the equivalent, the University will not cancel one of those classes without reassigning the Member to another class or otherwise compensating the Member as though the class had been offered.~~

~~23.6.5 After the University has offered summer teaching opportunities to all Bargaining Unit Faculty in a given department pursuant to Section 7.8 and subsections, the University and a Bargaining Unit Faculty Member in that department may agree that the Member teach, at any time during that summer, a class with an enrollment of ten or fewer undergraduate students (or the equivalent) at an overload rate. Such arrangements are not considered summer teaching hours pursuant to Section 7.8.1.~~

23.6.~~6~~5 The University and the AAUP-WSU recognize the possibility that unforeseen financial, curricular, and/or enrollment management circumstances may arise making it appropriate to depart from the foregoing summer salary provisions and agree to discuss any such possibilities that are introduced by either party. No changes to the provisions shall be made without agreement of both the University and the AAUP-WSU.

~~23.6.7 If a class that is part of a cohort program is scheduled to meet during all or part of a summer session, then the provisions of Sections 23.6.1 through 23.6.6 pertain to~~

~~that class and thus to the Member teaching it. However, if the University has offered summer teaching opportunities to all Bargaining Unit Faculty in the Member's department pursuant to Section 7.8 and subsections, then the Member may be paid at an overload rate for the cohort program class consistent with what is paid for such courses at other times during the calendar year.~~

~~23.6.8 Through summer 2015: Should no eligible Bargaining Unit Faculty Members agree to teach a summer class, the University may at its sole discretion either cancel that class or hire an individual outside the Bargaining Unit to teach the class at a salary not to exceed that last offered to a Member of the Bargaining Unit.~~

~~23.6.8.1 Effective summer 2016: Should no eligible NTE or TET Bargaining Unit Faculty Members agree to teach a summer class, the University may at its sole discretion either cancel that class or hire an individual in neither Bargaining Unit to teach the class at a salary not to exceed that last offered to a Member of the Bargaining Unit.~~

~~23.6.9 Additional provisions regarding summer teaching assignments are found in Appendix H, the intent of which is to ensure that the summer teaching opportunities identified in Section 7.8.1 are not diminished by assignment of classes to persons not in the TET Bargaining Unit through summer 2015 (to persons in neither the NTE or TET Bargaining Unit effective summer 2016). Should either party believe that such opportunities have been so diminished, the University and AAUP-WSU will meet to discuss and resolve the matter.~~

23.6.~~10~~6 Summer Semester Research Salaries: Bargaining Unit Faculty on academic year contracts who are approved by their Department Chair to direct independent laboratory research for either undergraduate or graduate students during the summer will receive a stipend of at least:

For undergraduate research students:
$68/credit hour For master's students:
$114/credit hour
For Ph.D. students: $227/credit hour

* * *

Article 23 – NTE

* * *

23.6 Summer Semester. A Bargaining Unit Faculty Member with an academic year appointment who has completed two semesters of service and is assigned by the

University to teach during the summer semester will be compensated as specified in Sections 23.6.1 through 23.6.~~9~~5. Summer teaching assignments will be at the discretion of the Department Chair and with the approval of the Dean, based on student and curricular needs.

*　　*　　*

23.6.4 Once registration for summer has begun, cancellation of a class scheduled to be taught by a Member requires approval by a provost. ~~For purposes of determining whether to cancel summer classes, 1 graduate student shall be the equivalent of 2 undergraduate students.~~

~~23.6.4.1 The University will not cancel a summer class scheduled to be taught by a Bargaining Unit Faculty Member if it has an enrollment of 15 or more undergraduate students, or the equivalent. If it becomes necessary to cancel a class, the university will make a good faith effort to preserve the Members' opportunity to teach summer classes as set forth in Section 7.8 and subsections.~~

~~23.6.4.2 If summer classes assigned to a Member pursuant to Section 7.8 and subsections have an average enrollment of 15 or more undergraduate students, or the equivalent, the University will not cancel one of those classes without reassigning the Member to another class or otherwise compensating the Member as though the class had been offered.~~

~~23.6.5 After the University has offered summer teaching opportunities to all Bargaining Unit Faculty in a given department pursuant to Section 7.8 and subsections, the University and a Bargaining Unit Faculty Member in that department may agree that the Member teach, at any time during that summer, a class with an enrollment of ten or fewer undergraduate students (or the equivalent) at an overload rate. Such arrangements are not considered summer teaching hours pursuant to Section 7.8 and subsections.~~

23.6.~~6~~ 5 The University and the AAUP-WSU recognize the possibility that unforeseen financial, curricular, and/or enrollment management circumstances may arise making it appropriate to depart from the foregoing summer salary provisions and agree to discuss any such possibilities that are introduced by either party. No changes to the provisions shall be made without agreement of both the University and the AAUP-WSU.

~~23.6.7 If a class that is part of a cohort program is scheduled to meet during all or part of a summer session, then the provisions of Sections 23.6.1 through 23.6.6 pertain to that class and thus to the Member teaching it. However, if the University has offered summer teaching opportunities to all Bargaining Unit Faculty in the Member's department pursuant to Section 7.8 and subsections, then the Member may be paid at an~~

~~overload rate for the cohort program class consistent with what is paid for such courses at other times during the calendar year.~~

~~23.6.8 Should no eligible NTE or TET Bargaining Unit Faculty Members agree to teach a summer class, the University may at its sole discretion either cancel that class or hire an individual in neither Bargaining Unit to teach the class at a salary not to exceed that last offered to a Member of the Bargaining Unit.~~

~~23.6.9 -- null~~

23.6.~~10~~6 Summer Semester Research Salaries: Bargaining Unit Faculty on academic year contracts who are approved by their Department Chair to direct independent laboratory research for either undergraduate or graduate students during the summer will receive a stipend of at least:

For undergraduate research students:
$47/credit hour For master's students:
$80/credit hour
For Ph.D. students: $159/credit hour

* * *

Appendix H

~~The provisions below apply to TET Bargaining Unit Faculty for summer teaching in 2015, and they apply jointly to TET and NTE Bargaining Unit Faculty for summer teaching in subsequent summers.~~
~~Department chairs and the Deans of Lake Campus and the College of Nursing and Health will distribute to all Bargaining Unit Faculty Members in their academic units a schedule of summer teaching assignments.~~

~~If a Member who is scheduled to teach one or more summer courses notifies the department chair with a copy to the dean in writing within one week of receiving this schedule that he or she wants to teach a course section of equal or fewer credit hours that she or he is qualified to teach and that has been assigned to a non-Member, the University will either~~

~~(a) reassign that Member to teach the requested class, or~~
~~(b) reassign that Member to another class to which the Member agrees, or~~
~~(c) compensate the Member according to the enrollment generated in the requested~~

> ~~class or in the class actually taught, whichever is greater, pursuant to Section 23.6, unless the Member elects not to teach the class to which he or she is assigned.~~

> ~~The foregoing provisions will also apply if the Member notifies the Dean that he or she wishes to teach a course section of more credit hours, provided the total number of credit hours that would then be taught does not exceed six (6) semester hours that Summer, pursuant to Section 7.8.1 of the CBA.~~
>
> ~~The university's obligations described above to an individual Member will have been satisfied if each section requested by the Member is re-assigned to any one Bargaining Unit Member.~~
>
> ~~The University has the right to reschedule Members from under-enrolled classes to classes that have adequate enrollment.~~
>
> ~~The university has no obligation to honor requests for schedule changes that are submitted more than one week after the schedule is distributed.~~
>
> ~~This Agreement does not alter in any way the number of courses or credit hours available to any individual Member pursuant to Section 7.8.1.~~
>
> ~~The intent of the foregoing provisions is to ensure that the summer teaching opportunities identified in Section 7.8.1 are not diminished by assignment of classes to non-Bargaining Unit Faculty. Should either party believe that such opportunities have been so diminished, the University and AAUP-WSU will meet to discuss and resolve the matter.~~

3. Support for WSU Proposal:

The University has explained its dire financial position in previous sections. WSU has made many one-time cuts. Those cuts are not sustainable over the long-term. WSU has deferred tens of millions in urgent maintenance. *See* Univ. Ex. 9 (attached). It must complete and pay for that maintenance soon. WSU has spent nearly all of its financial reserves. It will soon lack the money to pay its bills.

Universities have few opportunities to increase revenue. One of those opportunities is the Summer term. WSU has a chance to raise enrollment and revenue by assigning summer courses to faculty the same way it does in the Fall and Spring semesters. It must take advantage of that opportunity. If the University maintains the status quo as the Union proposes, and does not raise additional money by scheduling Summer courses in a different way based on student needs, it will not be able to pay for existing operations and keep the same level of public services.

The AAUP's proposal of current language is from a different time when increasing compensation for each individual faculty member was agreed at the table to be more important than increasing revenue for the University as a whole. Those times are now over. The factors that the Fact-Finder must consider under the Revised Code show that a status quo Summer program that does not allow the University to generate more revenue to maintain its current level of services must be rejected.

The current system for summer teaching assignments on a rotating seniority basis has been in place since approximately 2015. Since then, the number of credit hours taken by students in the Summer term has fallen by about 20 percent – from over 49,137 to 40,350 – and WSU's Summer enrollment revenue has plummeted too. *See* Univ. Ex. 16 (attached), *Summer Registered Credit Hours*. Last year alone, **the University's enrollment revenue from the Summer term alone fell by $1 million**. On May 14, 2018, the Dayton Daily News reported that the University's summer tuition revenue is down by around $1 million again this year. *See* Univ. Ex. 13 (attached), *Wright State summer tuition revenue dip is latest blow to budget realignment*. Yet the costs incurred by the University in paying faculty members to teach Summer courses are only down by a few percentage points. This shows the current system of assigning Summer courses is broken – because it prevents the University from choosing Summer course assignments based on what the students actually need to take.

WSU proposes a more efficient and practicable method of assigning summer teaching that generates more revenue for the University. The current "rotation" system is not ensuring the best professor teaches the right class at the right time to ensure high demand classes are taught by in demand professors. WSU proposes that summer teaching assignments will be at the discretion of the Department Chair and with the approval of the Dean, based on student and curricular needs – the same way Spring and Fall semesters are handled.

The current method of assigning summer teaching positions is based on seniority and upon the needs <u>of the faculty</u>. The changes proposed by the Administration would distribute summer teaching assignments based on the needs of the students. This will drive revenue. WSU needs to be able to schedule the courses that students actually want and need to take during summer school. It makes no sense to determine the summer course schedule based on the seniority rotation of faculty members who may teach courses that do not attract students during the summer. The scheduling of summer courses needs to be within the discretion of management to meet the needs of students and increase (or at least maintain) enrollment.

The Administration believes summer teaching should generate revenue. This was strongly asserted by Dr. McCray as a norm for universities. The distribution of summer teaching assignments directly affects the University's financial crisis. Moreover, the current process just became part of the labor agreement in 2016. This is not a long-term provision that the parties implemented many years ago. The Administration must adjust the distribution of summer teaching assignments and return to a typical process consistent with the financial needs and efficiency of the University.

Importantly, WSU only seeks the same discretion in summer teaching assignments that the Administration currently has for Fall and Spring semesters. It makes no sense that WSU can determine the course schedule that meets the needs of students during the Fall and Spring semesters, but not during summer school – just to drive revenue <u>for professors equally</u>.

The evidence presented by the University establishes that its proposal is more than reasonable. This evidence is contained in the binder marked "WSU Fact-Finding Other Open Articles." The Fact-Finder should turn to the first tab in this binder, marked "Article 7 Faculty Rights/Summer Side Letter." Tab 3 behind this tab contains a summer teaching provision for Cleveland State University. The provision states: "summer and intersession teaching opportunities shall be determined by the Dean in consultation with the department chair and faculty."

Similarly, Tab 4 contains the summer and intersession workload provisions for Kent State. The provisions state that summer session is not part of the academic year and there is no right for faculty members to teach summer classes. Tab 5 contains the summer employment provision for the University of Toledo. This provision states that department chairs will assign full-time faculty to teach summer courses.

This evidence clearly shows that comparable public universities have discretion to distribute summer teaching assignments consistent with student needs – not based on the seniority of the faculty members. WSU needs to have the same discretion as other comparable public universities like Cleveland State, Kent State, and Toledo. Dr. McCray testified without challenge to the same. This is especially true in light of the unprecedented and undisputed financial crises WSU is facing. The University must have the discretion to increase summer enrollment to drive revenue and help WSU recover from the financial crisis.

B. Merit Pay/Annual Evaluation (NTE Article 11.6 to 11.6.2 and 23.1, TET Article 11.7 to 11.7.2 and 23.1)

1. Summary of WSU and AAUP Position:

WSU Position:	**AAUP Position:**
• Keep a merit system available to reward and maintain star performers within the faculty; • Simplify eligibility determination for a merit bonus by 'cut off' score of 2.0 or higher under the current rating criteria to be eligible; • Then awards are based upon Chair/Dean discretion in the distribution of merit pay (if merit pay is available); • Does away with a formula approach that shares merit pay across wide range of BUFM; • Targeted to achieve needed goal of retaining faculty talent given financial crisis.	• Maintain current contract language of status quo that sets out a formula for calculating merit pay that is not targeted but is spread out among range of BUFM based on: total merit pool for college, % merit increase specified in CBA, number of BUFMs in the college, evaluation score, base salary, and scores/salaries of other BUFMs in college; • Does not distinguish in any meaningful way top performers who drive revenue.

2. WSU Proposed Contract Language:

Article 11 – NTE

*   *   *

11.6 A Bargaining Unit Faculty Member shall be eligible for merit pay (if merit pay is available) when the overall merit score is 2.0 or higher.

~~The merit raise mi for an individual Bargaining Unit Faculty Member will be determined as follows.~~

$$m_i = \frac{p_i}{\sum_{j=1}^{n} p_j} \times \frac{M}{2} + \frac{p_i \times b_i}{\sum_{j=1}^{n} p_j \times b_j} \times \frac{M}{2}$$

~~where:~~

- ~~M is the total merit pool for the Member’s college~~

$$M = \sum_{j=1}^{n} b_j \times r$$

- ~~r is the percentage merit increase as specified in Sections 23.2.2 and 23.3.2.~~
- ~~n is the number of Bargaining Unit Faculty in the Member’s college~~
- ~~pi is the Member’s “overall score rounded to the nearest 10th” as specified in Section 11.2.6~~
- ~~bi is the Member’s base salary~~
- ~~pj and bj are the overall score and base salary, respectively, for all the Bargaining Unit Faculty in the Member’s college. (Here, j is equal to 1,2,3, and so forth, up to n.)~~

~~11.6.1 In colleges where some faculty are on academic year appointments and some faculty are on fiscal year appointments, merit raises mi will be calculated as follows:~~

1. ~~The base salary of each fiscal year faculty will be converted to an academic equivalent by multiplying each fiscal base salary bi by 9/11ths to obtain an adjusted base salary bi*.~~
2. ~~These adjusted base salaries bi* will be used in place of the corresponding fiscal base salaries bi to compute an adjusted total merit pool M*.~~
3. ~~The adjusted base salaries and the adjusted total merit pool M* will be used to compute the merit raise mi of each faculty member on an academic year appointment and the adjusted merit raise mi* of each faculty member on a fiscal year appointment.~~
4. ~~For each faculty member on a fiscal year appointment, this adjusted merit raise mi* will be multiplied by 11/9ths to determine the Member’s actual merit raise mi.~~

~~In the event that the merit pool M calculated in accordance with Section 11.6 using the actual base salaries of all Bargaining Unit Faculty (fiscal and academic) is insufficient to cover the total of merit raises when calculated using the procedure outlined in Section 11.6.1, then the University will adjust the pool to provide sufficient funds.~~

~~11.6.2 The merit raise for a Bargaining Unit Faculty Member who has no calculated overall score pursuant to Section 11.2.7 shall be computed by assigning the Member the average of the overall scores in her or his college pursuant to Section 11.2.1.~~

11.6.1~~3~~ A Member who begins employment January 1 or later shall not be eligible for a salary increase during that calendar year. A statement in or attached to the offer letters for such Members will confirm that the base salary continues through the end of the first academic year (or, if applicable, fiscal year) of employment.

* * *

~~11.8 Because these new procedures and criteria represent a significant change from previous practice, the AAUP-WSU and the University will meet in April 2015, 2016 and 2017 to review whether scores have been assigned consistently within each college and in a manner consistent with the applicable criteria as specified elsewhere in this Article 11. If the parties are not able to agree on needed adjustments (if any), and AAUP-WSU believes either that scores have not been assigned in a consistent manner within each college, or that scores have been assigned in a manner not consistent with the applicable criteria, then AAUP-WSU can take the matter directly to arbitration as specified in Section 16.6 and subsections.~~

Article 23 – NTE

23.1 For academic and fiscal years ~~2014-2015~~ 2017-2019, ~~each~~ Bargaining Unit ~~Member shall~~ Faculty will receive no raises.

~~an across-the-board raise equal to 2.0% of his or her 2013-2014 annual base salary. For Members on fiscal appointments, this raise will be effective on July 1, 2014; and for Members on academic year appointments, this raise will be effective on August 1, 2014.~~

If the University awards merit pay to Bargaining Unit Faculty Members, each Dean will determine the allocation of such pay to Members in his or her college based on individuals' performance, in a manner not inconsistent with the Members' annual evaluations, as described in Article 11.

23.2 The raises and economic items in current 23.1.1 through 23.3.3 shall not be applicable during the term of this contract.

* * *

Article 11 – TET

*   *   *

~~11.2.1.2~~ The chair will then average the annual evaluation scores in scholarship given over the previous three years, and multiply this average by 0.75 (thus giving a three-year scholarship score in the 0-3 range). ~~Any three-year scholarship score less than one will be rounded upward to 1, since shortcomings in scholarship expectations result in adjustments to the workload.~~

*   *   *

11.7 A Bargaining Unit Faculty Member shall be eligible for merit pay (if merit pay is available) when the overall merit score is 2.0 or higher.

~~The merit raise mi for an individual Bargaining Unit Faculty Member will be determined as follows.~~

~~$m_i = \frac{p_i}{\sum_{j=1}^{n} p_j} \times \frac{M}{2} + \frac{p_i \times b_i}{\sum_{j=1}^{n} p_j \times b_j} \times \frac{M}{2}$~~

~~where:~~

- ~~M is the total merit pool for the Member's department~~ ~~$M = \sum_{j=1}^{n} b_j \times r$~~
- ~~r is the percentage merit increase as specified in Sections 23.2.2 and 23.3.2~~
- ~~n is the number of Bargaining Unit Faculty in the Member's department~~
- ~~pi is the Member's "overall score rounded to the nearest 10th" as specified in Section 11.2.6~~
- ~~bi is the Member's base salary~~
- ~~pj and bj are the overall score and base salary, respectively, for all the Bargaining Unit Faculty in the Member's department. (Here, j is equal to 1,2,3, and so forth, up to n.)~~

~~11.7.1 In departments where some faculty are on academic year appointments and some faculty are on fiscal year appointments, merit raises mi will be calculated as follows:~~

1. ~~The base salary of each fiscal year faculty will be converted to an academic equivalent by multiplying each fiscal base salary bi by 9/11ths to obtain an adjusted base salary bi*.~~
2. ~~These adjusted base salaries bi* will be used in place of the corresponding fiscal base salaries bi to compute an adjusted total merit pool M*.~~
3. ~~The adjusted base salaries and the adjusted total merit pool M* will be used to compute the merit raise mi of each faculty member on an academic year~~

~~appointment and the adjusted merit raise mi* of each faculty member on a fiscal year appointment.~~

~~4. For each faculty member on a fiscal year appointment, this adjusted merit raise mi* will be multiplied by 11/9ths to determine the Member's actual merit raise mi.~~

~~If the merit pool M calculated in accordance with Section 11.7 using the actual base salaries of all Bargaining Unit Faculty (fiscal and academic) is insufficient to cover the total of merit raises when calculated using the procedure outlined in Section 11.7.1, then the University will adjust the pool to provide sufficient funds.~~

~~11.7.2 The merit raise for a Bargaining Unit Faculty Member who has no calculated overall score pursuant to Section 11.2.7 shall be computed by assigning the Member the average of the overall scores in her or his department pursuant to Section 11.2.6.~~

11.7.1~~3~~ A Member who begins employment January 1 or later shall not be eligible for a salary increase during that calendar year. A statement in or attached to the offer letters for such Members will confirm that the base salary continues through the end of the first academic year (or, if applicable, fiscal year) of employment.

* * *

~~11.9 Because these new procedures and criteria represent a significant change from previous practice, the AAUP-WSU and the University will meet in April 2015, 2016 and 2017 to review whether scores have been assigned consistently within each department and in a manner consistent with the applicable criteria as specified elsewhere in this Article 11 and (for scholarship) in departmental bylaws. If the parties are not able to agree on needed adjustments (if any), and AAUP-WSU believes either that scores have not been assigned in a consistent manner within each department, or that scores have been assigned in a manner not consistent with the applicable criteria, then AAUP-WSU can take the matter directly to arbitration as specified in Section 16.6 and subsections.~~

Article 23 – TET

23.1 For academic and fiscal years 2017 -2019 ~~5~~, Bargaining Unit Faculty will receive no raises.

If the University awards merit pay to Bargaining Unit Faculty Members, each Dean will determine the allocation of such pay to Members in his or her college based on individuals' performance, in a manner not inconsistent with the Members' annual evaluations, as described in Article 11.

23.2 The raises and economic items in current 23.1.1 through 23.3.4 shall not be applicable during the term of this contract.

~~to their base salaries as specified in Sections 23.1.1 through 23.1.2 below. For Members on fiscal appointments, these raises will be effective on July 1, 2014; and for Members on academic year appointments, these raises will be effective on August 1, 2014.~~

3. Support for WSU Proposal:

The decision would be patently wrong if the Fact-Finder were to award any economic increase such as raises, minimum salary increases, or other economic items to the AAUP. This is so apparent based on the once-a-generation financial collapse of a public university that the University will not spend any more time than necessary arguing for a wage and salary freeze. However, it is still necessary to come up with the most efficient and practical way to financially reward faculty members who help drive revenue, enhance the University's reputation, and perform well above expectations during this very difficult timeframe.

This is a common sense proposal that grants the Dean of each department the ability to give merit pay to the faculty members who are performing in an exceptional manner. WSU does not have the resources to continue on a going-forward basis with the Union's version of a merit pay system that simply spreads out additional money across almost the entire faculty. Those times have come to an end.

WSU proposes that each Dean should determine how to award merit pay based on the performance of individual professors after meeting a qualifying score based on the current evaluation system now in place. This proposal is necessary and very important to the University to retain exceptional faculty members through the current financial crisis.

The current merit pay provision provides for the distribution of merit pay through a formula set forth in the labor agreement. The criteria typically results in a majority of the faculty members qualifying for merit pay. This disburses any merit pay based on criteria unrelated to driving revenue, enhancing the University's reputation or stand-out exceptional performance. The problem with this formula-based approach is that it prevents the Administration from rewarding truly exceptional performance and providing encouragement to high-quality faculty members important to the success of the University. It is especially important now to keep talent.

Rewarding exceptional faculty members is essential to retaining a high-quality faculty through the financial crisis. The University will not be able to give raises other than by promotion during the term of the next labor agreement. The University needs to retain its best faculty members to maintain its academic standing. A small amount of merit money can be key in retaining valued members of the faculty.

The proposed change is simple. Rather than distributing merit pay through a formula that disburses it among many qualified faculty members <u>and costs the University far more</u> than a targeted approach, each Dean will determine the allocation of such pay to a much smaller number of faculty members based on their individual performance. For example, a high performing professor might obtain more research grants for the University, publish a groundbreaking study in a peer-reviewed journal, or attract more students to enroll in her courses. The Dean will distribute merit pay in a manner not inconsistent with the faculty members' annual evaluations, as described in Article 11 of the labor agreement.

This is a reasonable proposal that only benefits bargaining unit members much more than the AAUP's position of eliminating the merit plan. It is absolutely necessary to help the University retain top quality faculty members through an unprecedented financial crisis and budget cuts. The AAUP can renegotiate a merit pay provision that disburses such payments more equally when the labor agreement expires, if the financial sustainability of the University has improved. During the upcoming labor agreement, though, the Administration must have the ability to reward exceptional performance and retain the University's best professors despite a very challenging financial environment.

C. Continuing Appointment and Promotion (Portions of Article 13.1 to 13.3)

1. Summary of WSU and AAUP Position:

WSU Position:	**AAUP Position:**
• Keeps a system in place that awards a non-tenure track faculty member with a continuing, automatic renewal contract (dubbed 'tenure-light'); • However, increases the length of time for moving NTE BUFMs from fixed-term appointments to continuing contracts (WSU proposed after 9 years of service instead of after 6) and includes an initial requirement of attaining rank of Senior Lecturer or Clinical Assistant Professor; • Current NTE BUFMs who have attained 'continuing' status in 2018 or before would be 'grandfathered;' • In light of financial instability, defers the decision to add additional quasi-permanent faculty and avoids now having to terminate all NTE BUFMs when guaranteed contracts are not an option.	• Maintain status quo and current contract language that sets an automatic progression from a fixed-term to a continuing contract beginning with the 7th year of employment for all Lecturers, Clinical Instructors and Clinical Assistant Professors based only upon seniority and length of employment (if not terminated prior to that point); • Maintains the automatic conversion of an Instructor to Lecturer after 6 years; • Forces University to have to sever quality faculty due to financial condition and does not seek a compromise solution, keeping framework in place; • Calls for an "all or nothing" approach and ignores financial uncertainty.

2. WSU Proposed Contract Language:

Article 13 – NTE

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13.1.3 Bargaining Unit Faculty have ~~either~~ fixed-term ~~or continuing~~ appointments unless (a) they have been granted a continuing appointment in 2018 or before, or (b) they have nine or more years of service as full-time faculty at Wright State University and have been appointed or promoted to the rank of Senior Lecturer or Clinical Assistant Professor.

~~13.1.3.1 Instructors and all ranks of Visiting Professors always have fixed-term appointments.~~

~~13.1.3.2 Lecturers, Clinical Instructors and Clinical Assistant Professors have fixed-term appointments during their first six years of employment as Bargaining Unit Faculty Members.~~

~~13.1.3.3 Lecturers, Clinical Instructors and Clinical Assistant Professors have continuing appointments beginning with the seventh year of employment as Bargaining Unit Faculty Members.~~

~~13.1.3.3 Senior Lecturers always have continuing appointments.~~

13.2 Fixed-term Faculty Appointments

13.2.1 Appointments for Instructors are for one year (or, if hired as a Member within an academic year, the appointment may include that partial year and the following academic year). Instructor appointments may not be extended beyond a total of six years of service. Instructor positions carry no expectation of continuing employment. ~~Before the Member's sixth year as an Instructor begins, the University will (a) notify the faculty member that the appointment will not be continued or (b) offer a continuing appointment as a Lecturer with no identified date of termination. That is, if the university fails to notify that Member that the appointment will not be continued, then the Member will be given a continuing appointment as a Lecturer with no identified date of termination.~~

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13.2.3 Bargaining Unit Faculty may be appointed to the rank of Lecturer upon beginning Wright State employment or after serving for a time (normally six years) as an Instructor. The university's decision to create a Lecturer position is based on university needs, regardless of the performance level of existing Instructors.

13.2.4 Fixed-term appointments as Lecturers, Clinical Instructors, and Clinical Assistant Professors are for ~~the smaller of (1)~~ three years~~-and (2) the number of years needed to bring a Member's total service as an NTE faculty member to six. Before a Lecturer or Clinical faculty member begins his or her sixth year as an NTE faculty member, the university will (a) notify that Member that the appointment will not be continued or (b) offer a continuing appointment with no identified date of termination; that is, if the university fails to notify that Member that the appointment will not be continued, then the Member will be given a continuing appointment with no identified date of termination~~.

* * *

13.3 Continuing Faculty Appointments. ~~Beginning with the seventh year as a Bargaining Unit Faculty Member at the University, a~~A Member with nine or more years as a full-time faculty member at Wright State University holding the rank of Senior Lecturer~~, Clinical Instructor~~ or Clinical Assistant Professor will have a continuing appointment (meaning, here and elsewhere, a continuing appointment with no identified date of termination). Bargaining Unit Faculty with continuing appointments are not eligible for tenure, and the employment of a faculty member with a continuing appointment may be terminated pursuant to Article 15. ~~All Senior Lecturers have continuing appointments.~~

3. Support for WSU Proposal:

WSU proposes that non-tenure eligible faculty should have a longer path to an automatic "continuing contract" until certain criteria are met. The issue of continuing contracts for non-tenure eligible faculty members should have been resolved at the bargaining table. WSU cannot afford to pay for tens of millions of dollars in urgent maintenance or take the trash out more than once a week. It has been forced to cut or defer more than $40 million from its budget over the past two years. It does not have the money to fill key vacancies, and it has already implemented layoffs and furlough policies for other employees outside AAUP.

Despite all this, during one of the most severe financial crises any public university in this country has ever faced, the AAUP refuses to agree to push back the timeframe for granting continuing contracts to non-tenure eligible faculty members. This shows that the AAUP will not collaborate on anything to help improve the University's finances, <u>even if a proposal also helps faculty members</u>. WSU could have proposed to eliminate continuing contracts for non-tenure eligible faculty members. It did not. It only seeks to delay their consideration for a continuing contract for a few years when the University may be in a better financial position.

The University proposes a "grandfathered" approach for those already granted a continuing appointment in 2018 or before. The requirement that an applicant have nine or more years of service as full-time faculty at WSU and have been appointed or promoted to the rank of Senior Lecturer or Clinical Assistant Professor is a clear path, and is reasonable given current norms and the economic condition. This University proposal keeps in place the current framework, and is a reasonable adjustment to achieving a quasi-permanent contract.

Granting automatic continuing contracts to non-tenure eligible faculty is the exception, not the rule, among other comparable universities. The AAUP did not present examples of other peer universities that automatically offer continuing contracts to non-tenure eligible faculty. It failed to do so because most other comparable universities do not offer career-length jobs by giving a continuing contract to non-tenured professors. Few universities provide this level of job security for non-tenure positions – and yet WSU is not proposing to eliminate continuing contracts!

Instead, it proposes to keep the system of granting continuing contracts, but delay granting a continuing contract until they have nine or more years of experience and meet a level of prior achievement.

The current system is a problem because of the financial crisis. By the end of a non-tenure eligible faculty member's fifth year, the University has to decide whether to tell them they will have a continuing contract or they are "out." Forcing WSU to maintain the status quo, and commit at this time to quasi-permanent employment will result in the termination of good people unnecessarily. The University simply cannot presently afford to make that commitment because of unprecedented financial uncertainty. As a result, already WSU has been forced to part ways with non-tenure eligible faculty members who the University may otherwise have retained.

The University's proposal would not take away the continuing contract of any non-tenure eligible faculty member who already received one. It would only push back the University's decision on non-tenure eligible faculty members while WSU attempts to recover from the financial crisis. Because it allows the University to retain more non-tenure eligible faculty members, this proposal is a "win win." The AAUP's opposition to this proposal is not in the best interests of the faculty members, but rather a game of "chicken" to assert Union power to uphold the status quo because they do not believe the current crisis is "their fault." They simply will not work with the Administration even when it would help faculty, help students have quality instruction, and help morale.

Under the status quo the AAUP seeks to maintain, some faculty would lose their jobs. The Administration submits that the Fact-Finder should adopt this proposal in the best interests of the

University, the students, the culture of the school, and the non-tenure eligible faculty members themselves. There is financial support for the Administration's proposal, and no uniform comparable support for this "continuing contract" system elsewhere.

D. Retrenchment (Article 17.1, 17.4, 17.5 and 17.6)

1. Summary of WSU and AAUP Position:

WSU Position:	**AAUP Position:**
• Includes an additional criteria to trigger a lay-off of BUFM directly tied to a limited 'window' of time measured by the University's SB6 score (a score below 2.40 two years in a row to invoke an option to begin retrenchment process); • If retrenchment is triggered and to be recommended, reduces timeframe for Committee to make recommendations; • Removes requirement that retrenched BUFMs be automatically offered other positions in faculty; • Maintains same generous and lengthy severance payment and notice of decision periods currently in place for impacted BUFMs.	• Maintains status quo current contract language that only allows triggering criteria of 1) fiscal exigency, 2) a significant reduction in enrollment over 4 or more academic semesters, or 3) complete discontinuation of a College, Department or Program; • Also maintains unreasonable Committee timelines which are lengthy and may have unclear endpoints if deadlocked; • Maintains requirement to automatically offer positions to retrenched (laid-off) BUFMs elsewhere in the University, defeating purpose of a layoff.

2. WSU Proposed Contract Language:

Article 17

17.1 Retrenchment is defined as the termination of a Bargaining Unit Faculty Member(s) during any appointment as a result of any of the following ~~three~~ circumstances: (a~~1~~) financial exigency; or (b) within the 24-month period after the University achieves a composite result of the ratio analysis calculated in accordance with OAC 126:3-1-01 paragraph (A)(4) of less than 2.40 for any two consecutive fiscal years, or pursuant to a financial recovery plan under fiscal watch; or (c~~2~~) significant reduction in enrollment of a College, Department, or Program (here and elsewhere, meaning a program offered for credit) continuing over four or more academic semesters (not counting summer) and which is expected to persist; or (d~~3~~) discontinuation of a College, Department or Program.

Financial exigency means that severe financial problems exist which threaten the University's ability to maintain its academic operations at an acceptable level of quality.

* * *

17.4 Under retrenchment defined in 17.1 (a or b) within twenty (20) calendar days or under 17.1 (c or d) ~~W~~within sixty (60) calendar days after receipt of the data and information in Section 17.3 a joint Committee on Retrenchment, with three members appointed by the University and three members appointed by the AAUP-WSU, shall submit its advisory recommendations to the University President. Such recommendations may include ways to relieve the exigency by raising additional funds, by reallocating funds, or by cutting or eliminating specified activities. If the joint Committee on Retrenchment does not submit its advisory recommendations to the University President within the time frame set forth herein, the process set forth in this Article shall continue to the next step.

* * *

17.5 The President shall forward the recommendations of the Committee on Retrenchment along with his or her recommendations to the Board of Trustees. After receiving and considering the recommendation(s), the Board of Trustees shall make the final determination whether or not to implement retrenchment.

* * *

~~17.6.9 Bargaining Unit Faculty Members whose positions are terminated shall be offered available faculty positions for which they are fully qualified or for which they can become fully qualified within the period of their notification of termination as specified in Section 17.6.10. Where feasible, the University will consider relocating Bargaining Unit Faculty Members in a non-faculty position, as an alternative to termination.~~

3. Support for WSU Proposal:

For years, the University has covered for increased expenditures and decreasing revenues by spending its financial reserves. Those reserves are now gone. The University has very little money left in the bank. Its general balance of unallocated funds not dedicated to a specific department is ***negative*** $11 million. *See* Univ. Ex. 8 (attached). While the University remains in worse financial condition than any other public college or university in Ohio, the Administration must have the ability to consider retrenchment (layoffs).

As Dr. McCray testified, WSU needs to consider retrenchment and other structural financial changes to restore long-term sustainability. It cannot keep deferring tens of million in urgent maintenance, and there is no money left in its financial reserves to make up for spending deficits. If the University facing the worst financial crisis in the history of higher education in Ohio cannot implement retrenchment to save the school and continue to provide services to its students and the public, when could retrenchment ever be implemented?

WSU proposes limited changes to Article 17 to allow for retrenchment within a specific window of time measured by objective criteria under State law – the University's Senate Bill 6 score. The University's proposal would only allow retrenchment based on this objective measure of its financial wellbeing and sustainability, as set forth in the Revised Code, when its Senate Bill 6 score falls below 2.40 for two years in a row. A Senate Bill 6 score of 2.40 or above is the required level indicating financial sustainability that allows a public college or university to emerge from "fiscal watch" status – in other words, a score above 2.40 reflects that a university is on its way to financial recovery. As set forth in Ohio Administrative Code Section 126:3-1-01(F)(1)(a), the criteria for termination of fiscal watch is reached when, among other things, the university achieves a "composite result of the ratio analysis calculated in accordance with [Senate Bill 6] of **at least 2.40 for a fiscal year**."

No other public university in Ohio had a Senate Bill 6 score of less than 2.40 in FY 2016. The Fact-Finder can find a chart showing the Senate Bill 6 scores of other public universities by opening the binder labeled **“**WSU Fact-Finding Financial Background.” The Fact-Finder should turn to the tab in this binder labeled “Senate Bill 6.” Tab 2 contains a chart showing the Senate Bill 6 scores of other public universities in Ohio in FY 2016. WSU had a Senate Bill 6 score of 2.10 in FY 2016, but only one other public university (Cleveland State) had a Senate Bill 6 score of less than 3.0 – and Cleveland State’s score was still 2.8, well above the threshold of 2.40 that would be required for two consecutive years to trigger retrenchment under the University’s proposal. Bowling Green, Cleveland State, Kent State, Miami, Ohio State, Ohio University, Shawnee State, Akron, Cincinnati, Toledo, and Youngstown State all had Senate Bill 6 scores above 3.0.

This shows that WSU’s proposal is narrowly tailored to address an extreme financial crisis like the one the University is currently experiencing. Out of thirteen other public universities in the State of Ohio, none of them currently have a Senate Bill 6 score low enough to trigger retrenchment under the University’s proposal. Importantly, the University does not propose to trigger retrenchment after a single Senate Bill 6 score below 2.40. Retrenchment would only be triggered after two consecutive years with a Senate Bill 6 score below 2.40 – in other words, the University could only engage in retrenchment after two straight years of Senate Bill 6 scores well below the current level of financial sustainability of any other public university in Ohio. And the window for retrenchment is only open for a limited period of time – 24 months. This is an <u>objective</u> and <u>limited</u> proposal that has a built in “end time.”

The chart also shows that out of 23 community colleges in the State of Ohio, none of them had a Senate Bill 6 score below 2.4 in FY 2016. Again, for retrenchment to be triggered under the University's proposal, WSU must receive a Senate Bill 6 score worse than the current score of any community college in Ohio for two straight years. This shows that the University's proposal would only allow retrenchment during a sustained two-year period of severe financial problems worse than any other community college in Ohio.

Other employees at the University are already subject to potential layoffs as a result of the financial crisis. WSU has been forced to lay off dozens of employees to reduce its budget by $40 million over two years. Yet the University has not laid off a single AAUP member. This shows that WSU will exercise restraint in using the retrenchment procedures, even beyond the objective measure requiring two straight years of Senate Bill 6 scores worse than any other public college or university in Ohio.

Layoffs are not certain for faculty, and hopefully are not necessary. However, layoffs are a common occurrence in fiscal emergencies all across the state (and United States) when financial emergencies occur and this is a common-sense proposal. Perhaps most importantly, the very generous layoff severance payments and very long "notice periods" contained in section 17.6.10 are not disturbed or decreased by the University's proposal. WSU must have the ability to use retrenchment procedures to protect the financial sustainability of the University during a financial crisis. Over the past few years, WSU depleted its financial reserves by more than 75 percent to make up for declining enrollment revenue and overspending on salaries, benefits, and other expenditures. It is now out of money. The AAUP has not offered any counterproposal for the

Fact-Finder to consider, so the Fact-Finder should recommend the reasonable and narrowly tailored proposal advanced by the Administration.

E. Workload (Art. 19.1)

1. Summary of WSU and AAUP Position:

WSU Position:	**AAUP Position:**
• Clarifies that "workload" must be only governed by University policy as required by State law and is a prohibited subject of bargaining pursuant to Revised Code 3345.45; • Makes clear that, pursuant to Ohio law, University policy as being determinative of workloads, not the CBA or MOUs that tie the University's hands regarding management rights of staffing and assignment; • Removes all previous MOUs that illegally set workload, and that set up ways to challenge workload assignments, disrupting the provision of instruction to students during the fiscal crisis.	• Maintains status quo contract language and ignores financial stress and need to do more with less; • Keeps established current workloads and permits challenges/issues with workload to be taken to binding arbitration.

2: WSU Proposed Contract Language:

Article 19

19.1 Faculty workload requirements are set forth in University policy, including University Policy Number 2020, Faculty Workload, and as may be amended from time to time.

~~a faculty workload policy that the University and the AAUP-WSU agree will be included in the Faculty Handbook. If the AAUP-WSU believes that the assigned workload of one or more Members is inconsistent with specific provisions of that Policy or Agreements between the AAUP-WSU and the University, it shall have the sole right to submit the matter to an external arbitrator within thirty (30) days of~~

~~receiving the Provost's response to an appeal from an individual Member or from the AAUP-WSU. The definition of days refers to the time limits established in Section 16.2.6. Procedures for such arbitration shall be in accordance with those specified in Sections 16.6-16.9.~~

In accordance with Revised Code 3345.45, all Sections of this Agreement, Memoranda of Understanding and other Agreements between the AAUP-WSU and the University pertaining to workload are prohibited subjects of collective bargaining, not appropriate for collective bargaining, and null and void.

3. Support for WSU Proposal:

The General Assembly of the State of Ohio has decided that public universities must have the management right to determine the "workload" of their faculty members. Over the years, public universities gradually gave away their management right to control faculty workload. The General Assembly decided to restore that inherent management right. As a matter of mandatory State law, public universities are now prohibited from bargaining on the workload of faculty members.

WSU and the AAUP did not follow mandatory Ohio law. They entered into Memoranda of Understanding restraining the University's management right to determine the workload of faculty members. Being able to control workload and ask employees to do more is a basic approach management takes in response to financial constraints. The University must have the ability to control workload, especially in light of its unprecedented financial difficulties. The Fact-Finder would be going against the General Assembly and common sense by not adopting the University's proposal – especially given the unprecedented financial crisis, and even beyond mandatory State law.

This is an important proposal for the University – and a topic where the AUP is presenting a legal smokescreen rather than acknowledging their "end around" of mandatory State law has gone on long enough and must come to an end given the financial crisis of the University. WSU proposes that workload requirements are set forth in University Policy Number 2020, consistent with Revised Code 3345.45. WSU proposes that this provision should reflect that any memoranda of understanding and other agreements with AAUP pertaining to workload are void as prohibited subjects of bargaining, not appropriate for collective bargaining, and no longer in effect.

This issue of staffing and scheduling control is so obvious and apparent for a school in financial crisis. It is outrageous that this issue was not agreed-upon at the bargaining table given the clear mandate of the Ohio General Assembly, the Ohio Supreme Court, and the State Employment Relations Board ("SERB"). WSU needs the ability to make changes in faculty workload requirements, in light of the financial crisis. It may be necessary for the University to increase workload if appropriate to help generate additional tuition revenue and control expenses.

WSU's proposal is specifically addressed by Ohio law. It is mandatory. The University and the Union are prohibited from bargaining about the workload policy. Revised Code Section 3345.45 provides that each public university should adopt a faculty workload policy, that workload policies are not appropriate subjects for collective bargaining, and that workload policies adopted by a public university prevail over any conflicting provisions of a collective bargaining agreement or negotiated provision.

The evidence presented by the University clearly supports its proposal on workload. This evidence is contained in the binder marked "WSU Fact-Finding Other Open Articles." The Fact-

Finder should turn to the tab in this binder marked “Article 19 Workload.” Tab 1 behind this tab contains Section 3345.45 of the Revised Code. Section A requires public universities to develop “standards for instructional workloads for full-time and part-time faculty in keeping with the universities’ missions and with special emphasis on the undergraduate learning experience.” Further, the workload standards must “contain clear guidelines for institutions to determine a range of acceptable undergraduate teaching by faculty.” Section B requires the universities to “take formal action to adopt a faculty workload policy consistent with the standards developed under this section. The statute goes on to prohibit the universities from engaging in collective bargaining on workload policies:

> Notwithstanding section 4117.08 of the Revised Code, the policies adopted under this section are ***not appropriate subjects for collective bargaining***.

O.R.C. § 3345.45(B) (emphasis added).

Tab 2 in this section of the University’s binder contains the decision by the United States Supreme Court in *Central State University v. American Association of University Professors, Central State University Chapter*. This decision upheld the constitutionality of ORC § 3345.45, requiring public universities to develop standards for professors’ instructional workloads and exempting those standards from collective bargaining.

Similarly, Tab 3 of the binder contains the Ohio Supreme Court’s decision in *American Association of University Professors, Central State University Chapter v. Central State University*. In this decision, like the U.S. Supreme Court, the Ohio Supreme Court upheld the constitutionality of ORC § 3345.45 as a valid exercise of legislative authority. The Fact-Finder should recommend that the University follow the clear precedent established by the U.S. Supreme Court and the Ohio Supreme Court in upholding ORC § 3345.45.

Tab 4 of the binder contains an AAUP newsletter called "The Right Flier." This newsletter outlines the history of bargaining faculty workload at WSU. In the newsletter, the AAUP acknowledges that the State Employment Relations Board "concluded that if AAUP-WSU had asked to bargain over workload after the Ohio Supreme Court's reversal of its original decision then it would have committed an ULP." SERB's decision referenced in the newsletter is also contained in the binder at Tab 9.

The AAUP newsletter found at Tab 4 further acknowledges that if WSU took the issue of workload to Fact-Finding, the Fact-Finder "would have almost certainly ruled in favor of the administration and the new administration would have been free to impose a new calendar and unilateral changes in workload." Based on the AAUP's own newsletter describing avoiding Fact-Finding in a prior WSU negotiation, the AAUP understands that the Fact-Finder should make a recommendation consistent with ORC § 3345.45 and the precedent upholding it from the U.S. Supreme Court and the Ohio Supreme Court.

Tab 5 contains a decision from the State Employment Relations Board ("SERB") dismissing an Unfair Labor Practice complaint filed by the Youngstown State University Association of Classified Employees. The union alleged that YSU committed an unfair labor practice by unilaterally altering the workload of employees in the bargaining unit. SERB dismissed the complaint with prejudice, holding that the "issue of faculty workload is a prohibited subject of bargaining and the failure to bargain over a change in faculty workload is not an unfair labor practice." SERB also denied the union's motion for reconsideration. This shows that WSU has the ability to unilaterally alter the workload of AAUP members, so the Fact-Finder should adopt the University's proposed language in his recommendation as a clear mandate from SERB.

Tab 6 contains an arbitration decision between the AAUP and the University of Toledo. The AAUP alleged that the University of Toledo modified the workload procedure by implementing a new component. The University of Toledo argued that the modification was permissible under ORC § 3345.45. The arbitrator agreed with the University of Toledo and found that since faculty workloads are not subject to collective bargaining, they cannot be subject to arbitration under a collective bargaining agreement.

Beyond the clear precedent from the U.S. Supreme Court, the Ohio Supreme Court, SERB, and arbitrators around the State of Ohio, other comparable employers also support the University's proposal on workload. Tab 7 contains the University of Akron's collectively bargained workload provision. The provision states that the Board of Trustees has adopted a faculty workload policy consistent with ORC § 3345.45. Further, it states that "modification to this policy shall be at the sole discretion of the University in consultation with appropriate constituencies, including the Akron-AAUP."

Similarly, Tab 8 contains Central State University's collectively bargained workload provision. Like the University of Akron, Central State University's labor agreement states that the Board of Trustees has adopted a faculty workload policy consistent with ORC § 3345.45. The provision only gives the faculty senate the ability to make recommendations for proposed changes to the workload policy. This shows that other comparable employers have adopted collectively bargained provisions consistent with ORC § 3345.45, and consistent with the provision proposed by the WSU administration. The University anticipates the AAUP will attempt to put up a "smokescreen" of legal argument against this change because they know it is a clear-cut of a proposal before this Fact-Finder. This issue is clearly supported by every single area of law that controls the labor negotiation process in Ohio. It must be awarded.

F. Compensation (Art. 23)

1. Summary of WSU and AAUP Position:

WSU Position:	**AAUP Position:**
• No base wage increases for the term of this contract; • Provisions for general across-the-board merit and equity pools are frozen at current levels and not in effect for the remaining term of the agreement; • However, promotion pay increases stay intact and remain the same for any BUFM who are promoted.	• No base wage increase for FY18 but a 4% across-the-board increase proposed for FY19 and then an additional 4% across-the-board increase for FY20; • Also propose increase of approx. 8% to the 'overload' pay rate and summer research salaries.

2. WSU Proposed Contract Language:

Article 23 – NTE

23.1 For academic and fiscal years ~~2014-2015~~ 2017-2019, ~~each~~ Bargaining Unit ~~Member shall~~ Faculty will receive no raises.

~~an across-the-board raise equal to 2.0% of his or her 2013-2014 annual base salary. For Members on fiscal appointments, this raise will be effective on July 1, 2014; and for Members on academic year appointments, this raise will be effective on August 1, 2014.~~

If the University awards merit pay to Bargaining Unit Faculty Members, each Dean will determine the allocation of such pay to Members in his or her college based on individuals' performance, in a manner not inconsistent with the Members' annual evaluations, as described in Article 11.

23.2 The raises and economic items in current 23.1.1 through 23.3.3 shall not be applicable during the term of this contract.

* * *

~~23.4.2 Previous appointments to Lecturer. A Bargaining Unit Faculty Member who held the rank of Instructor and who accepted an appointment as Lecturer that went into effect on or after July 1, 2013 but before the effective date of this agreement shall receive an increase of 7.5% of that Member's annual base salary as Instructor that shall be retroactive to the date on which the appointment as Lecturer became effective.~~

* * *

23.6 Summer Semester. A Bargaining Unit Faculty Member with an academic year appointment who has completed two semesters of service and is assigned by the University to teach during the summer semester will be compensated as specified in Sections 23.6.1 through 23.6.~~9~~5. Summer teaching assignments will be at the discretion of the Department Chair and with the approval of the Dean, based on student and curricular needs.

* * *

23.6.4 Once registration for summer has begun, cancellation of a class scheduled to be taught by a Member requires approval by a provost. ~~For purposes of determining whether to cancel summer classes, 1 graduate student shall be the equivalent of 2 undergraduate students.~~

~~23.6.4.1 The University will not cancel a summer class scheduled to be taught by a Bargaining Unit Faculty Member if it has an enrollment of 15 or more undergraduate students, or the equivalent. If it becomes necessary to cancel a class, the university will make a good faith effort to preserve the Members' opportunity to teach summer classes as set forth in Section 7.8 and subsections.~~

~~23.6.4.2 If summer classes assigned to a Member pursuant to Section 7.8 and subsections have an average enrollment of 15 or more undergraduate students, or the equivalent, the University will not cancel one of those classes without reassigning the Member to another class or otherwise compensating the Member as though the class had been offered.~~

~~23.6.5 After the University has offered summer teaching opportunities to all Bargaining Unit Faculty in a given department pursuant to Section 7.8 and subsections, the University and a Bargaining Unit Faculty Member in that department may agree that the Member teach, at any time during that summer, a class with an enrollment of ten or fewer undergraduate students (or the equivalent) at an overload rate. Such arrangements are not considered summer teaching hours pursuant to Section 7.8 and subsections.~~

23.6.~~6~~5 The University and the AAUP-WSU recognize the possibility that unforeseen financial, curricular, and/or enrollment management circumstances may arise making it appropriate to depart from the foregoing summer salary provisions and agree to discuss any such possibilities that are introduced by either party. No changes to the provisions shall be made without agreement of both the University and the AAUP-WSU.

~~23.6.7 If a class that is part of a cohort program is scheduled to meet during all or part of a summer session, then the provisions of Sections 23.6.1 through 23.6.6 pertain to that class and thus to the Member teaching it. However, if the University has offered summer teaching opportunities to all Bargaining Unit Faculty in the Member's department pursuant to Section 7.8 and subsections, then the Member may be paid at an overload rate for the cohort program class consistent with what is paid for such courses at other times during the calendar year.~~

~~23.6.8 Should no eligible NTE or TET Bargaining Unit Faculty Members agree to teach a summer class, the University may at its sole discretion either cancel that class or hire an individual in neither Bargaining Unit to teach the class at a salary not to exceed that last offered to a Member of the Bargaining Unit.~~

* * *

Article 23 – TET

23.1 For academic and fiscal years 2017 -2019 ~~5~~, Bargaining Unit Faculty will receive no raises.

If the University awards merit pay to Bargaining Unit Faculty Members, each Dean will determine the allocation of such pay to Members in his or her college based on individuals' performance, in a manner not inconsistent with the Members' annual evaluations, as described in Article 11.

23.2 The raises and economic items in current 23.1.1 through 23.3.4 shall not be applicable during the term of this contract.

~~to their base salaries as specified in Sections 23.1.1 through 23.1.2 below. For Members on fiscal appointments, these raises will be effective on July 1, 2014; and for~~

~~Members on academic year appointments, these raises will be effective on August 1, 2014.~~

* * *

23.6 Summer Semester. A Bargaining Unit Faculty Member with an academic year appointment who has completed two semesters of service and is assigned by the University to teach during the summer semester will be compensated as specified in Sections 23.6.1 through 23.6.~~9~~5. Summer teaching assignments will be at the discretion of the Department Chair and with the approval of the Dean, based on student and curricular needs ~~by the chair with approval of the Dean.~~

* * *

23.6.4 Once registration for summer has begun, cancellation of a class scheduled to be taught by a Member requires approval by a provost. ~~For purposes of determining whether to cancel summer classes, 1 graduate student shall be the equivalent of 2 undergraduate students.~~

~~23.6.4.1 The University will not cancel a summer class scheduled to be taught by a Bargaining Unit Faculty Member if it has an enrollment of 15 or more undergraduate students, or the equivalent. If it becomes necessary to cancel a class, the university will make a good faith effort to preserve the Members' opportunity to teach summer classes as set forth in Section 7.8.1.~~

~~23.6.4.2 If summer classes assigned to a Member pursuant to Section 7.8.1 have an average enrollment of 15 or more undergraduate students, or the equivalent, the University will not cancel one of those classes without reassigning the Member to another class or otherwise compensating the Member as though the class had been offered.~~

~~23.6.5 After the University has offered summer teaching opportunities to all Bargaining Unit Faculty in a given department pursuant to Section 7.8 and subsections, the University and a Bargaining Unit Faculty Member in that department may agree that the Member teach, at any time during that summer, a class with an enrollment of ten or fewer undergraduate students (or the equivalent) at an overload rate. Such arrangements are not considered summer teaching hours pursuant to Section 7.8.1.~~

23.6.~~6~~5 The University and the AAUP-WSU recognize the possibility that unforeseen financial, curricular, and/or enrollment management circumstances may arise making it appropriate to depart from the foregoing summer salary provisions and agree to discuss any such possibilities that are introduced by either party. No changes to the provisions shall be made without agreement of both the University and the AAUP-WSU.

> ~~23.6.7 If a class that is part of a cohort program is scheduled to meet during all or part of a summer session, then the provisions of Sections 23.6.1 through 23.6.6 pertain to that class and thus to the Member teaching it. However, if the University has offered summer teaching opportunities to all Bargaining Unit Faculty in the Member's department pursuant to Section 7.8 and subsections, then the Member may be paid at an overload rate for the cohort program class consistent with what is paid for such courses at other times during the calendar year.~~
>
> ~~23.6.8 Through summer 2015: Should no eligible Bargaining Unit Faculty Members agree to teach a summer class, the University may at its sole discretion either cancel that class or hire an individual outside the Bargaining Unit to teach the class at a salary not to exceed that last offered to a Member of the Bargaining Unit.~~
>
> ~~23.6.8.1 Effective summer 2016: Should no eligible NTE or TET Bargaining Unit Faculty Members agree to teach a summer class, the University may at its sole discretion either cancel that class or hire an individual in neither Bargaining Unit to teach the class at a salary not to exceed that last offered to a Member of the Bargaining Unit.~~
>
> ~~23.6.9 Additional provisions regarding summer teaching assignments are found in Appendix H, the intent of which is to ensure that the summer teaching opportunities identified in Section 7.8.1 are not diminished by assignment of classes to persons not in the TET Bargaining Unit through summer 2015 (to persons in neither the NTE or TET Bargaining Unit effective summer 2016). Should either party believe that such opportunities have been so diminished, the University and AAUP-WSU will meet to discuss and resolve the matter.~~

3. Support for WSU Proposal:

WSU proposes that for academic and fiscal years 2017-2019, faculty members should receive no raises. WSU obviously does not have the money to raise faculty salaries. The University just cut or deferred expenses from its 2018 budget by $30 million. *See* Univ. Ex. 9 (attached). It laid off around 57 employees as part of an overall elimination of 189 positions. It fully depleted over $100 million in unrestricted financial reserves. Its bank account and investment balances fell by 75 percent. It formed a strategic hiring committee, which has been instructed not to approve new hires unless they are absolutely needed to address health, safety, revenue, or compliance needs.

The Dayton Daily News has reported that the University needs to slash an additional $10.5 million from its budget for 2019 because of unexpected fellowship and scholarship costs and enrollment problems. The Chairman of the Trustees' Finance Committee has publicly stated that WSU is operating on "at razor thin levels with no margin for errors going forward." The University does not have the ability to finance further salary increases, and doing so would threaten its financial sustainability and, at best, result in cutting services to students and the public.

Despite the unprecedented financial crisis, the AAUP proposes raising faculty salaries by 8 percent in the final two years of the contract. That is preposterous. The University is out of money. It cannot pay the existing salaries of its employees. It is already unable to fill vacancies, even in key positions. WSU simply does not have the money to pay for the current salaries and benefits of faculty members without drastic cuts to the services it offers to students and the surrounding community – much less raises of 8 percent.

The evidence presented by the University clearly shows that it cannot raise faculty salaries – along with the overwhelming evidence and testimony regarding the unprecedented financial crisis, as set forth above. The evidence specific to compensation is contained in the binder marked "WSU Fact-Finding Other Open Articles." The Fact-Finder should turn to the tab in this binder marked "Article 23 Compensation." The second page behind Tab 1 contains a cost comparison of WSU's proposal and the AAUP's proposal. The chart shows the cost of the proposals per year and over the three-year term of the labor contract, including salary and pension contributions. The chart shows that the AAUP's proposal would cost the University an additional $7 million in the final two years of the contract.

The chart at Tab 2 contains information from the AAUP 2016-17 Faculty Compensation Survey. It shows the average salary for Professors at public universities in Ohio comparable to WSU. Based on the AAUP survey, WSU Professors earn an average $117,000 – more than the average salary of Professors at comparable universities. Only three comparable universities pay their Professors a higher average salary than WSU. WSU Professors earn a higher average salary than Professors at Bowling Green State University ("BGSU"), Cleveland State, Ohio University, or the University of Akron.

Similarly, the chart at Tab 3 shows the average salary for Associate Professors at other comparable public universities in Ohio. Associate Professors at WSU earn more than the average salary of Associate Professors at all but two other comparable universities. Specifically, WSU Associate Professors earn more than the average salary of comparable employees at Bowling Green State University, Cleveland State, Kent State, Ohio University, Akron, and Cincinnati.

Tab 4 contains a chart showing the average salary of Assistant Professors at other comparable Ohio universities. Assistant Professors at WSU earn more than the average salary of all but three other comparable universities. WSU Assistant Professors earn more than the average salary of comparable employees at BGSU, Cleveland State, Kent State, Akron, and Cincinnati. Along the same lines, Tab 5 compares the average salaries of Instructors at WSU and other comparable public universities. Instructors at WSU earn more than comparable Instructors at BGSU, Miami University, Akron, and Cincinnati.

At Tab 6, the Fact-Finder will find a chart showing the total percentage of wage increases for AAUP members and non-union staff from FY 2003 to FY 2017. The chart shows that non-bargaining unit staff received cumulative wage increases of 38.75 percent while AAUP members received cumulative wage increases of 44.25 percent. From FY 2015 to FY 2017, while the University depleted more than 75 percent of its financial reserves, AAUP members still received cumulative increases of 9.75 percent. During the same three-year period, non-bargaining unit staff only received cumulative wage increases of 5.5 percent. Non-bargaining unit staff also received no wage increase in FY 2018. This shows that other comparable internal employees have received significantly increases in their compensation during the financial crisis when compared to AAUP members.

Finally, Tab 7 contains a list of cost-savings measures intended to preserve jobs when the State of Ohio faced financial difficulties in 2009, along with a Report issued by Fact-Finder David Pincus on the State's labor contract with the Ohio Civil Service Employees Association ("OCSEA"). This Fact-Finding Report is one of the most important guides that the Fact-Finder can use in shaping his analysis, because it involves the largest public employer and the largest bargaining unit in Ohio facing a similar financial situation. This is a seminal Fact-Finding report that demonstrates how other bargaining units and Fact-Finders in Ohio have addressed financial difficulties similar to those WSU is currently facing.

The Fact-Finder notes that due to the recession, "To the Union's credit, it has accepted the realities of the present economy with a willingness to engage in a series of mutually agreed to cost savings measures." The Fact-Finder also made recommendations on holidays, personal leave, wages, and duration. The cost savings measures recommended by Fact-Finder Pincus included **<u>mandatory furlough days of ten days off without pay in each fiscal year in 2009, 2010, and 2011</u>**. The Fact-Finder also recommended other cost savings measures including reduced holiday pay, a freeze on the accrual of personal leave and leave conversion, no wage increases, and a freeze on step movement. The Fact-Finder also adopted into his decision all concessionary proposals already agreed to by the parties during bargaining.

This Fact-Finding Report issued for the State of Ohio and the largest bargaining unit in the State demonstrates the norm for Fact-Finding during times of financial difficulty. The University is facing an unprecedented and undisputed financial crisis – at least as bad as the financial challenges the State of Ohio encountered in the late 2000's. Unlike OCSEA, however, the AAUP has not even tried to compromise by negotiating cost savings measures. The Union has not offered any solutions that would even arguably help the University save money. That means the Fact-Finder must follow the precedent established by Fact-Finder Pincus and determine the best ways for WSU to achieve the necessary cost savings to restore its financial sustainability. The precedent established by Fact-Finder Pincus, the State of Ohio, and OCSEA applies to the University in the same way. <u>All</u> provisions proposed by the University that address the fiscal emergency faced by the University should be adopted in full.

G. <u>Minimum Salaries (Art. 24)</u>

1. Summary of WSU and AAUP Position:

WSU Position:	**AAUP Position:**
• No increase in the minimum salaries from the 2016-2017 level listed in the current CBA (maintain current levels).	• No increase in the minimum salaries for FY18 but a 5% increase proposed

	for FY19 and then an additional 5% increase for FY20.

2. WSU Proposed Contract Language:

Article 24 – NET

24.1 For academic and fiscal years 2017 -2019, Bargaining Unit Faculty will receive no raises.

Article 24 – TET

24.1 For academic and fiscal years 2017 -2019, Bargaining Unit Faculty will receive no raises.

[As an alternative, the parties agreed during fact-finding to another version of the University's proposal on Article 24 that combines NET and TET based upon an assumption of a 0% raise in this provision for academic and fiscal years 2017 to 2019. This agreed, alternative proposal is attached as Appendix A to this brief and is not objected to by the University.]

3. Support for WSU Proposal:

WSU proposes that minimum salaries should not increase for academic and fiscal years 2017 to 2019. WSU does not have the money to increase minimum salaries. This is not a complicated issue given the overwhelming financial evidence in this matter. Lending further support to the University proposal, average salaries at WSU are already above most other peer universities in the State of Ohio. The AAUP's proposal to raise minimum salaries even further shows that its leadership either does not understand or does not care about the severe financial challenges facing the University over the next few years.

The evidence presented by the University clearly supports its proposal on compensation. This evidence is contained in the binder marked “WSU Fact-Finding Other Open Articles.” The Fact-Finder should turn to the tab in this binder marked “Article 24 Minimum Salaries.” Tab 1 contains a chart showing the minimum salaries for Professors at comparable universities in Ohio. The minimum Professor salary at WSU is $90,033. The chart shows that WSU’s minimum Professor salary is more than $9,000 higher than Kent State, $12,500 higher than Cincinnati, almost $15,000 higher than YSU, $15,000 higher than Cleveland State, almost $20,000 higher than BGSU, and more than $30,000 higher than Toledo. This shows that WSU’s minimum Professor salary is already well above market relative to comparable employees.

The chart at Tab 2 shows the minimum salary for Associate Professors at comparable universities around Ohio. WSU’s minimum Associate Professor salary is significantly higher than Kent State, Cincinnati, YSU, Cleveland State, BGSU, Shawnee State, Central State, or Toledo. In fact, WSU’s minimum Associate Professor salary is more than $13,000 higher than the average minimum salary at these comparable Ohio universities.

Tab 3 contains a chart showing the minimum salaries for Assistant Professors at comparable universities. Again, the chart shows that WSU has a higher minimum salary for Assistant Professors than any of the other peer universities. WSU’s minimum salary for Assistant Professors is more than $4,000 higher than the minimum salary for Assistant Professors at the next closest university, Cleveland State.

The chart at Tab 4 shows the minimum salaries for Lecturers at comparable universities. WSU has the second highest salary for Lecturers. It has a higher minimum salary for Lecturers than Kent State, BGSU, Shawnee State, or Toledo. Similarly, Tab 5 contains a chart showing the minimum salaries for Instructors at comparable universities. WSU has a higher minimum salary for Instructors than YSU, BGSU, Shawnee State, Central State, or Toledo.

H. Medical, Dental and Vision Insurance (Art. 26)

1. Summary of WSU and AAUP Position:

WSU Position:	**AAUP Position:**
• This is the most important proposal to the long-term stability of the University; • Proposed a 'uniform approach' across the campus - medical (with prescription), dental and vision insurance will be provided to BUFMs on the same terms and conditions as other university employees [i.e. a unified, consistent plan design and premium structure]; • Specific plan summaries and premium schedules removed from the contract with reference to the information being on the HR website; • WSU proposed a 'guardrail' to ensure fair treatment that when health insurance changes University-wide then the AAUP member's will also change, but the change has to be the exact same change as all other employees.	• Maintain vast majority of current contract language, keeps status quo as to design inflexibility and keeps any modification subject to agreement with AAUP before any change can be made; • Keeps the same the current plan design (and specificity written in the CBA) for the 80/20 plan and HDHP (and HSA) for the remainder of the 2 years of the contract; • Union proposal accepts removal of 90/10 plan offering and slightly increases premiums for each of 2019 and 2020; • Maintains provision to pay for out-of-network services at in-network rate in certain circumstances.

2. Proposed WSU Contract Language:

26.1 For the duration of this Agreement, the University will provide Bargaining Unit Faculty Members with medical insurance, a prescription drug benefit, dental insurance, and vision insurance under the plans generally provided to the employees of the University, and on the same terms and conditions on which those benefits are generally provided to employees of the University.

The University, in its discretion, may modify such benefits, the University and Bargaining Unit Faculty Members' share of the cost of such benefits, the terms and conditions on which such benefits are provided, and/or the means by which such benefits are provided, so long as any such modifications are also applicable generally to employees of the University.

If the University decides to change or modify the benefit plan(s) consistent with Section 26.1 above, the University will inform the Union forty-five (45) days prior to the effective date of the new benefits and provide the Union an opportunity to meet and confer regarding such changes or modifications before the effective date.

26.2 A summary of the program of benefits may be found on Human Resources' website.

* * *

[Remainder of current contract language is stricken along with the schedule of benefits in Appendix E]

3. Support for WSU Proposal:

Besides wages, the University's healthcare proposal is perhaps the most important issue the University needs the Fact-Finder to award. The University has deferred tens of millions of dollars in maintenance costs, and made one-time cuts of more than $40 million over two years, but it has not made structural changes with regard to staffing levels, workload assignments, and benefit costs for AAUP employees. The easiest of these structural changes to address, with the least amount of disruption, is a unified healthcare plan covering all University employees.

This is the one issue where the parties can save money by negotiating better prices with vendors and providers. However, the University can only do that by negotiating a healthcare plan for the workforce as a whole. WSU's inability to continue normal operations without drastic reductions in routine services (such as maintenance, trash collection, library materials, computers, etc.) puts the Fact-Finder in a position where he must adopt the Administration's request to put in place a uniform healthcare plan for this campus. This is particularly so because the Union has already agreed to eliminate one part of its healthcare plan (the 90/10 plan) that is distinct from the rest of the University; put another way, a uniform plan would not cause disruption in healthcare services. A unified plan would not cause any faculty members to leave their doctor, enter a new network of healthcare providers, sign up with a new health system, or seek a structural change in services.

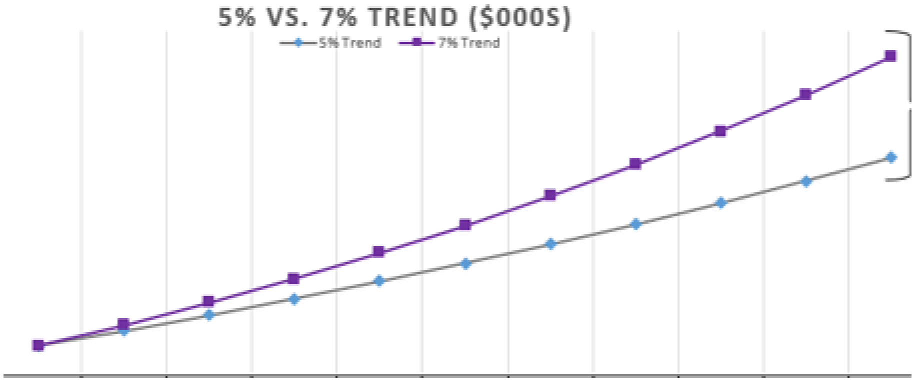
This change would allow flexibility when the University brings a uniform plan out to bid. It would allow for ease of administration, and there would be one campus-wide policy for the benefits staff to manage. This truly is the University's most important proposal because it cannot maintain the current piecemeal approach to healthcare given that it is in the worst financial condition of any university of its size in the United States.

WSU is managing healthcare plans that cover more than 2,000 lives – yet it lacks the flexibility to make reasonable changes to modernize the plan covering more than 500 AAUP members, encourage consumer-driven behavior, and keep costs increasing at a sustainable rate. Many other comparable employers do not manage healthcare plans of this size and scope without flexibility. <u>This has to change to help WSU restore its financial sustainability</u>. The University can no longer afford unpredictable, piecemeal, and inflexible healthcare provisions that increase expenditures needlessly as enrollment and revenue continue to decline.

The University's healthcare costs for AAUP members are increasing at an unsustainable rate. In February 2018, as reported by the local newspaper of record, the Board of Trustees learned that healthcare expenditures would cost $6 million more than the University anticipated. The increased expenditure occurred during a year when WSU implemented austerity measures to cut more than $30 million from its budget. The University can no longer pay for unpredictable increases in healthcare costs by depleting its financial reserves and having to wait every three years to address healthcare changes with its single largest group of employees. It must be given flexibility to survive in its current state.

Most large employers use flexibility and economies of scale to reduce the growth of their healthcare costs and keep their plans sustainable. However, the University has been unable to modernize its healthcare plan – even during the financial crisis – because it cannot include AAUP members in the same healthcare plan that covers all other WSU employees, from the President of the University and other high-ranking members of the administration to the clerical and support staff employees. The changes proposed by the University will keep its healthcare costs sustainable by providing flexibility, the ability to adapt to ever-changing healthcare costs, and an opportunity to negotiate with the vendors as a uniform buyer of health care services. This proposal is necessary to provide the single largest cost savings by having one uniform plan to ensure the University remains intact over the long-term, in the interests of the public, the faculty, and other WSU employees.

By way of example of the dire consequences of not adding healthcare flexibility, even a two percent difference in the growth of healthcare costs has a massive impact on the University's expenditures on the healthcare plan. This is because the annual increase in healthcare costs compounds over time. The impact of just a two percent difference in the growth of healthcare costs cannot be overstated. The following chart shows the impact of a two percent difference in the growth of healthcare premiums over 10 years:



This chart shows that the long-term financial sustainability of the University hinges on its ability to control the growth of healthcare costs.

Further, increased flexibility that is received by one uniform plan is necessary for WSU to make limited plan design changes to address the changing landscape of healthcare. The University simply cannot afford to set the details of the healthcare plan in stone every three years indefinitely for more than 500 AAUP members regardless of the cost – especially not while WSU tries to recover from one of the most severe financial crises ever faced by any public college or university in the country.

The AAUP makes the rather absurd and emotional argument that the University seeks to "bust the Union" by preventing it from bargaining on healthcare. That is simply not true. The AAUP will have the same opportunity to bargain on healthcare coverage every single contract term when the labor agreement expires. If WSU has recovered financially at that time, the AAUP can request to return to a separate healthcare plan that only covers faculty members. However, WSU must have the flexibility to offer AAUP members the same healthcare coverage that all of its other employees receive.

The AAUP argues that faculty members are different than other employees, and that they should continue to receive their own separate healthcare plan that is set in stone and remains status quo for three-year intervals. This argument is outdated and unsupported. The health of a faculty member is no more or less important than the health of any other University employee. WSU is only proposing that faculty members receive the same healthcare coverage that all employees receive – from the President and other administrators to clerical and support staff. The argument that the administration would intentionally provide inferior healthcare coverage for their own families makes no sense. The reality is that AAUP members are seeking to maintain <u>better and significantly more expensive</u> healthcare coverage than the administration and other employees receive. This is simply not sustainable for a University in the midst of a severe financial crisis.

The evidence presented by the University shows that the Fact-Finder must adopt its proposal on healthcare. The Fact-Finder can find evidence on healthcare in the binder labeled "WSU Fact-Finding Insurance and Benefits." Behind Tab 1 is a chart showing the historical increases in healthcare costs for the University. The chart shows that in the past five years alone, WSU’s healthcare costs have increased by $5 million – despite the changes in the healthcare plan provided to employees outside the AAUP bargaining unit. This illustrates that the University cannot achieve the necessary savings on healthcare without the ability to cover all the employees with the same plan.

Tab 2 contains an Excess Claims Report reflecting certain medical and pharmaceutical payments for AAUP members from 2014 to 2016, and Tab 3 includes another chart showing WSU’s expenditures on medical, prescription drugs, dental, and vision. In just two years, the medical and pharmaceutical payments for AAUP members increased by more than $1 million from $6.57 million to $7.59 million. That was an increase of more than 15 percent. The University cannot continue to finance increasing and unpredictable expenditures on healthcare as State funding remains stagnant and enrollment and revenue continue to decline. Further, as reflected in Tab 4, Union members paid less than 10 percent of the cost of medical and prescription drugs. This is less than the percentage of medical and prescription costs paid by other comparable employees.

Tab 5 includes a chart showing WSU’s medical expenditures per AAUP member compared with averages for other colleges and universities. The average medical expenditure per faculty member nationally is $12,345, and the average in Ohio is very close at $12,406. The chart shows that WSU is an outlier. The University pays an average of $14,744 per AAUP member for medical costs – almost 20 percent higher than the average expenditures for other colleges and universities both nationally and in Ohio. Obviously, WSU cannot continue to finance a healthcare program that results in expenditures 20 percent above market.

Importantly, Tab 7 shows that other comparable union employees at WSU use the same healthcare plan as non-union employees. All other union-represented employees at this very University have the same health insurance plan as non-union employees, and the same premium contribution for single and family coverage. The University police officers, sergeants, communications center operators, truck drivers, warehouse, sales, service, and casino employees already have the same health insurance plan and contributions as other non-union employees. Only AAUP-represented faculty members receive a static, inflexible health insurance plan different from every other WSU employee, with different contributions for single and family coverage. This shows that other comparable WSU employees are all covered by the same healthcare plan. The AAUP can offer no reasonable explanation for why the University should treat faculty members different than everyone else – especially during an unprecedented financial crisis made worse by the lack of flexibility under the AAUP healthcare plan.

Tab 8 includes a chart summarizing the health insurance plans for staff and non-bargaining unit faculty, and Tab 9 compares their health insurance plan to other comparable colleges and universities. The summary shows that the healthcare plan contains deductibles and costs that within industry and geographical averages.

By contrast, Tab 10 includes a chart summarizing the health insurance plans for AAUP members. The summary shows that the AAUP's healthcare plan is well below industry averages for deductibles and out-of-pocket expenses. WSU cannot continue to finance an above-market healthcare plan as it tries to recover from the financial crisis.

Tab 11 includes a chart showing the University's savings on healthcare costs for 2017. The chart shows that WSU saved over $1.3 million based on plan design changes to the health insurance plan covering staff and non-bargaining unit faculty. Again, this is the same healthcare plan that covers other union-represented employees outside the AAUP, the Administration, and every other WSU employee. The University was not able to achieve any cost savings in the healthcare plan offered to AAUP employees despite the unprecedented financial crisis.

Tab 12 is even more important. It shows the potential cost savings the University could have achieved in 2018 by putting AAUP members on the same health insurance plan as every other WSU employee. By making reasonable adjustments to the healthcare plan and including AAUP members, **the University could save almost $4.5 million in 2018 alone**. Those savings are critically important as WSU attempts to recover from the financial crisis.

Tab 13 summarizes the changes made to WSU's health insurance plans in 2017 and 2018. These are reasonable changes consistent with the healthcare plans offered by other comparable colleges and universities in Ohio and around the country. This shows again that other comparable WSU employees have already received adjustments in their healthcare plans to bring them in line with industry averages and achieve cost savings. AAUP members should receive no better and no worse healthcare coverage than other WSU administrators and employees, consistent with industry averages.

Tab 14 contains the SERB 2017 Health Insurance Report. The SERB Health Insurance Report reinforces again that WSU's healthcare plan offered to other employees outside the AAUP is more than reasonable relative to comparable employers. The Report shows that the majority of colleges and universities have deductibles comparable to or higher than the deductible in WSU's health insurance plan for non-AAUP employees. Similarly, Tab 15 includes a national survey on health insurance. It shows that the average employee contributes 18 percent of the premium for single coverage and 31 percent of the premium for family coverage. WSU's healthcare coverage for non-AAUP members is in line with national trends.

Tab 16 summarizes the health insurance benefits at Ohio University, Tab 17 summarizes health insurance benefits at Miami University, and Tab 18 summarizes the same for Ohio State University. These summaries show that other well-known Ohio universities have adopted a uniform, consistent approach with faculty and staff health insurance coverage. These are three of the most respected, well-run universities in the State of Ohio. **<u>A uniform, campus-wide health plan approach at Ohio University, Miami University and Ohio State did not lead to campus unrest or poor healthcare, and it will not at Wright State!</u>** There is no reason why faculty members at Ohio University, Miami, and Ohio State should receive the same healthcare coverage as other employees, but WSU faculty members should not.

The AAUP argues that WSU should not be compared to these other universities despite the many similarities because their faculty members are not in a union – but the Revised Code does not limit the consideration of comparable employees to those represented by a union. **The Fact-Finder must consider a comparison of the healthcare coverage "relative to the employees in the bargaining unit . . . related to other public and private employees doing comparable work."** Unquestionably, faculty members at Ohio State, Ohio University, and Miami University are doing comparable work to WSU faculty members and the University community continues to function in an orderly, professional and successful fashion!

Tab 19 includes a report from the University's health insurance consultant, Horan. The report shows that the average claims per member for WSU is 22.3 percent higher than the national average. The University must have the ability to reduce the growth of healthcare expenditures by offering AAUP members the same plan as every other WSU employee.

Finally, the tab labeled "Uniform Approach to Benefits" shows that dozens of public employers around the State of Ohio have provided bargaining unit members with the same or similar health insurance plans as other employees. We encourage the Fact-Finder to review these provisions himself to see that the uniform approach to healthcare is part of an ongoing, modern trend across this State. This shows that other public employers overwhelmingly provide comparable provisions in their labor contracts consistent with the University's proposal. The AAUP may argue about the details of some of these contracts, but that is missing the forest for the trees. The point is that many public employers throughout Ohio have modernized their healthcare coverage by offering the same or similar plans to most if not all of their employees.

In sum, the evidence overwhelmingly establishes that AAUP members are receiving above-market health insurance coverage. Their healthcare plan is out of line with the healthcare coverage offered to other comparable faculty members at colleges and universities around the country, other public employers in Ohio that offer the same healthcare coverage to bargaining unit and non-bargaining unit employees, comparable institutions like Miami and Ohio University, and perhaps most importantly, every other WSU employee. The evidence shows that the University could save $4.5 million every single year by extending the same healthcare coverage to bargaining unit that all other WSU receive. The AAUP has not offered any realistic solutions or compromises to help the University achieve those savings. In light of the undisputed and unprecedented financial crisis, the Fact-Finder must adopt the University's proposal to offer AAUP employees the same healthcare coverage that the President of the University and every other employee receives.

L. Cost Savings Days (Appx. I)

1. Summary of WSU and AAUP Position:

WSU Position:	AAUP Position:
• Includes option to implement "cost savings day" but can only be triggered where criteria is directly tied to a limited 'window' of time measured by the University's SB6 score (a score below 2.40 two years in a row to invoke process); • "Guardrail" put in place where BUFMs may only be required to take cost-savings days on the same basis as other employees as provided in policy, and other employees must be furloughed before or at same time as BUFM; • Provision has a built-in "sunset clause" that ends the cost savings day approach after the 24-month period expires.	• Proposes this concept not be added to BUFM; no proposal on this matter; • Avoids any compromise or even acknowledgement of University-side furlough policy for all other employees and seeks to maintain status quo despite unprecedented fiscal crisis.

2. WSU Proposed Contract Language:

Appendix I

Cost Savings Days

Bargaining Unit Faculty Members may be required to participate in cost savings days not inconsistent with the University's general furlough policy on a non-permanent basis as a result of any of the following circumstances: a financial exigency (where severe financial problems exist which threaten the University's ability to maintain its academic operations at an acceptable level of quality); or within the 24-month period after the University achieves a composite result of the ratio analysis calculated in accordance with OAC 126:3-1-01 paragraph (A)(4) of less than 2.40 for any two consecutive fiscal years; or pursuant to a financial recovery plan under fiscal watch, all at the University's discretion.

The University shall provide a statement of explanation to the AAUP-WSU regarding required participation in cost savings days and which employees are expected to be subject to such cost savings days. The University may update such statement and list of employees as needed.

Bargaining Unit Faculty Members will only be subject to cost savings days if a furlough is first or simultaneously implemented for other University employees (either faculty or staff) who are not represented by collective bargaining. As is practicable, Bargaining Unit Faculty Members subject to cost savings days will be treated in a manner consistent with other University employees (either faculty or staff) who are not represented by collective bargaining and subject to furlough.

Each dean will develop procedures for implementing cost savings days in a manner that does not interrupt academic and administrative functions of the college, at the University's discretion.

3. Support for WSU Proposal:

WSU has few options available to cover unanticipated cost increases or revenue declines. Over the past six years, the University covered for unanticipated expenditures by depleting its financial reserves – but they are now mostly gone.

If enrollment declines further than expected in the Fall, for example, the University may have less revenue than it projected. It cannot make up for the lost revenue by falling back on its depleted reserves, so how can the University cover the shortfall? Retrenchment may be necessary to achieve long-term sustainability, but it does not help the University address short-term budget deficits (because many faculty members selected for retrenchment may receive a full year of severance, based on length of service, so the University does not realize any savings from retrenchment in the first year).

The University must have the option of implementing cost savings days to avoid any more deficit spending. As recognized by the General Assembly and other prominent universities around the State, as well as by other public employers facing financial difficulties, cost savings days or furloughs are sometimes necessary to make up for budget deficits. Over the past four years, WSU has faced some of the largest budget deficits in the history of higher education in the United States. If cost savings or furlough days are not appropriate at WSU, then they should not exist. The University's unprecedented financial crisis makes it abundantly clear that cost savings days need to be available to the Administration to pay the University's bills.

WSU proposes that faculty members may be scheduled for "cost savings days" as a result of financial exigency, or only within a two-year period after WSU receives two consecutive Senate Bill 6 scores below 2.40, or pursuant to a financial recovery plan under fiscal watch. WSU's proposal would give the University the flexibility to schedule cost savings days (furloughs) for the same reasons WSU can implement furloughs University-wide. This proposal would give WSU the ability to save a significant amount of costs without permanently laying off employees or permanently cutting their base salary.

This is necessary in light of the financial crisis. A cost savings day is a less drastic means for the University to save money than retrenchment. This allows faculty members to keep their jobs, and maintain their base pay, while the University works through any financial emergency.

The University's proposal includes guardrails that require the administration to only schedule cost savings days if a furlough is first or simultaneously implemented for other non-bargaining unit employees.

Similar to retrenchment, under the University's proposal, it could only implement cost savings days when facing severe financial difficulty. First, financial exigency only applies where severe financial problems exist which threaten the University's ability to maintain its academic operations at an acceptable level of quality. Second, a Senate Bill 6 score of 2.40 for two consecutive years means that for a two-year period the finances of the University were in a significantly worse position than any other public university or community college in the State of Ohio. As explained above in the retrenchment section, no other public university or community college in the State of Ohio currently has a Senate Bill 6 score below 2.40 – the level necessary to demonstrate sufficient financial recovery to emerge from fiscal watch under Ohio Administrative Code Section 126:3-1-01(F)(1)(a). Moreover, University would only have the ability to implement cost savings days for a 24-month period. Third, the University would only implement a financial recovery plan under fiscal watch status as recognized in the Revised Code.

The evidence supporting the University's proposal on cost savings days is in the binder labeled "WSU Fact-Finding Other Open Articles." The Fact-Finder should turn to the tab labeled "Appendix I Furlough" near the back of this binder. The second page behind Tab 1 in this section describes a chart showing the savings the WSU could achieve through cost savings days. The chart shows the amount the University would save from instituting one or five cost savings days, broken down by employee classification. For non-bargaining unit employees, WSU would save

$253,268 by implementing just one cost savings day, and five cost savings days would save the University over $1.26 million.

For bargaining unit faculty, WSU would save $250,683 by implementing one cost savings day, and over $1.25 million from five cost savings days. Cumulatively, including the Teamsters and FOP, the University would save over $619,000 through a single cost savings day. <u>Five cost savings days across WSU would save the University more than $2.63 million</u>.

Tab 2 includes a chart of furlough policies (similar to cost savings days) for other Ohio universities. This shows that other comparable employers have cost savings days or furlough days available when needed.

Tab 3 contains a recommendation from Cleveland State's budget advisory task force in 2011 advising that the University may have to consider possible furloughs to balance its budget after an anticipated reduction in the subsidy from the State of Ohio. Cleveland State projected that the savings from a five-day furlough would exceed $2.6 million. This shows that other comparable universities would strongly consider implementing furloughs or cost savings days due to budgetary shortfalls much less severe than the recent deficits at WSU, and that peer universities project a very similar level of savings.

Tab 4 contains YSU's furlough policy, Tab 5 contains Miami University's furlough policy, and Tab 6 contains the furlough policy for Ohio University. All three of these universities have implemented furlough policies to achieve spending reductions for addressing budget deficits. The purpose of the YSU policy, for example, is to "provide for employee cost-sharing measures in order to achieve spending reductions due to a significant operating budget deficit." The policy states that a budget deficit could occur because of "a loss of state funding, a decline in institutional enrollment, or other actions that affect the operating budget in a significant manner." Miami's policy includes very similar language. Again, this shows that other peer universities implement furloughs or cost savings days when they encounter budgetary deficits.

Tab 7 includes WSU's internal briefing regarding a potential furlough policy. The briefing explains that the furlough program would be used to maintain financial solvency at WSU. This shows that WSU has been much more reluctant to implement furlough days than other peer universities, which plan for furlough days to address budgetary deficits (rather than to maintain financial solvency). Importantly, the implementation of a furlough policy by the Board of Trustees is consistent with House Bill 153, which is included at Tab 9.

Finally, and perhaps equally important, Tab 8 includes another copy of the Fact-Finder's Report from Fact-Finder David Pincus in 2009, issued to the State of Ohio and OCSEA. Fact-Finder Pincus recommended that the State implement cost savings days due to the recession and the resulting budgetary shortfall. The parties agreed on a number of cost savings measures but reached impasse on cost savings days. Fact-Finder Pincus recommended the insertion of Article 36.11 into the labor contract. The provision stated, "Full time permanent employees in bargaining units 6, 7, 9, 13, and 14 shall take ten (10) days off without pay, for a total of eighty (80) hours, in each fiscal year beginning on July 1, 2009 and ending on June 30, 2011." Fact-Finder Pincus also recommended cost savings days for other employees to be assessed on holidays.

This Fact-Finder's Report shows that the norm in the State of Ohio when a public agency faces significant budgetary shortfalls is to implement cost savings days. Cost savings days allow employees to keep their jobs without forcing the employer to implement layoffs to make up for a budgetary deficit. The Fact-Finder's recommendation was accepted by the State of Ohio and by OCSEA.

The precedent established by the adoption of similar policies around the State, the adoption of House Bill 153, and the implementation of cost savings days by Fact-Finder Pincus, the State of Ohio, and OCSEA shows that the University's proposal is reasonable. WSU is undisputedly out of money, and it continues to face significant a budget deficit. The University should have the ability to implement cost savings days, like for example the State of Ohio, to make up the deficit without necessitating retrenchment or further layoffs. WSU's proposal would not allow the administration to ask faculty members to bear more of the burden for the financial crisis than other employees – as WSU could only implement cost savings days at the same time or after implementing furlough days for other non-bargaining unit employees. This proposal should be adopted by the Fact-Finder.

N. <u>Retirement Incentive Program (Appx. J)</u>

1. Summary of WSU and AAUP Position:

WSU Position:	**AAUP Position:**
• Voluntary option for BUFMs who elect to retire (and participate in this program) will be assigned a minimum number of teaching hours for three academic years following retirement and will be paid 1/36th of their base salary per credit hour taught; • Guaranteed right to teach but at a lower rate of pay post retirement.	• Proposes this concept not be added to BUFM; • No compromise proposal on this matter, which would be beneficial for BUFMs who <u>voluntarily</u> elect into this program.

2. WSU Proposed Contract Language:

Appendix J

Tenured and Continuing Bargaining Unit Faculty members who retire effective January 1, 2018 through December 31, 2020 will be eligible for post-retirement employment as follows:

The employment will be for a total of no more than three academic years (Fall and Spring Semesters), commencing with the first Fall Semester after the Member's retirement date.

The Member must announce his or her intent to retire and apply for the retirement incentive in writing no later than April 1 to be eligible for post-retirement employment beginning that Fall Semester.
Acceptance is automatic if the qualified Member submits a written request by the April 1 deadline. Once retired, faculty are not eligible to apply for the retirement incentive.

A retiree who participates in the retirement incentive program will be assigned to teach a minimum of six and up to twelve credit hours per academic year, at the discretion of the University; provided however, agreements with Matrix faculty will be offered teaching assignments pro-rata/proportional to their most recent workload before retirement. With the mutual consent of the retiree and the University, the assigned teaching can be distributed differently between the Fall and Spring semesters.

During the first year of post-retirement employment the retiree will be paid 1/36th of his or her academic year base salary at the time of retirement for each credit hour taught, up to 12 credit hours per year. Members with fiscal appointments in their final year before retirement will be paid based on the academic equivalent, or 9/11ths of their fiscal base salary at the time of retirement.

During the second and third years of the post-retirement employment, the retiree's salary will be increased by the average amount of across the board and merit increases awarded to non-bargaining unit faculty members.

By mutual agreement between the University and the retiree, any or all of the teaching assignments can be replaced with comparable administrative, service or research duties. Neither the University nor the individual retiree has any obligation to agree to any alternative assignment or to explain a refusal of the other's proposal to substitute administrative, service or research duties for teaching assignments.

> The retiree can end the retirement incentive agreement prior to its agreed upon end date if he/she notifies the University by April 1st before the start of the academic year.
>
> After electing into the program, but before the retirement date, the parties will enter into a Retirement Incentive Program Agreement setting forth any additional terms and conditions.

3. Support for WSU Proposal:

Even in the midst of an undisputed financial crisis, the AAUP has refused to agree to a purely voluntary retirement incentive program. The University's proposal would save money that the University desperately needs. Yet the AAUP will not agree.

Specifically, WSU proposes a purely voluntary retirement incentive program that would allow faculty members who retire effective January 1, 2018 to December 31, 2020 to be eligible for post-retirement employment under defined parameters. As a purely voluntary benefit WSU is proposing to offer to bargaining unit faculty, it gives faculty the opportunity to participate in the retirement incentive program only if they choose to do so. No faculty members would be forced to retire under this program. This purely voluntary benefit would help the University as it continues to cut costs and balance its budget, without impacting any faculty members except those who choose to participate.

The evidence supporting the University's proposal on cost savings days is in the binder labeled "WSU Fact-Finding Other Open Articles." The Fact-Finder should turn to the tab labeled "Appendix J Retirement Incentive" in the back of this binder. Tab 2 contains the University of

Cincinnati’s retirement incentive benefit. This collectively bargained provision allows the University of Cincinnati to offer bargaining unit members additional retirement incentives.

Tab 3 contains Ohio State University’s Reemployment of Faculty and Staff program. The program provides for the reemployment of faculty and staff who have retired or received a separation incentive. Similarly, Tab 4 includes the University of Akron’s Transitions after Retirement program. This program is similar to WSU’s proposal because it permits faculty members to transition from active employment to retirement.

This evidence shows that other comparable universities are offering their employees a voluntary retirement incentives – even though they are not facing anywhere near the budget deficit and financial crisis facing WSU. There is simply no reason why the University should not be able to offer AAUP members the option of a purely voluntary early retirement incentive. This allows WSU to save money while offering a voluntary benefit to AAUP members, and without forcing a single AAUP member to retire.

X. UNION “SMOKESCREENS”

Finally, the Fact-Finder should disregard the numerous “smokescreens” arguments presented by the Union to confuse the issues and distract the Fact-Finder’s attention away from the unprecedented and undisputed financial crisis WSU is facing. Because the AAUP cannot dispute the financial crisis or its impact upon the University, it seeks to use these “smokescreens” to confuse the statutory factors that must guide the Fact-Finder’s recommendation. None of the AAUP’s “smokescreen” arguments offer meaningful solutions to the financial crisis – and none of them change the Fact-Finder’s analysis of the statutory factors that must guide his recommendation. The Fact-Finder should disregard the AAUP's "smokescreen" arguments and focus on the relevant issue of whether WSU can finance the parties' respective financial proposals without reducing the normal standard of public services offered by the University.

A. Mischaracterizing Reasonable Proposals as "Union Busting"

The AAUP tried to exaggerate and mischaracterize the University's proposals – including its reasonable proposal for a unified healthcare plan that would save millions per year – as "Union busting" measures. This is a "smokescreen" meant to distort reasonable proposals and make them appear extreme. In reality, the University's proposals may not go far enough. These are reasonable proposals that other public employers and unions around the State regularly adopt when facing financial difficulties as part of concessionary bargaining.

The AAUP claims that the University is trying to take away its right to bargain on healthcare. However, this is the one item where the parties can save money by negotiating better prices from vendors and providers, which is only possible if the WSU negotiates healthcare coverage for the University as a whole as part of a unified plan. The University only proposes that faculty members should receive the same healthcare plan as every other employee on campus, from the President and the Administration to clerical and support staff employees. There is nothing extreme about this proposal.

Other prominent universities around Ohio have the same healthcare plan for all their employees, including Ohio University, Miami, and Ohio State. Their healthcare plans are consistent with the modern trend of other public employers around the State of Ohio to provide the same or similar healthcare coverage for all their employees. It is no longer financially sustainable for public employers to negotiate piecemeal healthcare plans once every three years for various groups of employees. WSU's proposal is consistent with the modern unified approach taken by Ohio University, Miami, Ohio State, and dozens of other public employers around Ohio in recent years.

There is nothing "extreme" about a public university in an unprecedented financial crisis adjusting its healthcare plan consistent with State-wide trends to save millions of dollars per year. The "extreme" course of action would be to do nothing and maintain the status quo while healthcare costs keep increasing at an unsustainable rate. WSU does not have the money to pay for those increases. Its financial reserves are gone.

B. Modification of Proposals through Mediation

The AAUP argued at hearing that the University could not present modified proposals on retrenchment and cost savings days as part of the mediation process. By way of background, the parties agreed to conduct mediation on January 31 and February 1, 2018, rather than proceed with the Fact-Finding hearing. During the mediation process, the Fact-Finder suggested that the University's proposals on retrenchment (layoffs) and cost savings days (furlough) should include an objective standard triggering WSU's right to implement these cost savings measures.

The University considered the Fact-Finder's suggestion, and sent the AAUP modified proposals before the parties presented evidence on these issues at the hearing. The University proposes that it could implement retrenchment or cost savings days following two consecutive years of Senate Bill 6 scores below 2.40 (the level needed to emerge from fiscal watch under the Revised Code). No other public college or university in the State of Ohio currently has a single year of a Senate Bill 6 score below 2.40 – much less the two consecutive years necessary to trigger retrenchment or cost savings days under the University's modified proposal.

The AAUP argued that the University is not allowed to modify its proposal through the mediation process during Fact-Finding. That is simply not true. During the ***Conciliation*** process, if mediation efforts result in a change in a party's final offer, a party may submit a revised final offer to the Conciliator by "mutual agreement." This requirement is set forth in Ohio Administrative Code Section 4117-9-06(E)(4), and also explained on page 7 of SERB's Conciliation Guidebook.

However, there is no similar requirement of mutual agreement for modifying a proposal during Fact-Finding. Ohio Administrative Code Section 4117-9-05 only requires that for purposes of Fact-Finding, the parties must raise the ***subject matter*** of a proposal in a written statement submitted prior to the hearing. Unlike the Conciliation process, in which the Conciliator may only choose between the final offers presented by the parties, the Fact-Finding process does not impose any restrictions on modifying proposals. There is nothing in the Revised Code, the Ohio Administrative Code, or the SERB Fact-Finding Guidebook that prohibits modifying a proposal without "mutual agreement."

As the Fact-Finder pointed out, there is a strong belief in the mediation process as an extension of Fact-Finding, and parties should not be denied the opportunity to modify proposals to find sensible counter-offers – and original proposals are not binding or final for purposes of Fact-Finding. The Fact-Finding process is part of bargaining. The purpose is to build consensus and encourage compromise. The Fact-Finder should adopt the University's modified proposal developed through the mediation process and disregard any “smokescreen” by the AAUP claiming WSU should be prohibited from updating its proposal.

C. Blaming the Administration for the Financial Crisis

The Union argued at hearing time and time again that the Fact-Finder should reject the University’s proposed changes to the labor agreement because the faculty did not “cause” the financial crisis. Trying to assign “blame” for the financial crisis is irrelevant and beside the point. First, the current Administration is not to “blame” because the President and her senior leadership team were simply not working for the University when it depleted its financial reserves. Further, playing the “blame game” ignores the undisputed fact that rising expenditures on health care and growing faculty salaries under the labor agreement combined with falling enrollment revenue did play a role in the spending deficit. That means that even if individual faculty members were not responsible, increasing pay raises and other costs incurred under the labor agreement clearly ***have*** contributed to the University’s financial crisis.

Nonetheless, in any event, the Fact-Finder need not apportion “blame” for the financial crisis among the parties. Blame or fault for financial difficulties is not one of the relevant statutory considerations under the Revised Code. Instead, the Fact-Finder should focus on the University’s ability to finance the proposals presented by the parties without sacrificing its normal standard of public service. The $30 million in budget reductions in one year alone show that the University was already forced to cut services due to the financial crisis and increasing expenditures for healthcare and salary under the labor contract.

WSU cannot afford to continue financing the status quo without even greater cuts in the services it offers to students, employees, and the public. The AAUP's arguments about which party is to blame for the financial crisis are "smokescreens" meant to distract the Fact-Finder's attention away from the undisputed facts and the necessary cost savings measures to help WSU financially recover.

D. Avoiding Fiscal Watch

The AAUP argues that WSU is no longer in a financial crisis merely because it hopes to avoid fiscal watch status in FY 2019. That makes no sense, considering that WSU already depleted over 75 percent of its financial reserves and remains in a worse financial position than any other public college or university in Ohio. The University hopes to avoid fiscal watch status through making one-time cuts and unprecedented austerity measures by a narrow margin in FY 2019, but recovering from the financial crisis will take many years.

WSU has already depleted its financial reserves. It must now deal with falling enrollment and revenue without the safety net that those financial reserves used to provide. It must find a way to maintain the normal level of public services despite spending $40 million less than it spent two years earlier, while healthcare costs and other expenses continue to rise. The fact that the University is still at serious risk of entering fiscal watch status only reinforces the severity of the financial crisis. Regardless of whether the University is able to avoid fiscal watch status through one-time austerity measures, it will take many years for WSU to recover and restore its long-term financial health.

David Cummins, Interim Vice Chancellor from the Ohio Department of Higher Education, testified about the significance of the objective scoring system in place for Ohio's public universities. He testified that WSU's Senate Bill 6 score is lower than any university of its size since the State of Ohio started keeping track in the early 1990's. He explained that the University is facing severe financial problems as reflected in the objective financial data, regardless of whether it enters fiscal watch status. Notably, he did not testify that avoiding fiscal watch status in any way signaled that WSU completed its financial recovery. The University hopes to begin to slowly replenish its financial reserves. At the current rate, however, it will take more than twenty years to reach the same level of financial reserves WSU had just six years ago. Any argument that the recovery process is somehow complete – rather than just beginning – is absurd.

E. Mischaracterizing Financial Reserves as a "Surplus"

Similarly, the AAUP argues that the University has recovered from the financial crisis because it achieved a "surplus" in the budget in FY 2018. That simply is not true. The University "surplus" from day-to-day operations is nothing more than a transfer of money from one-time cuts into its financial reserves. By deferring maintenance, implementing austerity measures, slashing $30 million from its budget, and then cutting another $10 million, WSU may be able to replenish its financial reserves by perhaps $6 million. That is less than 5 percent of the financial reserves the University depleted over the past six years. The University has to replenish $6 million of its financial reserves simply in order to avoid fiscal watch status under the Revised Code by a slim margin.

As the AAUP knows, public colleges and universities maintain financial reserves to make sure they are financially sustainable. Every public college and university maintains financial reserves. They are one of the three components of assessing a university's financial wellbeing under Senate Bill 6. The Senate Bill 6 score is based in part on whether financial reserves are sufficient and flexible enough to support the mission of the University (the primary reserve ratio). WSU has just begun to rebuild its financial reserves after depleting them by more than 75 percent.

To argue that a small replenishment of financial reserves is somehow a "surplus" after $30 million in budget cuts and austerity measures is disingenuous. This is another "smokescreen" meant to distract the Fact-Finder's attention away from the unprecedented financial challenges facing the University and the cost savings measures necessary to restore its stability and sustainability.

F. Cutting the Normal Standard of Public Services

The AAUP argues that WSU should cut other services such as athletic programming in order to pay for the cost of its proposals. In other words, the AAUP asks the Fact-Finder to recommend its proposals even though the University cannot finance them without cutting programs such as athletics. However, the factors the Fact-Finder must consider in evaluating the University's proposals are exactly the opposite of that – "the ability of the public employer to finance and administer the issues proposed" and the effect of the proposals on "the normal standard of public service." OAC 4117-9-05(K)(3); ORC 4117.14(C)(4)(e).

By arguing that the University should cut sports to finance its proposals and avoid the changes sought by the Administration, the AAUP asks the Fact-Finder to recommend cutting "the normal standard of public service" offered by the University. But avoiding those type of service reductions and cuts is one of the statutory factors the Fact-Finder must consider in determining whether the University can finance the parties' proposals. The University's students benefit from its athletic programs – in fact, WSU's student athletes have scored a cumulative GPA of 3.0 or better for 47 straight terms of academic excellence. *See* Univ. Ex. 18, *A Closer Look at Wright State Athletics*. The overall graduation rate for WSU student athletes is 87 percent, and the average GPA of student athletes was 3.26, compared with 2.89 for students University-wide. *Id.* In addition, WSU's expenses on athletics are just half the national average of 6.3 percent, and the University spends ***less than half*** on athletics as peer schools like Miami, Toledo, Kent State, and BGSU. *Id.*

The AAUP's argument that WSU should cut athletics to fund the status quo under the labor agreement only acknowledges the severity of the problem. This shows that WSU cannot finance the Union's proposals without significant cuts to the "normal standard of public service" offered by the University. The evidence and testimony established that cutting sports would have a significant impact on how the University is perceived. For example, a single appearance in the NCAA men's basketball tournament increases enrollment the following year and improves student morale. **In fact, the AAUP's own financial witness, Dr. Bunsis, acknowledged that during his college days his alma mater's participation in the NCAA men's basketball tournament was one of the highlights of his own collegiate experience**.

By applying the statutory factors based on the undisputed evidence, the Fact-Finder must conclude that WSU cannot finance the proposals of the AAUP without cutting sports and other public services offered by the University. This shows that the changes proposed by the Administration are necessary to restore the financial wellbeing of the University without the type of significant service cuts sought by the AAUP.

G. Testimony of Dr. Bunsis

The AAUP presented another "smokescreen" through the testimony of economic or financial "expert" Dr. Harold Bunsis. Dr. Bunsis is not really an economic or financial "expert" – instead, he is a union activist who testifies on behalf of labor. The University asks the Fact-Finder to review University Exhibits 2, 3, 4, and 5. These exhibits are not in the Binders presented by the University. They are the additional exhibits introduced into the record by the University at the hearing. These exhibits show that Dr. Bunsis is a union activist rather than an economic or financial "expert." University Exhibit 6 (attached) is Dr. Bunsis' resume when he recently ran for another term as President of the EMU-AAUP. His resume establishes that he is a committed union activist:

- Dr. Bunsis refers to himself as a "committed unionist."
- He indicates that he led the faculty of Eastern Michigan University to a strike in 2006.
- He explains that he protested Eastern Michigan's continued participation in division-1 football and asserts that he has "a national profile on this and other labor issues."
- He calls himself a "fighter" who "will never stop fighting and standing up for you."
- He served as President of EMU-AAUP from 2005 to 2008 and 2010 to 2014.
- He acknowledges that he "made presentations at dozens of universities around the country, focusing on university finances" and also presented "at every National

> AAUP Summer Institute from 2006 to 2016, helping faculty understand university finances, [and] also presented on health care and other negotiating topics."

See Univ. Ex. 6 (attached).

Dr. Bunsis' resume shows that he is simply a Union advocate – not an economic or financial "expert." Dr. Bunsis presented essentially the same PowerPoint that he has previously presented at dozens of other colleges and universities facing financial issues. At every single one of those schools, Dr. Bunsis testified on behalf of labor and claimed that the financial condition of the college was healthy enough to support the union's proposals. As far as WSU is aware, Dr. Bunsis has never evaluated the financial condition of a college or university and reached any conclusion that did not support labor's position. He has never found that a university's financial problems were too great to support a union's proposals.

Much of Dr. Bunsis' testimony was focused on the "smokescreen" arguments described above. He testified about "how we got here" – the reasons why he believes that the University entered into the financial crisis. He tried to blame the Administration for the financial crisis and claim that decreased enrollment was not the cause. Regardless, though, his opinion on "how we got here" provided no solutions or guidance on how to help the University return to financial stability and sustainability. Dr. Bunsis' opinion on the underlying reasons for the financial crisis makes for interesting storytelling, but it has nothing to do with the statutory factors that must guide the Fact-Finder's recommendation under the Revised Code.

Dr. Bunsis also testified about "where we are now" – how bad the financial crisis at the University currently is. Unsurprisingly, consistent with his testimony at dozens of other colleges and universities, Dr. Bunsis opined that WSU can afford to keep financing the status quo and somehow grant AAUP members a raise of 8 percent in the final two years of the contract. His testimony is unreliable at best. On cross-examination, Dr. Bunsis admitted that after examining dozens of schools, he has never seen another college or university financially decline as fast as WSU.

Further, Dr. Bunsis did not conduct a detailed analysis specific to WSU. As shown on cross-examination, he provided substantially the same testimony that he gave at the University of Chicago. Dr. Bunsis' presentation at the University of Chicago was introduced into the record as Univ. Ex. 7. Dr. Bunsis readily acknowledged the many differences between WSU and the University of Chicago – a private university with much larger financial reserves and much different financial considerations. Yet the testimony of Dr. Bunsis at both schools was very similar. This shows that Dr. Bunsis provides the AAUP with the same packaged testimony regardless of the individual details and financial health of the institution.

The University asks the Fact-Finder to compare the testimony of Dr. Bunsis with the testimony of Dr. McCray. Dr. McCray is no longer affiliated with the University. He has 55 years of experience in higher education. Dr. McCray worked closely with the University's finances for months as Interim President, rather than relying on a brief analysis and generalized talking points like Dr. Bunsis. Dr. McCray offered concrete solutions for WSU's financial crisis, rather than just giving his opinion on who to blame.

Ultimately, based on months of study of the University's finances, Dr. McCray testified that he has never seen a college or university in worse financial condition. He testified that WSU needs an expanded right to furlough and retrenchment. He testified that WSU must fully control the healthcare plan for AAUP members on a uniform basis like the rest of the University during the financial crisis to avoid any further deficit spending. And he testified that although he wouldn't like it, he would implement the changes proposed by the University even at risk of a possible strike, in the best interests of the institution, the students, and the surrounding community.

By comparison, Dr. Bunsis' prepackaged testimony given at dozens of other institutions carries no weight. His testimony is nothing more than another "smokescreen" meant to distract the Fact-Finder's attention from the unprecedented nature of the financial crisis facing the University. The AAUP evidently would like the Fact-Finder to ignore the proposed solutions and cost savings measures even though they are clearly warranted by the undisputed facts. The Fact-Finder must apply the statutory factors and adopt the University's proposed changes to restore short-term stability and long-term sustainability.

XI. CONCLUSION

The University believes this Fact-Finding is critical to its long-term financial sustainability. It is undisputed that WSU is out of money. It cannot continue to pay for rising salary and benefit costs without the financial relief proposed by the Administration in other sections of the labor agreement. The Administration asks the Fact-Finder to apply the statutory factors based on the undisputed evidence that the University is facing an unprecedented financial crisis. Those statutory factors require a recommendation that will begin to give the flexibility to restore WSU's financial wellbeing and sustainability.

Respectfully submitted,

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Appendix A

Article 24
Minimum Salaries
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24.1 2017-2018: Newly Promoted Bargaining Unit Faculty at the ranks of Associate Professor and Professor

24.1.1 For each continuing Bargaining Unit Faculty Member on an academic year appointment who will hold the rank of Associate Professor for the first time during the academic year 2017-2018, the University will compute a provisional base salary "x" for the academic year 2017-2018 by applying the applicable raises specified in Article 23 to the Member's base salary for 2016-2017. Then, the University will compute the Member's final base salary "y" for the academic year 2017-2018 in accordance with the formula

$$y = \begin{cases} m + \left(\dfrac{M-m}{M-L} \cdot (x-L) \right) & \text{if } x \text{ is less than } M \\ x & \text{if } x \text{ is greater than or equal to } M \end{cases}$$

where

L equals the lowest provisional base salary among all continuing Bargaining Unit Faculty Members who will hold the rank of Associate Professor for the first time during the academic year 2017-2018 (with fiscal year provisional base salaries multiplied by 9/11 for purposes of determining L),

and, as is shown in row 1 of Table A below,

m equals $73,605, and
M equals $77,976.

Thus, if the Member's provisional base salary is less than M ($77,976), then the final base salary will be higher than the provisional base salary and will be between m ($73,605) and M ($77,976); and otherwise, the final base salary will be the same as the provisional base salary.

Table A

	Year	Rank	m	M
1	2017-2018	Associate Professor	$73,605	$77,976
2	2017-2018	Professor	$90,033	$95,380
3	2018-2019	Associate Professor	$73,605	$77,976
4	2018-2019	Professor	$90,033	$95,380
5	2019-2020	Associate Professor	$73,605	$77,976
6	2019-2020	Professor	$90,033	$95,380

24.1.2 For each continuing Bargaining Unit Faculty Member on an academic year appointment who will hold the rank of Professor for the first time during the academic year 2017-2018, the University will determine a provisional base salary and a final base salary using the procedure and formula in Section 24.1.1 above but with L equal to the lowest provisional base salary among all continuing Bargaining Unit Faculty Members who will hold the rank of Professor for the first time during the academic year 2017-2018 (with fiscal year provisional base salaries multiplied by 9/11 for purposes of determining L); and with m and M as shown in row 2 of Table A.

24.1.3 For each continuing Bargaining Unit Faculty Member on a fiscal year appointment who will hold the rank of Associate Professor for the first time during the fiscal year 2017-2018, the University will

1. determine a provisional base salary "x_f" using the procedure in Section 24.1.1 above (i.e., by applying the applicable raises specified in Sections 23.1 through 23.4.1 of Article 23 to the Member's base salary for the previous year [2016-2017]),
2. compute x equal to $9 \cdot x_f/11$,
3. compute y according to the formula in 24.1.1 (with the same values of L, m, and M as in Section 24.1.1), and
4. compute the final base salary y_f equal to $11 \cdot y/9$.

24.1.4 The University will proceed in a like manner for each Bargaining Unit Faculty Member on a fiscal year appointment who will hold the rank of Professor for the first time during the fiscal year 2017-2018, but with the values of L, m, and M as in Section 24.1.2.

24.2 2018-2019: Newly Promoted Bargaining Unit Faculty at the ranks of Associate Professor and Professor

The University will proceed as described in Sections 24.1 through 24.1.4, using values of m and M specified in rows 3 and 4 of Table A (and values of L based on salaries for 2017-2018).

24.3 2019-2020: Newly Promoted Bargaining Unit Faculty at the ranks of Associate Professor and Professor

The University will proceed as described in Sections 24.1 through 24.1.4, using values of m and M specified in rows 5 and 6 of Table A (and values of L based on salaries for 2018-2019).

24.4 Other Bargaining Unit Faculty at the Ranks of Associate Professor and Professor

For 2017-2018 [and 2018-2019; and 2019-2020], the minimum salary for each Bargaining Unit Faculty Member at the rank of Associate Professor or Professor to whom the provisions of Sections 24.1 through 24.1.4 [respectively Section 24.2; and Section 24.3] do not apply will be as specified in rows 1 and 2 [respectively rows 3 and 4; and rows 5 and 6] of Table B below. Any such Bargaining Unit Faculty Member whose annual base salary (as determined by a letter of appointment, the provisions of Article 23, any other provisions of this Agreement, or otherwise) would otherwise be below the level specified in Table B below will receive an increase to the annual base salary so that the final base salary equals the appropriate amount in Table B.

Table B

	Year	Rank	Academic Year Appointees	Fiscal Year Appointees
1	2017-2018	Associate Professor	$73,605	$89,962
2	2017-2018	Professor	$90,033	$110,041
3	2018-2019	Associate Professor	$73,605	$89,962
4	2018-2019	Professor	$90,033	$110,041
5	2019-2020	Associate Professor	$73,605	$89,962
6	2019-2020	Professor	$90,033	$110,041

24.5 Bargaining Unit Faculty at the rank of Assistant Professor

The minimum salary for each Bargaining Unit Faculty Member at the rank of Assistant Professor will be as specified in Table AP below. Thus, any such Member whose annual base salary (as determined by a letter of appointment, the provisions of Article 23, any other provisions of this Agreement, or otherwise) would otherwise be below the level specified in Table AP below will receive an increase to the annual base salary so that the final base salary equals the appropriate amount in Table AP.

Table AP

Year	Rank	Academic Year Appointees	Fiscal Year Appointees
2017-2018	Assistant Professor	$59,277	$72,450
2018-2019	Assistant Professor	$59,277	$72,450
2019-2020	Assistant Professor	$59,277	$72,450

24.6 In the application of the formula in Section 24.1.1, if in any case the calculated value of *L* should be greater than *m*, the parties will meet to determine the final base salary of each Member with a provisional base salary less than *M*; for each such Member, the final base salary will be greater than the provisional base salary but not more than *M*.

24.7 NTE Bargaining Unit Faculty with Academic Year Appointments

The minimum base salary for Bargaining Unit Faculty Members with academic year appointments during the three year term of this agreement shall be:

Academic Year Appointees	2017-2018	2018-2019	2019-2020
Senior Lecturer or Clinical Assistant Professor	$59,141	$59,141	$59,141
Lecturer or Clinical Instructor	$48,062	$48,062	$48,062
Instructor	$42,074	$42,074	$42,074
Visiting Faculty	$40,368	$40,368	$40,368

24.8 NTE Bargaining Unit Faculty with Fiscal Year Appointments

The minimum base salary for Bargaining Unit Faculty Members with fiscal year appointments during the three year term of this agreement shall be:

Fiscal Year Appointees	2017-2018	2018-2019	2019-2020
Senior Lecturer or Clinical Assistant Professor	$72,283	$72,283	$72,283
Lecturer or Clinical Instructor	$58,742	$58,742	$58,742
Instructor	$51,424	$51,424	$51,424
Visiting Faculty	$49,339	$49,339	$49,339

SELECT EXHIBITS IN SUPPORT OF THE UNIVERSITY'S POST-HEARING BRIEF

Attached as Exhibits to the Post-Hearing Brief are several documents from the hearing that emphasize the facts and arguments in support of the University's proposals:

- Graph showing decline of the University's net position (pg. 1-2);
- Spreadsheet showing that the claims made against the University's cash and investments went negative (more owed than on hand) in 2017 (pg. 3);
- Graph showing the University's revenue by source (pg. 4-5);
- Graph of the University's enrollment is in severe decline since FY 2011 (pg. 6-7);
- Chart showing international student enrollment is in severe decline since 2015 (pg. 8);
- Graph showing Ohio's allowed increase in tuition has fallen behind national average (pg. 9);
- Documents analyzing the incredible deferred maintenance of the University campus-wide (pg. 10-23);
- Newspaper article highlighting University Trustees' concern that systemic change is needed and not just cost-cutting (pg. 24-25);
- Chart showing that all employees except AAUP are on a uniform health plan (pg. 26);
- Chart of the University health insurance cost savings annually if a uniform health plan is adopted for all employees, including AAUP (pg. 27-28);
- Chart showing severe decline in summer school registered credit hours (pg. 29);
- Newspaper article on severe decline in summer tuition revenue in 2018 (pg. 30-32);

- AAUP newsletter showing (on page 3 and highlighted in yellow) that the AAUP President Rudy Fichtenbaum described the leveraging of the University in 2009 to agree to a MOU giving away management rights on workload (not a proper subject of bargaining), and admitting a Fact-Finder would have probably ruled against the AAUP at fact-finding (pg. 33-36).

- The law as passed by the General Assembly allowing any University to adopt a mandatory furlough of employees, including faculty (pg. 37);

- A worksheet from the State of Ohio and OCSEA showing interest-based concessionary bargaining in late 2000's to account for depleted reserves and poor financial conditions (pg. 38-39);

- Resume of witness Howard Bunsis (when he ran for Eastern Michigan University Union President) showing he is a biased witness and not in any way an unbiased economic expert; also showing his pride in being "anti-athletics" as a matter of course (pg. 40);

- Chart showing the University's athletic expenditures have decreased since 2016 (pg. 41); and

- Data packet of analysis and report on budget cuts in athletics and value produced by Division I sport programs (pg. 42-61).

This is a graph of Wright State's change in net position for FY 2012 to FY 2017.

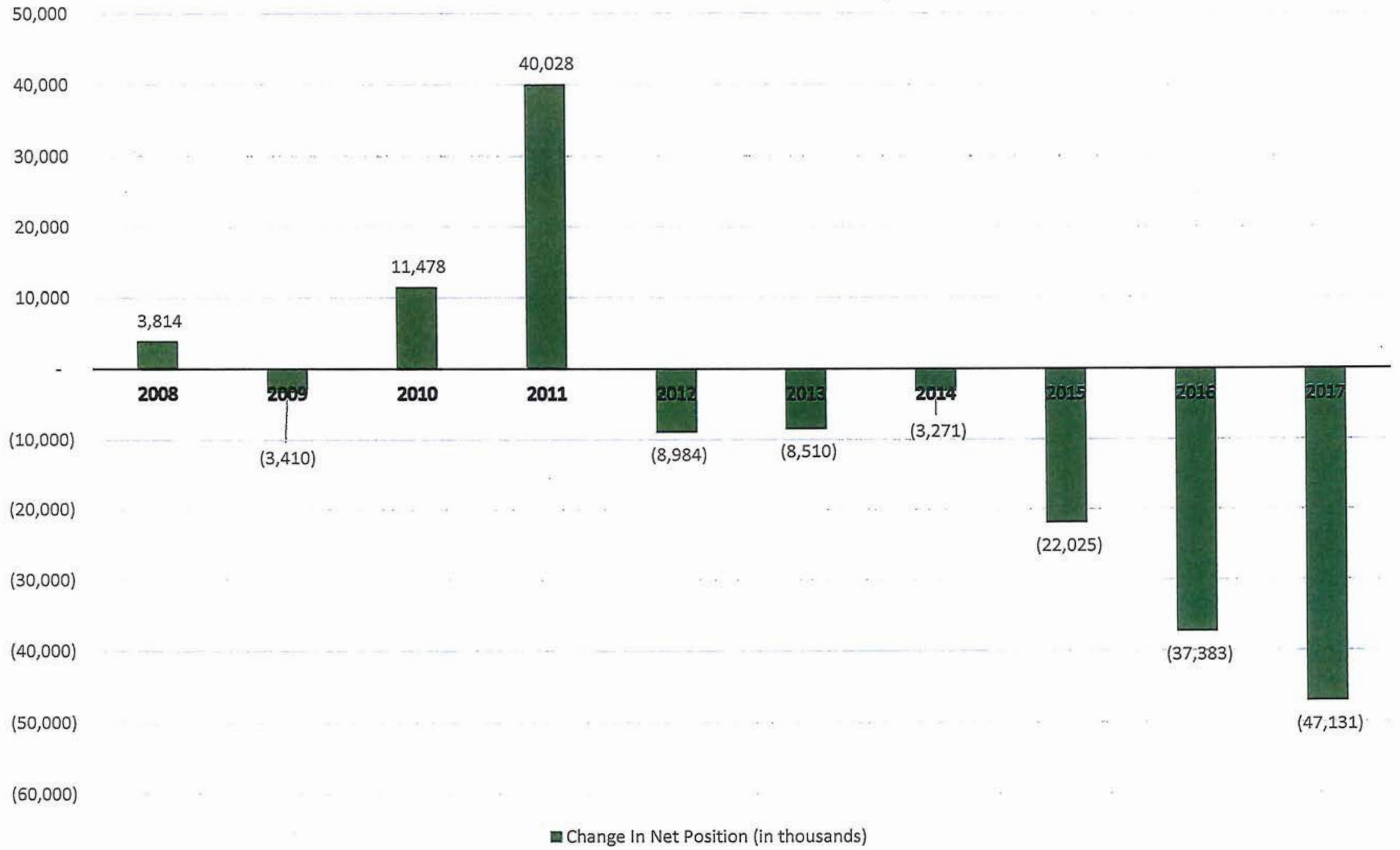
The graph shows the yearly decrease in Wright State's net position from the previous year.

The graph shows that in FY 2012 and 2013, Wright State's net position decreased by over $8 million in each year. In FY 2014, the decrease was over $3 million.

Beginning in FY 2015, Wright State began to experience more dramatic decreases in net position. That year, the decrease in net position was over $22 million.

In FY 2016, the decrease in net position was over $37 million.

In FY 2017, the decrease in net position was over $47 million.


50,000
40,000
30,000
20,000
10,000
-
(10,000)
(20,000)
(30,000)
(40,000)
(50,000)
(60,000)
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
3,814
(3,410)
11,478
40,028
(8,984)
(8,510)
(3,271)
(22,025)
(37,383)
(47,131)
🟩 Change In Net Position (in thousands)

WRIGHT STATE UNIVERSITY

Internal Claims on Cash

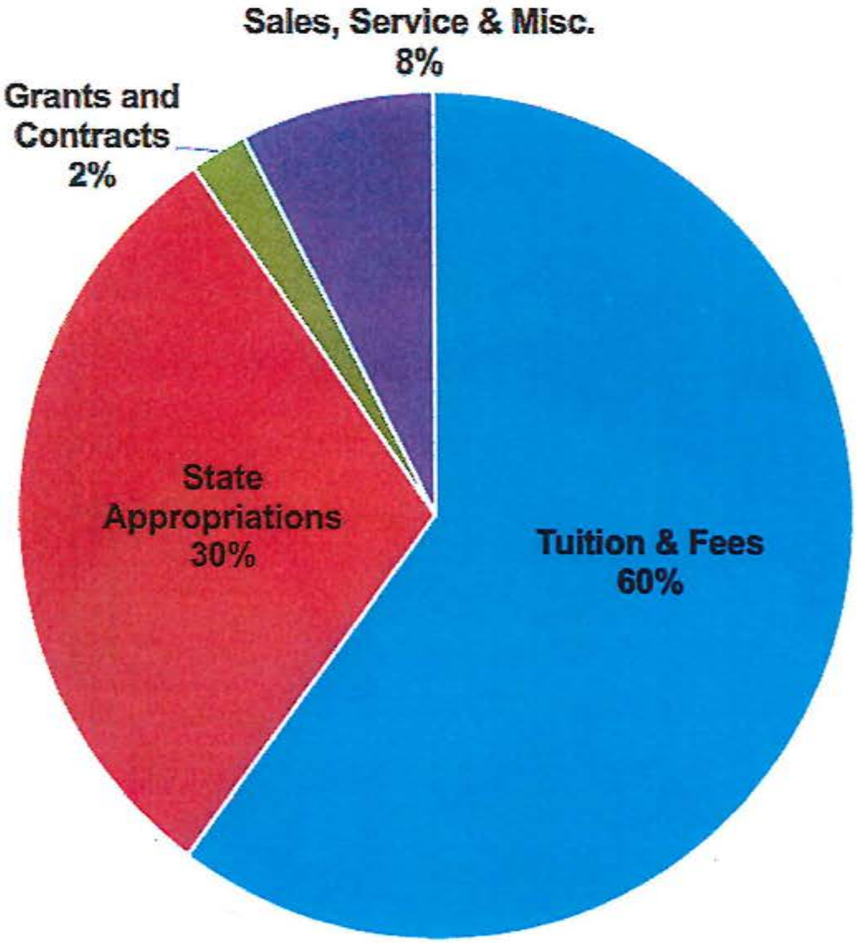
Fiscal Years Ended 6/30/11 - 6/30/17

	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Total Cash and Investments	**$ 170,864,911**	**162,847,718**	**140,329,254**	**136,066,613**	**110,232,906**	**64,381,817**	**41,919,071**
Internal Claims on Cash:							
Available Balance Carryovers	72,454,982	67,262,167	62,489,775	58,668,666	51,714,321	33,307,848	28,087,349
Loan Funds	7,523,017	7,861,189	5,609,196	5,210,173	6,027,549	7,070,927	8,380,508
Renewal & Replacement Funds	16,871,700	18,955,024	21,186,332	10,644,679	11,526,529	13,244,025	14,534,348
Agency Funds	921,036	713,783	964,188	1,171,971	1,534,720	858,358	1,041,722
	97,770,735	**94,792,163**	**90,249,491**	**75,695,489**	**70,803,119**	**54,481,158**	**52,043,927**
Net	**$ 73,094,176**	**68,055,555**	**50,079,763**	**60,371,124**	**39,429,787**	**9,900,659**	**(10,124,856)**

UMW #8

This graph shows Wright State's FY 2018 revenues by source.

The graph shows that Wright State depends on tuition and fees for the majority of its revenue.



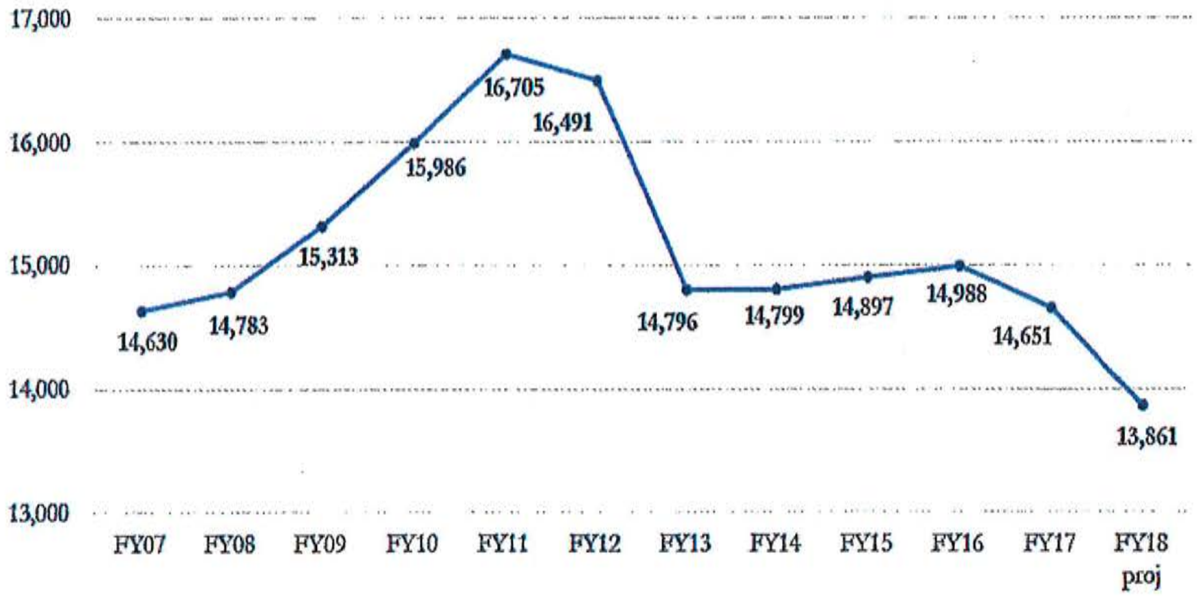
Revenue Sources
(in 000's)

Tuition & Fees	$172,007	60%
State Appropriations	$86,032	30%
Grants & Contracts	$6,400	2%
Sales, Service & Misc.	$21,418	8%
Total	$285,857	100%

This is a graph of Wright State's total FTE enrollment for FY 2007 to FY 2018.

The graph shows increasing enrollment from FY 2007 until FY 2011. From FY 2011 to FY 2017, Wright State experienced a 12% decline in enrollment.

Wright State is projecting an additional 5% decline in FY 2018, dropping enrollment below pre-FY 2007 levels.

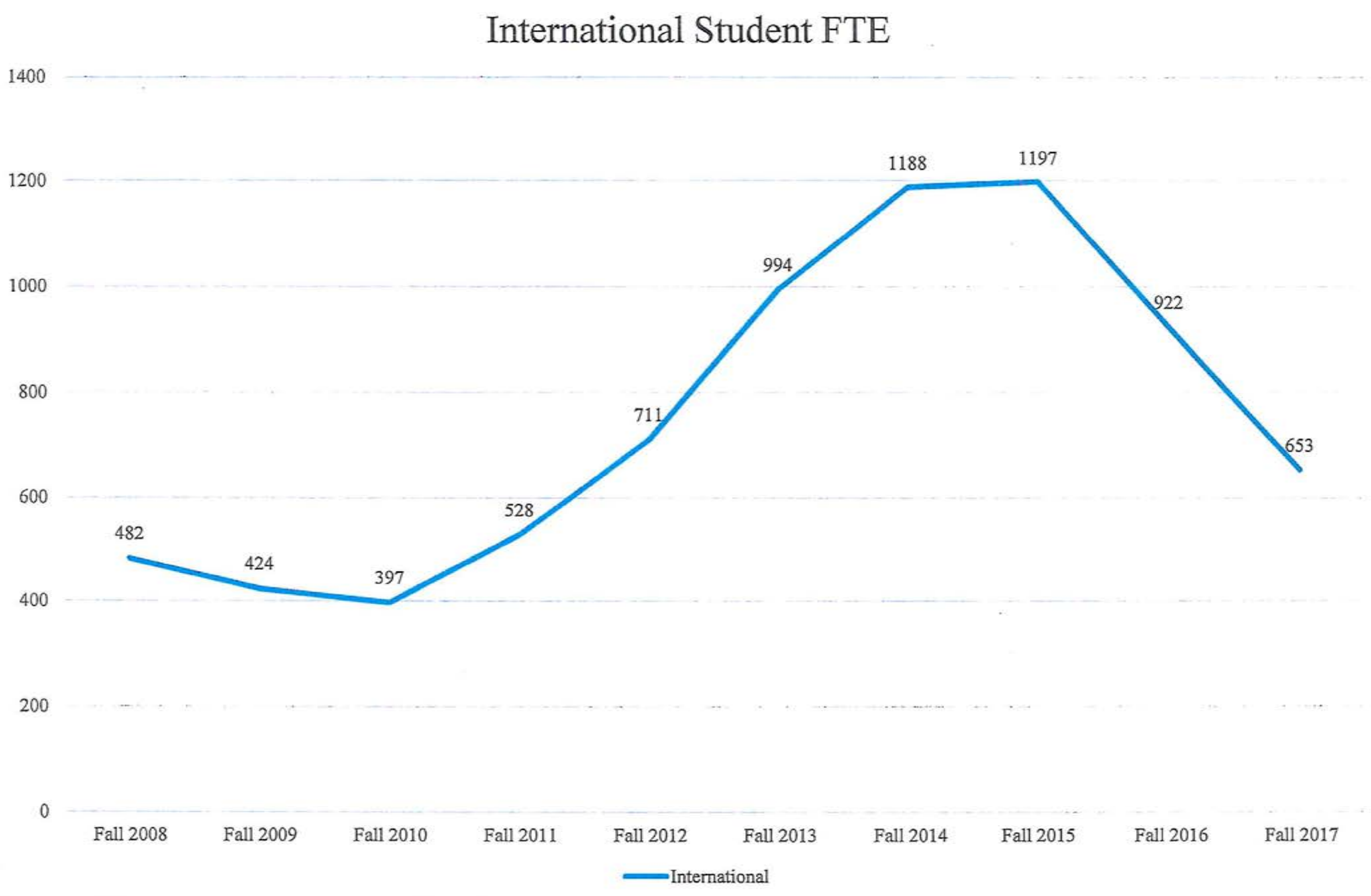


This chart shows Wright State's international enrollment over the past 10 years.

The University generates almost twice the revenue in tuition and fees from international and other non-resident students than it receives from Ohio students.

International enrollment went way up from 2012 through 2014. This temporarily helped offset the lost revenue from the decline in total enrollment.

However, international enrollment fell sharply in 2016 and 2017.

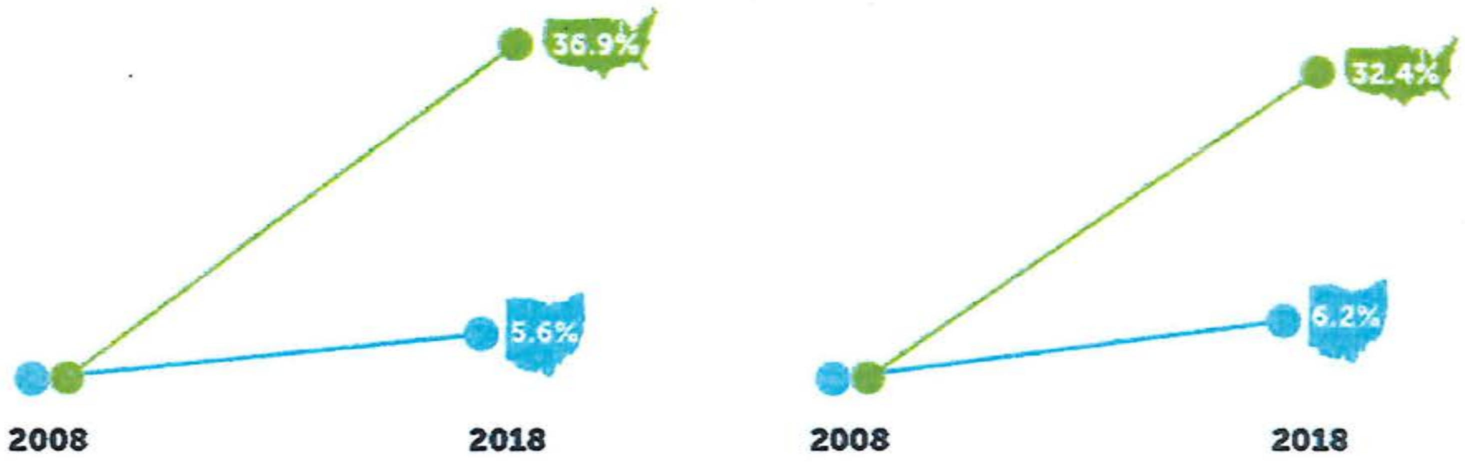

International Student FTE
1400
1200
1000
800
600
400
200
0
482
424
397
528
711
994
1188
1197
922
653
Fall 2008
Fall 2009
Fall 2010
Fall 2011
Fall 2012
Fall 2013
Fall 2014
Fall 2015
Fall 2016
Fall 2017
International

USW#15

OhioHigherEd
Department of Higher Education

News & Updates

Increase in Two-Year and Four-Year Tuition Over a 10-Year Span – Ohio vs. U.S.



Public Universities

Public Community Colleges

Unlar #9

Wright State University Facilities Deferred Maintenance

Introduction

The physical campus of Wright State University includes nearly 700 acres of land and a variety of buildings encompassing over 3.7 million square feet under roof. Construction of our physical facilities began in 1964 when ground was broken for Allyn Hall while the ribbon cutting for newly constructed Neuroscience Engineering Collaboration building took place in 2015.

Taking care of these physical assets is fundamental to supporting the university's mission. As buildings age they are categorized for risk of failure of the systems which make them operational. Buildings over 25 years old are considered "high" risk for major failures of these systems. At Wright State, approximately 2.6 million square feet fall into this category.

Deferred Maintenance

Like most institutions of higher education, Wright State has a history of underfunding and/or postponing the care and maintenance of its' physical campus due to lack of funds or competing budget priorities. This underfunding results in Deferred Maintenance. This lack of investment results in minor repair work evolving into more serious conditions. The failure to take care of major repairs and/or restore building components that have reached the end of their useful lives results in a deferred maintenance backlog.

Addressing this backlog is not limited a single approach to corrective action. The issue must be addressed through a systematic plan to eliminate the deferred maintenance backlog, accompanied by a commitment to routine and preventative maintenance evidenced through changes to the budgeting model.

Deferred Maintenance

Facilities Management & Services has collected an initial list of existing deferred maintenance items currently facing campus. Utilizing industry standards individual buildings and systems have been prioritized based on the risk posed by not taking corrective measures:

> **Priority 1: (WSU Total: $24,400,000)** These needs and/or projects significantly impact the mission of the University and require immediate action to return a facility to normal operation, stop accelerated deterioration, or correct a cited safety hazard, especially those conditions which potentially impact an entire Campus or pose a significant risk to health and safety.
>
> **Priority 2: (WSU Total: $49,100,000)** These needs and/or projects will become critical within a year if not corrected expeditiously. Situations in this category include intermittent interruptions, rapid deterioration, and potential safety hazards. The significance of these conditions to the mission of the University should be a factor.
>
> **Priority 3: (WSU Total: $46,500,000)** These needs and/or projects include conditions requiring reasonably prompt attention to preclude predictable deterioration or potential downtime and the associated damage or higher costs if deferred further. Conditions which do not significantly impact the mission of the University should be placed in this category.

The following pages represent a breakdown of existing deferred maintenance items within these categories.

Priority 1 Campus Reinvestment

Grand Total	**$24,400,000**
Amount Currently Funded	**$3,675,000**

Scope

- **Allyn Hall**
  - Pool filter room - drain back-up and odor
  - Tunnel to Oelman - Leaks and Repairs
  - Tunnel to Rike - Leaks and Repairs
- **Athletics**
  - Alumni Field Concession Stand
  - Lights out on Stadium Poles at Alumni, Nischwitz, Softball
  - Nischwitz Concession Stand
- **Biological Sciences I&II**
  - Exhaust Fan convert to DDC
  - Roof Repair/Replacement
  - Replace exterior penthouse doors and hardware
- **Brehm Lab**
  - Roof Repair/Replacement
- **Campus Services**
  - Roof Repair/Replacement
- **Cox Heart**
  - Chillers
  - Elevators
- **Creative Arts Center**
  - Elevators*
  - Fire doors at Festival Theater - hold opens
  - Move water pipes at electrical room
  - Roof Repair/Replacement
- **Diggs Lab**
  - Concrete step repair - exposed rebar
  - Exterior façade is leaking - damaging lobby
  - Fall protection needed - no tie offs or parapets
- **Dwyer/Andrews**
  - Chiller Replacement*
  - Roof Repair/Replacement*
- **Fawcett Hall**
  - Exterior stairs show signs of differential movement
  - FumeHood exhaust system - 24 hoods tied together (life safety)*
  - Leak at entrance to electrical vault - concern for power grid (tunnel to Bio)
  - Leak at tunnel to Brehm
  - Leaking skylight
  - Plaza Replacement between Fawcett and Library
  - Replace corroded cable tray supports (to Oelman)
  - Stairways at entryways are in need of concrete patch/repair and handrails
- **Fine Arts Building**
  - Envelope*
  - Replace both AHU
  - Roof Repair/Replacement*

Forest Lane

- Exterior Ramp - new rails and resurfacing

Hamilton Hall

- Elevators*
- Fire Alarm System Upgrades
- Replace Generator
- Roof Repair/Replacement

Health Sciences

- Repair broken fire shutters
- Replace HVAC associated with Tunnel Wash
- Replace leaking skylights
- Roof Repair/Replacement

Lake Campus

- Exterior Lighting - 13 fixtures along walkpath
- Utility Survey

Library and Annex

- Elevators*
- Relocate restroom above data center
- Re-route water piping out of electrical room

Math and Micro

- Replace stone coping and missing seals
- Roof Repair/Replacement

Medical Sciences

- Install emergency circuits to archives freezers
- Install temp and humidity controls for archives spaces
- Repair Fire shutters
- Replace exterior penthouse doors and hardware
- Roof Repair/Replacement

Millett Hall

- Large windows are leaking, need sealing
- Leaking at Entrance of Tunnel to Oelman
- Pan gutter missing, tunnel deteriorated at its location (towards Fawcett)
- Replace corroded pipe hangers - Tunnel to Fawcett
- Tunnel leaking - Tunnel towards Library
- Uneven Tunnel deterioration (towards Fawcett) - possibly due to location of walk and lawn above

Nutter Center

- Add emergency circuits in suites ILO battery packs
- Brine system leak detection
- Brine system leak repair
- Concourse doors and tie in to alarm system - gate 1,2,3,6,7,8
- Condensor and chilled water pumps
- Elevators*
- Fall protection in the rafters - OSHA/BWC
- Roof top hydrant on mclin gym
- Seals on victolic fittings

Oelman Hall
- Flashpoint for lab stores
- FumeHood exhaust system - 41 hoods tied together (life safety)
- Patch Exposed Rebar - Tunnel to Millett
- Repair Pan Gutters (+/- 15) - Tunnel to Millett
- Replace Corroding Pipe and Cable Tray supports - Tunnel to Millett
- Rework exhaust - safety on roof, add more isolation

Research Park
- Add Transfer Switch to existing Generator for Life Safety

Rike Hall
- Internal Duct insulation removed
- Re-hang unsecured art squares in the basement

Russ and Joshi
- Heating lines replaced
- Overduty panels
- Rework glass block around stairwells
- Roof safety upgrades (railings and ladder)

Student Success Center
- First floor corner window facing Community Center leaking

Student Union
- Have fireplaces checked (Hearth and Pathfinder)
- Install larger grease trap in W001 kitchen servicing area
- New pool deck
- Overduty panels
- Repair trench drain at golf cart door
- Rework area under pool
- Waterproof 023 (address kitchen floor)

Transportation Building
- Iron filter tank hole

Trenary Hall
- Trenary Hall Wall Leaks*

University Hall
- Flashing repair
- Replace leaking louvers
- Replace sump pumps in 072
- Tunnel leak at Rike and Uhall
- Window leaks

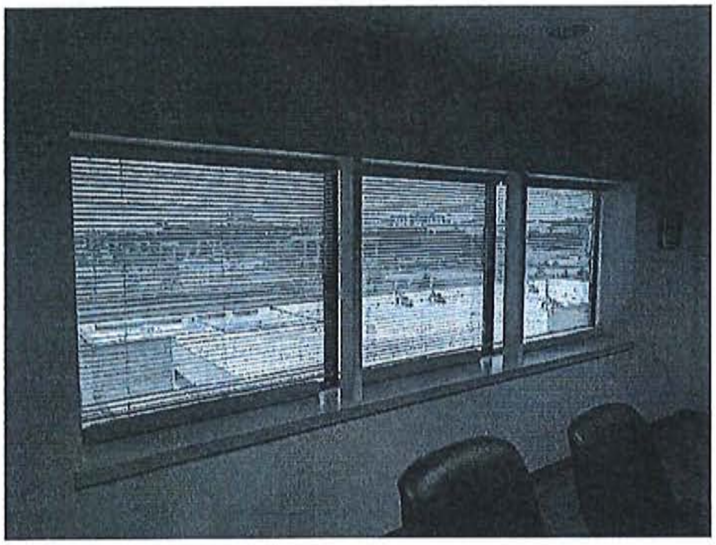
White Hall
- Roof Repair/Replacement
- Wall leaks

*Currently funded

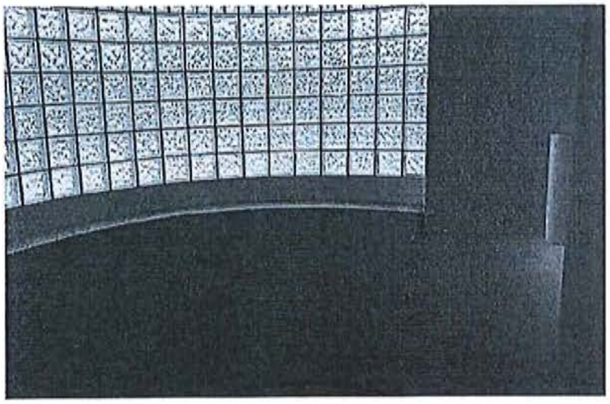
Priority 2 Campus Reinvestment	**$ 49,100,000**
100 Projects	
Priority 3 Campus Reinvestment	**$ 46,500,000**
203 Projects	

Examples of Deferred Maintenance Items

Deteriorated sump pump and mechanical area at swimming pool.



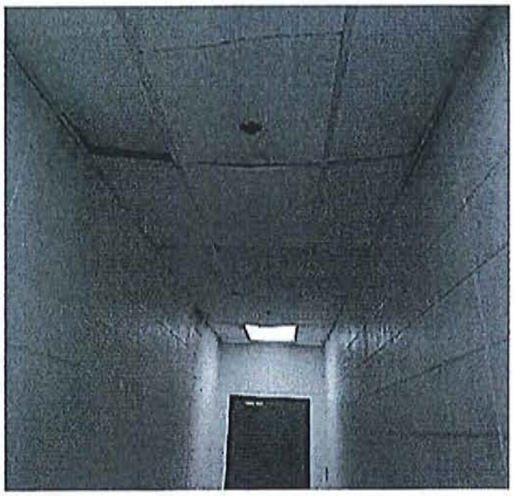
Absorbent socks on the window sills to deal with repetitive leaks, Russ Engineering.



Water damage in Russ Engineering stair tower.

Deterioration of sidewalk at accessible building entrance.

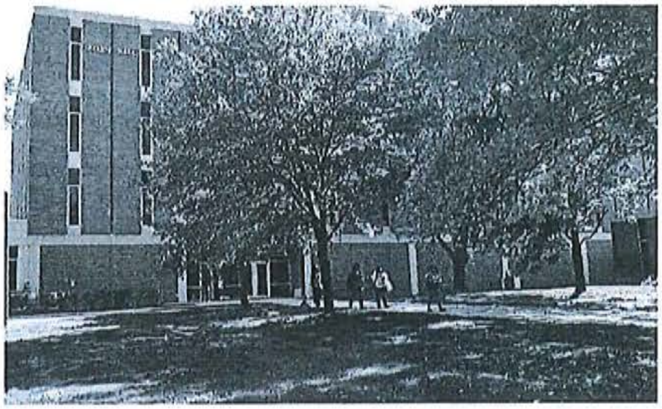
Water infiltration in glass block, Medical Sciences.



Deterioration of corridor, Fawcett Hall.

Facility: **Allyn Hall**
Built: 1964
GSF: 131,809
Floors: 5 plus penthouse
Replacement Value: $ 39,542,700.00

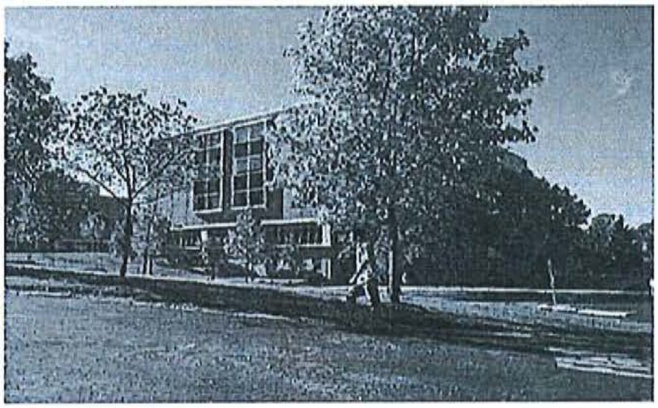
Priority		Construction Costs
1	$	40,000
2	$	1,865,000
3	$	1,615,000
Total	$	3,520,000



Primary Tenant: College of Education and Human Services
Primary Use: Classrooms, Instructional Labs and Faculy Offices, Dining

Facility: **Millett Hall**
Built: 1966
GSF: 162,433
Floors: 5 plus penthouse
Replacement Value: $ 45,481,240.00

Priority		Construction Costs
1	$	130,000
2	$	1,655,000
3	$	2,075,000
Total	$	3,860,000



Primary Tenant: College of Liberal Arts
Primary Use: Classrooms, Instructional Labs and Faculty Offices

Facility: **Oelman Hall**
Built: 1966
GSF: 107,760
Floors: 5 plus penthouse
Replacement Value: $ 32,328,000.00

Priority		Construction Costs
1	$	1,030,000
2	$	100,000
3	$	2,140,000
Total	$	3,270,000

Primary Tenant: College of Science and Mathematics
Primary Use: Classrooms, Instructional and Research Labs, Faculty Offices

Facility: **Fawcett Hall**
Built: 1967
GSF: 140,079
Floors: 6
Replacement Value: $ 42,023,700.00

Priority		Construction Costs
1	$	2,486,000
2	$	640,000
3	$	4,625,000
Total	$	7,751,000

Primary Tenant: College of Science and Mathematics
Primary Use: Classrooms, Instructional and Research Labs, Faculty Offices

Facility: **Dunbar Library and Annex**
Built: 1973/1988
GSF: 244,825
Floors: 5
Replacement Value: $ 67,326,875.00

Priority		Construction Costs
1	$	1,593,750
2	$	665,000
3	$	2,405,000
Total	$	4,663,750

Primary Tenant: Univeristy Library
Primary Use: Library, Special Collections, Computer Labs, Offices

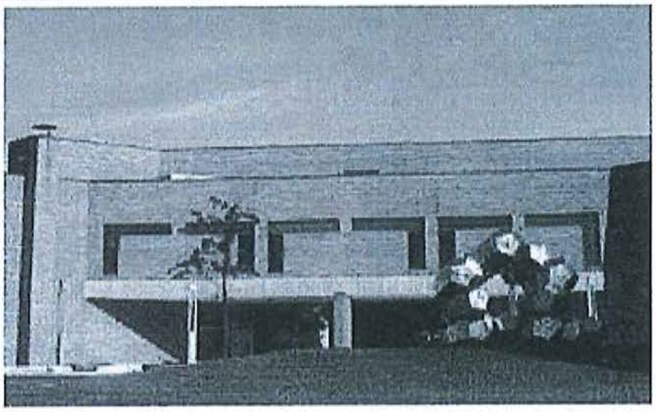
Facility: **Creative Arts**
Built: 1973/1990
GSF: 252,971
Floors: 7
Replacement Value: $ 82,215,575.00

Priority		Construction Costs
1	$	1,210,000
2	$	350,000
3	$	20,000
Total	$	1,580,000

Primary Tenant: College of Liberal Arts
Primary Use: Classrooms, Instructional Labs, Performance Spaces, Faculty Offices

Facility: **Biological Sciences**
Built: 1975/1976
GSF: 110,113
Floors: 3
Replacement Value: $ 33,033,900.00

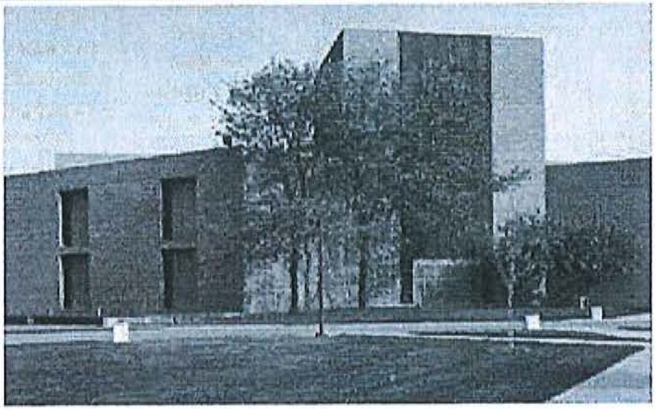
Priority		Construction Costs
1	$	429,500
2	$	457,500
3	$	1,319,500
Total	$	2,206,500



Primary Tenant: College of Science and Math
Primary Use: Instructional and Research Labs, Faculty Offices

Facility: **Medical Sciences**
Built: 1976
GSF: 99,751
Floors: 3 plus penthouse
Replacement Value: $ 28,927,790.00

Priority		Construction Costs
1	$	817,000
2	$	1,683,500
3	$	1,175,000
Total	$	3,675,500



Primary Tenant: General Purpose Classrooms
Primary Use: Classrooms, Instructional and Research Labs, Faculty Offices

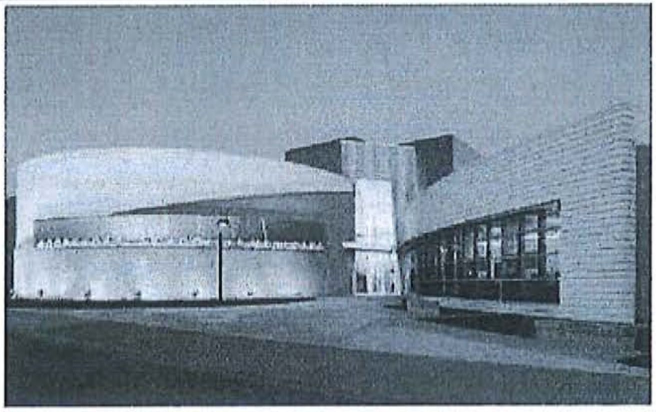
Facility: **Tom Hanks Center**
Built: 1973
GSF: 14,348
Floors: 2 plus penthouse
Replacement Value: $ 3,945,700.00

Priority		Construction Costs
1	$	-
2	$	-
3	$	187,500
Total	$	187,500

Primary Tenant: College of Liberal Arts
Primary Use: Instructional Labs, Faculty Offices

Facility: **White Hall**
Built: 1981/2007
GSF: 878,220
Floors: 2 plus penthouse
Replacement Value: $ 26,166,000.00

Priority		Construction Costs
1	$	450,000
2	$	250,000
3	$	685,000
Total	$	1,385,000



Primary Tenant: Boonshoft School of Medicine
Primary Use: Classrooms, Instructional Labs, Faculty Offices

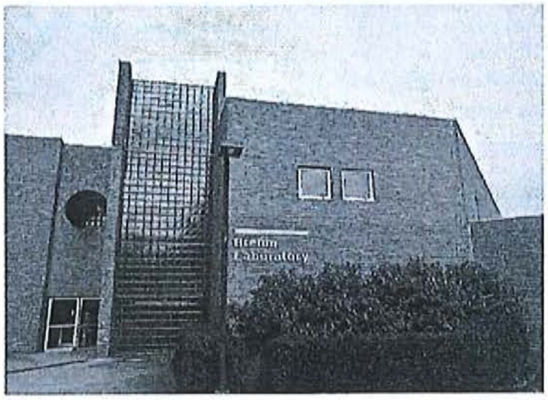
Facility: **Rike Hall**
Built: 1981
GSF: 85,046
Floors: 3
Replacement Value: $ 23,387,650.00

Priority		Construction Costs
1	$	120,000
2	$	195,000
3	$	820,000
Total	$	1,135,000

Primary Tenant: Raj Soin College of Business
Primary Use: Classrooms, Instructional Labs, Faculty Offices

Facility: **Brehm Lab**
Built: 1973/1980
GSF: 41,894
Floors: 3
Replacement Value: $ 12,568,200.00

Priority		Construction Costs
1	$	160,000
2	$	65,000
3	$	490,000
Total	$	715,000



Primary Tenant: College of Science and Mathematics
Primary Use: Instructional and Research Labs, Faculty Offices

Facility: **Student Union**
Built: 1967/1972/1973/1994
GSF: 338,985
Floors: 4
Replacement Value: $101,695,500.00

Priority		Construction Costs
1	$	785,000
2	$	1,062,500
3	$	2,508,000
Total	$	4,355,500

Primary Tenant: Student Activities
Primary Use: Recreation Center, Admissions, Conference Center, Dining

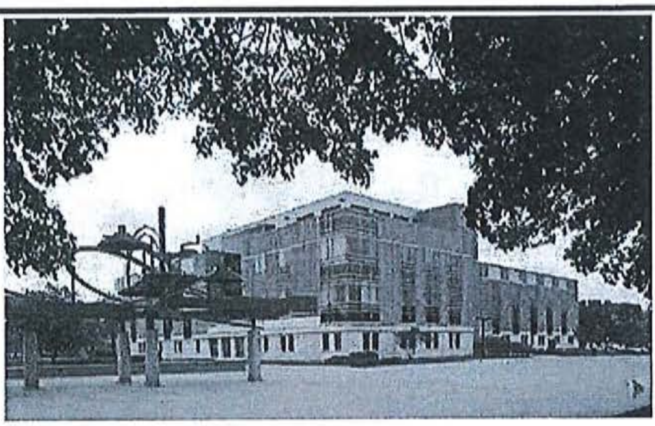
Facility: **Math and Micro**
Built: 1984/1995
GSF: 51,385
Floors: 3
Replacement Value: $ 15,415,500.00

Priority		Construction Costs
1	$	600,000
2	$	1,210,000
3	$	530,000
Total	$	2,340,000

Primary Tenant: College of Science and Mathematics
Primary Use: Classrooms, Instructional and Research Labs, Faculty Offices

Facility: **University Hall**
Built: 1999
GSF: 108,997
Floors: 4 plus penthouse
Replacement Value: $ 29,974,175.00

Priority		Construction Costs
1	$	175,000
2	$	350,000
3	$	1,010,000
Total	$	1,535,000



Primary Tenant: College of Nursing and Health
Primary Use: Instructional Labs, Classrooms, Offices

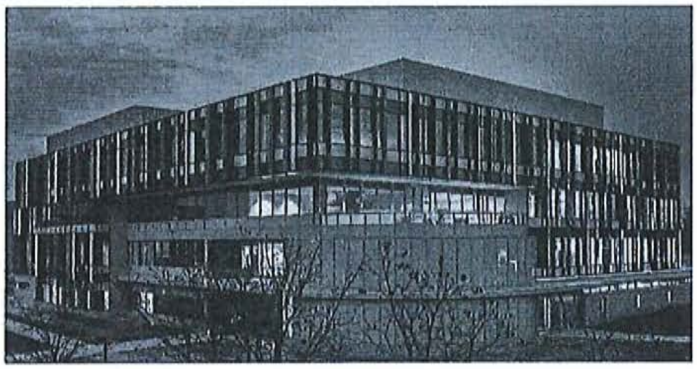
Facility: **Nutter Center**
Built: 1990
GSF: 435,021
Floors: 4 plus penthouse
Replacement Value: $174,008,400.00

Priority		Construction Costs
1	$	948,000
2	$	8,850,000
3	$	2,200,000
Total	$	11,998,000

Primary Tenant: Intercollegiate Athletics
Primary Use: Multipurpose Arena, Instructional Labs, Classrooms, Offices

Facility: **NEC**
Built: 2015
GSF: 98,490
Floors: 4 plus penthouse
Replacement Value: $ 32,009,250.00

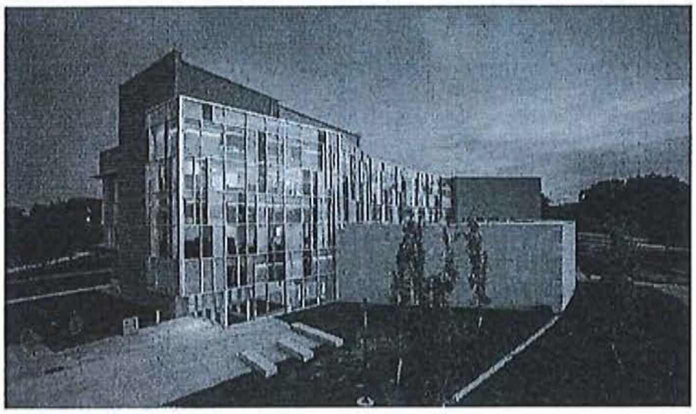
Priority		Construction Costs
1	$	-
2	$	-
3	$	5,000
Total	$	5,000



Primary Tenant: College of Engineering and Computer Science, COSM, BSOM
Primary Use: Research Labs, Offices

Facility: **Student Success Center**
Built: 2015
GSF: 67,787
Floors: 3 plus sub basement
Replacement Value: $ 18,641,425.00

Priority		Construction Costs
1	$	15,000
2	$	10,000
3	$	-
Total	$	25,000



Primary Tenant: General Classrooms
Primary Use: Classroom, Academic Support, Offices

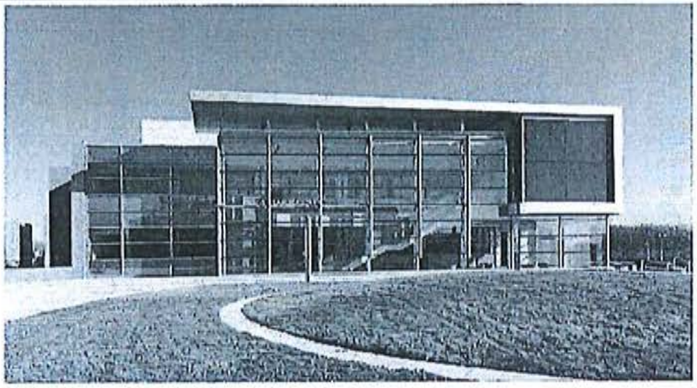
Facility: **Russ Engineering and Joshi**
Built: 1992/2006
GSF: 234,761
Floors: 5 plus penthouse
Replacement Value: $ 70,428,300.00

Priority	Construction Costs	
1	$	915,000
2	$	150,000
3	$	3,870,000
Total	$	4,935,000

Primary Tenant: College of Engineering
Primary Use: Classrooms, Instructional and Research Labs, Faculty Offices

Facility: **Diggs Lab**
Built: 2007
GSF: 48,380
Floors: 3
Replacement Value: $ 14,514,000.00

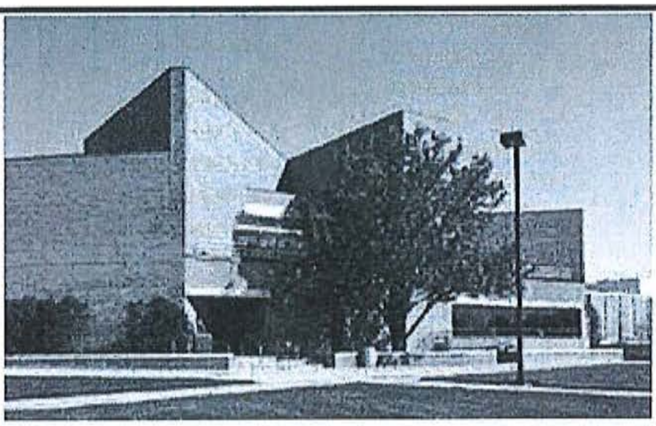
Priority	Construction Costs	
1	$	105,000
2	$	-
3	$	-
Total	$	105,000



Primary Tenant: College of Science and Mathematics
Primary Use: Research Labs, Faculty Offices

Facility: **Health Sciences**
Built: 1984
GSF: 46,456
Floors: 3
Replacement Value: $ 13,936,800.00

Priority	Construction Costs	
1	$	570,000
2	$	225,000
3	$	1,546,250
Total	$	2,341,250



Primary Tenant: School of Professional Psychology
Primary Use: Classrooms, Faculty Offices, Lab Animal Holding

WSU#12

CONTINUING COVERAGE

Wright State president Cheryl Schrader listens to a budget report during a board of trustees finance committee meeting on Monday in the school's student union. WSU may now be on track to add $7.2 million to reserves by June 30, which would keep the school off state fiscal watch. MAX FILBY / STAFF

WSU fiscal proposal called 'recipe to die'

University may avoid fiscal watch this year, but revenue dips predicted.

By Max Filby
Staff Writer

Wright State University may meet its budget and avoid state fiscal watch this year but future revenue dips could make doing so again next year just as difficult.

WSU administrators are trying to add $6 million to reserves by June 30 to avoid being placed on state fiscal watch. Administrators and trustees have expressed a wide range of opinions in recent weeks about whether the university will meet that goal, with chief business officer Walt Branson saying on Monday that he thought it would be achieved.

A 2018 budget re-forecast presented to trustees

WSU continued on **A10**

THE STORY SO FAR

WSU Trustee Bruce Langos has budget concerns.

Previously: WSU trustees and administrators said the school would likely fall short of meeting its FY 2018 budget goal and appeared on a "trajectory" for fiscal watch.

What's new: It now appears WSU may add $7.2 million to reserves by June 30 and avoid fiscal watch. But, that could change depending on how health care costs and non-compensation spending pans out.

What's next: WSU is working on its FY 2019 budget, which projects a $12.65 million dip in revenue that could force more budget cuts. Trustees will vote on next year's budget in June.

elsewhere in the city and would cost $28 million to Dayton and CityWide, wants

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WSU

continued from A1

during a Monday meeting states that Wright State may add $7.2 million to reserves by the end of FY 2018.

"I just think we have to recognize that there has been some good work to set the stage for what we've been able to do over the past year," said WSU president Cheryl Schrader.

The state measures every public college's fiscal health with something called a "Senate Bill 6 score," an annual rating of 0 to 5. Any school that falls below a 1.75 two years in a row is put on notice. Wright State projected its score last year was a .8, meaning one more year below a 1.75 would put the school on fiscal watch.

Under fiscal watch status, WSU trustees and administration will have to adopt a financial recovery plan with an eye toward ending the status of fiscal watch within three years, according to state law.

By June 30, Wright State will have a projection of whether the school will enter fiscal watch. But, the state likely wouldn't decide whether to place the school under added scrutiny until the end of 2018.

Even if Wright State meets its budget goal this year, doing so next year will again be a challenge because of declining revenue and the university's need to continue rebuilding its depleted reserve fund.

Wright State will aim to add another $3 million to its reserve fund in fiscal year 2019 but to do so school leaders will have to find a way to boost revenue or implement more budget cuts.

"Next year is going to be a very, very tough year for the university," Branson said.

The $3-million goal is part of Wright State's ongoing attempts to rebound from a budget crisis that forced trustees to slash more than $30.8 million from the school's FY 2018 budget. Wright State has spent more money than it brought in every year since 2012, draining its reserve fund from $162 million six years ago to an estimated $31 million as of June 2017.

Trustees will consider the FY 2019 budget at a June 8 meeting. The 2019 fiscal year starts on July 1.

A projected $12.65 million decline in revenue is the main reason WSU will enter the next fiscal year still on shaky financial ground. The shrinking revenue is mostly due to yet another drop in enrollment and comes even as WSU is hiking the price of tuition for incoming freshmen by 6 percent this fall, according to the university.

Overall enrollment at Wright State's main campus is expected to decline 6.5 percent, according to a preliminary budget proposal. Out-of-state enrollment, which includes residents of other states and international students who attend WSU, is expected to decline by 32.4 percent, according to the university.

Trustee Bruce Langos voiced concerns about enrollment and the budget proposal, calling it "a recipe for disaster" and saying that it was "going to drive this place into the ground." Boosting enrollment and therefore tuition revenue is a much better way to solve Wright State's financial woes than having to implement budget cuts every year, trustees have long said.

The proposal presented to trustees Monday would likely result in more budget cuts, something both Langos and finance committee chairman Sean Fitzpatrick said is not a long-term sustainable solution for the university's financial problems.

"You can't operate this way. Trust me, it doesn't work ... This is a recipe to die," Langos said. "I'm serious ... This is crazy. The university can't survive this way."

Contact this reporter at 937-225-7419 or email Max.Filby@coxinc.com.

This chart represents the health insurance plan utilized by the other Wright State bargaining units. The chart shows that all of the other bargaining units use the same health plan as other unrepresented Wright State employees. The chart also shows that all of the other bargaining units pay the same contribution rate as other unrepresented Wright State employees.

	Same Health Insurance Plan as Unrepresented Wright State Employees?	**Same Premium Contribution for Single Employee Coverage as Unrepresented Wright State Employees?**	**Same Premium Contribution for Family Coverage as Unrepresented Wright State Employees?**
Bargaining Unit Faculty	No	No	No
Police Officers and Sergeants	Yes	Yes	Yes
Communications Center Operators	Yes	Yes	Yes
Teamsters Bargaining Unit Employees (Truck Drivers, Warehouse, Sales, Service, and Casino Employees)	Yes	Yes	Yes

This is a chart of Wright State's health insurance cost savings for calendar year 2018.

The chart shows Wright State's total cost savings for staff and non-bargaining unit faculty members for 2018. The chart also shows potential cost savings of a uniform approach where the Union was on the same health insurance plan.

The chart shows that changes to staff and non-bargaining unit faculty members will amount to a $2.4 million in savings.

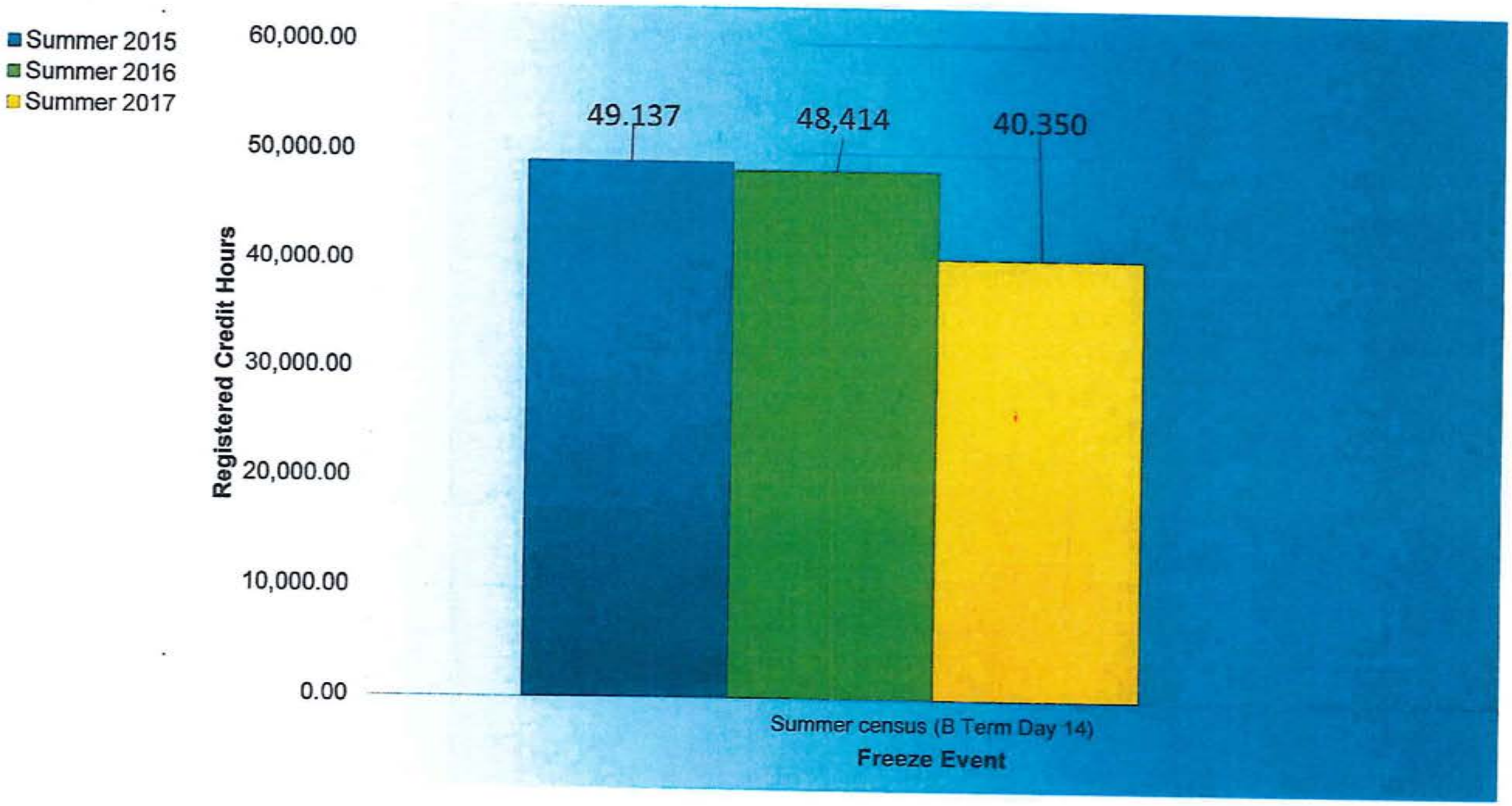
The chart also shows that if the Union were on the same plan as staff and non-bargaining unit faculty members, Wright State could realize an additional $2 million in cost savings.

A uniform healthcare approach would save Wright State almost $4.5 million.

Actions	Projected Savings AAUP	Projected Savings STAFF	Total
Bring AAUP Plans up to the CY 17 Staff plans (plan design and HSA)	$454,100	N/A	$454,100
Eliminate PPO 90/10; Raise Deductibles, OOPM on PPO 80/20 – assumes 75% of PPO 90/10 participants move to PPO 80/20	$1,352,894	$1,771,094	$3,123,988
HSA Increase - assumes 25% of PPO 90/10 participants move to HSA	($49,400)	($115,350)	($164,750)
HSA Reduction to $1000/$500 (current participants)	$116,800	$338,000	$454,800
Pharmacy redesign PPO 80/20	$14,281	$39,119	$53,400
Premium Structure Revisions	$83,900	$226,800	$310,700
Adding Pharmacy to Stop Loss Insurance	$2,391	$6,551	$8,942
Eliminate Older Adult Coverage in AAUP plans	$24,000	N/A	$24,000
Eliminate Domestic Partner Coverage	$45,770	$97,250	$143,020
Delay start of new hire benefits for 30 days	$12,000	$63,000	$75,000
Eliminate Anthem Healthy Rewards	$1,500	$4,500	$6,000
	$2,058,236	**$2,430,964**	**$4,489,200**

WSU #16

Summer Registered Credit Hours



PLEASE NOTE: Summer data are cumulative and include information about all summer enrollees, regardless of course start date (e.g., A term, B term, etc.)

WSU #13

NewsRoom

5/14/18 Dayton Daily News (Pg. Unavail. Online)
2018 WLNR 14839748

Dayton Daily News (OH)

May 14, 2018

Section: News

Wright State summer tuition revenue dip is latest blow to budget realignment

Max Filby

Wright State University's summer tuition revenue is down by around $1 million this year, sinking one of the school's last best hopes at avoiding state fiscal watch.

Summer classes started at Wright State on May 7 and although about two-thirds of tuition from those classes will be applied to this year's budget, it was not what administrators hoped for, said chief business officer Walt Branson.

The university started slashing more than $30.8 million from the school's budget nearly a year ago to keep it falling below a state-required ratio for its reserves funds. The cuts were made in an attempt to begin correcting years of overspending at Wright State that decreased reserve funds from $162 million in 2012 to a projected $31 million in 2017.

In an attempt to better track summer revenue this year, Wright State kicked students out of classes before they started if students had not paid their bill instead of three weeks into the summer session. The change in policy, Branson said, allowed WSU to see the revenue loss right away instead of at the end of the month.

"This gives us an opportunity to react much quicker," Branson said. "Otherwise, we'd be sitting here until the end of May and crossing our fingers."

The state measures every public college's fiscal health with something called a "Senate Bill 6 score," an annual rating of 0 to 5. Any school that falls below a 1.75 two years in a row is put on notice. Wright State projected its score last year was a .8, meaning one more year below a 1.75 would put the school on fiscal watch.

Under fiscal watch status, WSU trustees and administration would have to adopt a financial recovery plan with an eye toward ending the status of fiscal watch within three years, according to state law. They would be required to produce forecasts and plans for getting the school's finances back on track, and if the administration did not do this the chancellor of the Ohio Department of Higher Education could appoint someone to make those decisions for the university.

The summer revenue dip is just the latest development in Wright State's ongoing budget crisis.

Since then, health care costs have come in around $5.5 million over budget this year and have fluctuated by hundreds of thousands of dollars from week to week.

At one point in April, WSU's medical claims totaled more than $631,000 for just one week, according to the university. Since then, those costs appear to have declined to around $337,000 a week. The higher than projected health claims came as a surprise, as did millions in scholarship and fellow ship costs earlier this year.

"We've been surprised all year," said board chairman Doug Fecher. "I don't know how hopeful to be at this point, I just dont know."

Despite the volatile revenues and costs, WSU administrators hope their recent $10 million in additional budget cuts will keep the school from going on fiscal watch, though Branson has said it may be unavoidable at this point. Trustee Sean Fitzpatrick has also said the school appears to be "on trajectory" for fiscal watch.

As they are doing with health care costs, administrators are keeping a weekly record of non-compensation spending.

In the last month, weekly spending peaked at nearly $950,000 during the week ending on April 22 and declined to just over $471,000 as of the first week of May, according to data provided by WSU. With spring classes and and commencement completed, that number should remain low until the fall, Branson said.

At the end of April, Wright State had slashed its spending by $43 million compared to the same time the year before, according to the university.

The budget cuts and the constant public spending updates have put "the university behind the 8-ball," this year, Fecher said. But, everyone on campus has been understanding about what needs to be done to help the university, both Fecher and Branson said.

"There's no doubt the campus community is kind of all in on making sure we finish the year as strong as possible," Fecher said. "We're hoping for the best but we're watching the numbers."

FIVE FAST READS

PHOTOS: Victorian farmhouse with wine cellar, party barn on sale in Troy

WOW air's first discount flights from Cincinnati to Europe, Iceland launch this week

Body found in pond at an Ohio community college

Local college took on #MeToo decades before a movement went mainstream

Longaberger Co. going out of business: What it means for your baskets

— Index References —

Company: WRIGHT STATE UNIVERSITY

News Subject: (Economic Policy & Policymakers (1EC69); Economics & Trade (1EC26); Education (1ED85); Higher Education (1HI55); Local Taxing Authorities (1LO66); Public Finance (1PU60); Taxation (1TA10))

Industry: (Accounting, Consulting & Legal Services (1AC73))

Region: (Americas (1AM92); North America (1NO39); Ohio (1OH35); U.S. Midwest Region (1MI19); USA (1US73))

Language: EN

Other Indexing: (Walt Branson; Doug Fecher; Sean Fitzpatrick)

Word Count: 751

End of Document

NewsRoom

October 2010

Editor: Martin Kich

The Right Flier

Volume 11, Number 1

Workload under Collective Bargaining at WSU: A Brief History

by

Rudy Fichtenbaum
Chief Negotiator AAUP-WSU

To understand the tentative agreement that we are asking you to ratify, it may be helpful to understand the history of our bargaining over workload at Wright State. As you will see below, it has been a challenge to negotiate workload policies that ensure reasonable limits to teaching loads. Only broad faculty support for the efforts of our union have enabled progress on this issue.

In 1999, during our first contract negotiations, AAUP-WSU proposed a workload article aimed at preserving the status quo. The administration refused to bargain over workload, so AAUP-WSU filed an unfair labor practice (ULP) with the State Employment Relations Board (SERB) for failing to bargain in good faith over a mandatory topic concerning wages, hours and terms and conditions of employment. The administration, in return, filed its own ULP, alleging that the AAUP-WSU had asked to bargain over a prohibited topic for negotiations.

SERB dismissed AAUP-WSU's ULP and found probable cause that AAUP-WSU had committed an unfair labor practice by asking to bargain over a prohibited topic. SERB then scheduled a hearing on the administration's charge before an administrative law judge (ALJ).

At the heart of the case was a clause in Ohio Revised Code (ORC) 3345.45, which states:

On or before January 1, 1994, the Ohio board of regents jointly with all state universities, as defined in section 3345.011 of the Revised Code, shall develop standards for instructional workloads for full-time and part-time faculty in keeping with the universities' missions and with special emphasis on the undergraduate learning experience. The standards shall contain clear guidelines for institutions to determine a range of acceptable undergraduate teaching by faculty.

Newsletter of the AAUP-WSU

On or before June 30, 1994, the board of trustees of each state university shall take formal action to adopt a faculty workload policy consistent with the standards developed under this section. Notwithstanding section 4117.08 of the Revised Code, the policies adopted under this section are not appropriate subjects for collective bargaining. Notwithstanding division (A) of section 4117.10 of the Revised Code, any policy adopted under this section by a board of trustees prevails over any conflicting provisions of any collective bargaining agreement between an employees organization and that board of trustees.

When ORC 3345.45 was passed, the administration at Central State University unilaterally increased the teaching load of the faculty. The AAUP at Central State filed a lawsuit, alleging that the language in ORC 3345.45 violated the equal protection clauses of the Ohio Constitution and the U.S. Constitution. The argument was that all other state employees had the right to bargain over workload and that faculty members were being singled out, hence being denied equal protection. The case made its way to the Ohio Supreme Court who ruled in favor of the Central State Chapter of the AAUP. The Ohio Attorney General appealed to the U.S. Supreme Court. By writ of certiorari (without hearing the case), the U.S. Supreme Court declared that ORC 3345.45 was not a violation of the equal protection cause of the U.S. constitution. The basis for this decision was the rational basis test, which said treating faculty members differently was constitutional because it was "reasonably related" to a government interest, i.e., the education of Ohio's citizens. The case then went back to the Ohio Supreme Court, which then reversed its previous decision..

So, the university's ULP was heard by SERB's ALJ. Our attorney argued that the law speaks only to undergraduate teaching and that the plans developed and approved by trustees were to develop a workload policy that was consistent with standards that would determine a range of undergraduate teaching. Nowhere does the law say that workload is a prohibited topic for negotiations; it says only that the policy dealing only with undergraduate teaching would prevail over any collective bargaining agreement (CBA).

The ALJ ruled that AAUP-WSU had committed an unfair labor practice because, she construed ORC 3345.45 as declaring that all aspects of workload were prohibited topics of negotiation. AAUP-WSU appealed to the full three-member State Employee Relations Board, and the Board overruled the ALJ on a technicality: at the time AAUP-WSU had asked to bargain over workload ,the Ohio Supreme Court had not yet reconsidered the case based on the decision of the U.S. Supreme Court. Therefore, the Board concluded that AAUP-WSU could not have known that workload was a prohibited topic at the time it asked to negotiate about workload. However, the Board concluded that if AAUP-WSU had asked to bargain over workload after the Ohio Supreme Court's reversal of its original decision then it would have committed an ULP. AAUP-WSU then appealed this decision to the Greene County Circuit Court, and the court ruled that we did not have standing because we had not been found guilty of an ULP. At the same time Judge Reid wrote: "As WSU points out, nowhere does SERB's Order state that all matters directly or indirectly related to the issue of faculty work load [sic] are prohibited subjects of collective bargaining under R.C. 4117.11." Thus, remarkably, the administration argued before a judge that SERB's opinion did not state that bargaining over workload was prohibited. Judge Reid concluded his ruling by writing, "Finally, SERB's Order does not deny AAUP the right to bargain over faculty workload." (emphasis ours)

At this point AAUP-WSU had spent more than $35,000 and the administration was not trying to increase our workload, so we decided to drop the case.

In 2005, during negotiations for our third CBA, AAUP-WSU again raised the issue of negotiating over workload. In a memo dated January 21, 2005, the administration wrote, "the University values the input of AAUP-WSU on this issue and invites conversation on the subject [workload] to begin as soon as possible. Such conversations will be outside the collective bargaining process. In addition the University is currently willing to negotiate with the AAUP-WSU about possible provisions for grieving workload assignments."

In response to this memo AAUP-WSU proposed forming a joint committee outside contract negotiations to establish a workload policy for all tenured and tenure-track faculty, with stipulation that the policy would not be changed without the agreement of both parties and that violations of the policy could be grieved by bargaining unit faculty using the procedures in the CBA. Our offer, rooted in the concept of shared governance, was rejected by the administration. Eventually, we reached a new tentative agreement and withdrew our proposal on workload.

In November 2007, the administration circulated a proposal to change workload policies. In this proposal, the administration stated that the baseline teaching load for faculty should be 12 quarter hours per term and that faculty who were active researchers would have a reduced teaching load similar to the teaching loads currently assigned to faculty. This was the first time that the administration attempted to tie teaching loads to scholarly productivity. It was the position of the administration that they had the right to unilaterally change workloads as a "management right."

On November 16, 2007 Anna Bellisari, then President of AAUP-WSU sent a letter to the administration stating:

The position of AAUP-WSU on this matter is simple: the proposal and the effects of the proposal are mandatory topics of negotiation, as is made clear by ORC 4117.03, "Rights of public employees". Since we anticipate beginning negotiations in January about a successor to the current collective bargaining agreement, we suggest that negotiations about the proposal and its effects take place at that time.

President Bellisari conclude her letter as follows:

It is our belief that we could succeed in negotiating a workload policy beneficial to both sides, making sure that the policy is fair and that alleged violations of the policy would be grievable.

In closing, we hope that the University will take the high road and negotiate the proposal as well as its effects. At the same time we want you, the President, the Provost and the Board of Trustees to understand in no uncertain terms that the Bargaining Unit Faculty represented by AAUP-WSU are prepared to use all of the resources at our disposable to fight a unilateral imposition of a non-negotiated workload policy.

Subsequently, the administration decided to drop or at least postpone the idea of changing our workload policy.

This brings us to the present. When the Chancellor and Board of Regents "recommended" that all universities adopt the semester calendar, the administration approached AAUP-WSU to ask us to agree to a change in our Calendar Article in our current CBA. Since we knew that agreeing to a change in calendar from quarter to semester would entail a change in teaching loads, we responded by saying we would not agree to change the calendar unless the administration agreed to negotiate over workload. The administration could have waited until negotiations for a successor agreement, which would likely begin in January of 2011, to negotiate over a new calendar. The AAUP-WSU could have refused to agree to a change in calendar and forced negotiations to go to fact-finding. A fact-finder would have almost certainly ruled in favor of the administration and the administration would have been free to impose a new calendar and unilateral changes in workload. At that point our only choice would have been to strike or accept the workloads imposed by the administration. In other words, the administration could have almost certainly prevailed in imposing a new workload policy with a research requirement.

The sticking point for the administration was that they needed the faculty to do the work of converting the curriculum, and they needed a new semester-based calendar approved in 2009 so that planning for conversion could begin soon enough to meet the deadline for converting to semesters in the fall of 2012. So the AAUP-WSU again proposed what we had proposed in 2005: negotiating a workload agreement outside of the collective bargaining agreement, which would have a grievance procedure and could not be changed without the agreement of AAUP-WSU.

Having little choice, the administration agreed to our proposal, and the parties signed the March 2, 2009 "Memo of Understanding Concerning Workload and Conversion to Semesters." This Memorandum of Understanding (MOU) outlined certain parameters for the workload agreement that the parties were to develop. The MOU stated that teaching loads specified in the anticipated workload agreement would not increase the cost of instruction, would not affect the income of bargaining unit faculty, would not increase the overall teaching per bargaining unit faculty member in any college, and would maintain the quality of instruction. The MOU also stated:

The parties anticipate that the agreed-upon workload policy will, for the large majority of Bargaining Unit Faculty, result in no substantial change in teaching load. However, the parties further anticipate that the agreed- upon workload policy will include descriptions of expected faculty productivity in teaching, scholarship, and service in each college or department.

In addition, the MOU also provided for binding arbitration were the parties unable to agree on a workload policy. We made it clear that the acceptance of any workload agreement on the part of AAUP-WSU would be subject to a ratification vote of our members.

During negotiations, the administration took the position that teaching-load neutrality meant credit-hour neutrality. What would this mean? CoLA provides an illustrative example. There, bargaining unit faculty typically teach 3-2-2, and since these are four-quarter-hour courses, the bargaining unit faculty teach 28 quarter hours per year. Converting quarter hours to semester hours would mean that bargaining unit faculty would teach 18.67 (two-thirds of 28) semester hours. With three-semester-hour courses, this would result in a teaching load of at least 3-3 (18 semester hours). AAUP-WSU rejected this interpretation of teaching load neutrality, arguing that the number of courses taught by faculty in any given semester was a better and more broadly recognized measure of teaching loads. By this measure, faculty in CoLA teach three courses one-third of the time and two courses two-thirds of the time so that a 3-3 teaching load would represent a clear increase in teaching loads.

Eventually, we agreed to a standard teaching load 3-2 in CoLA, CEHS, and RSCoB; 2-2 (or the equivalent) in CoSM; 2-2 in CECS; 3-3 at Lake; and 20 units in CoNH. For a history of the negotiations in detail see the July 10, 2010 issue of the Right Flier
(http://www.wright.edu/admin/aaup/rightflier/vol10no4july2010.pdf
or see
(http://www.wright.edu/admin/aaup/workload.html) . Further, the tentative agreement specifies that faculty who receive this standard teaching load are be expected to maintain an active program of scholarship. Importantly, the standard for maintaining an active program of scholarship was defined roughly as accomplishing in a five-year period 50% of the scholarship required for tenure. Other details of the agreement are discussed in the July 10, 2010 Right Flier, and all regular chapter members have received a copy of the actual tentative agreement via e-[BM1]mail.

If we reject the tentative agreement, it is likely that we will end up going to binding arbitration. An arbitrator will certainly look at teaching loads and research expectations at other universities that are nominally comparable to Wright State. If you believe that what we have negotiated represents an increase in teaching loads or that the scholarship requirement is out of the norm, then I invite you to look at workload policies at other institutions in Ohio. Rejecting this agreement is certainly the prerogative of the membership, but that will mean putting the determination of our workloads in the hands of an arbitrator. The consequences of that are unpredictable, but an outcome worse than our tentative agreement is a realistic possibility.

SECTION 371.60.20. (A) As used in this section:

(1) "Board of trustees" includes the managing authority of a university branch district.

(2) "State institution of higher education" has the same meaning as in section 3345.011 of the Revised Code.

(B) The board of trustees of any state institution of higher education, notwithstanding any rule of the institution to the contrary, may adopt a policy providing for mandatory furloughs of employees, including faculty, to achieve spending reductions necessitated by institutional budget deficits.

SECTION 371.60.40. EFFICIENCY ADVISORY COMMITTEE

The Chancellor of the Board of Regents shall establish an efficiency advisory committee for the purpose of generating optimal efficiency plans for campuses, identifying shared services opportunities, and sharing best practices. The efficiency advisory committee shall also attempt to reduce the cost of textbooks and other education resource materials. The committee shall meet at the call of the Chancellor or the Chancellor's designee, but at least quarterly. Each state institution of higher education shall designate an employee to serve as its efficiency officer responsible for the evaluation and improvement of operational efficiencies on campus. Each efficiency officer shall serve on the efficiency advisory committee.

SECTION 371.60.50. TEXTBOOK AFFORDABILITY

Each state institution of higher education shall submit to the Chancellor of the Board of Regents by December 31, 2011, a plan to reduce the cost to students of textbooks and other education resource materials.

SECTION 371.60.60. TUITION TRUST AUTHORITY APPROPRIATION LINE ITEM TRANSFER

On July 1, 2011, or as soon as possible thereafter, the Director of Budget and Management, upon request by the Chancellor of the Board of Regents, shall cancel any existing encumbrances against appropriation item 095602, Variable Savings Plans, and re-establish them against appropriation item 235663, Variable Savings Plans. The re-established encumbrance amounts are hereby appropriated.

On July 1, 2011, or as soon as possible thereafter, the Director of Budget and Management, upon request by the Chancellor of the Board of

IdeaShare

Job Preservation 1-14-09

1. Eliminate Step 2 of the grievance procedure
2. Eliminate language in Art. 13 that prohibits changing schedules to avoid payment of OT
3. Change language in Art. 13 to pay OT based only on actual hours worked
4. Eliminate language in 26.03 that prohibits the ER from changing schedules to avoid holiday premium pay
5. 5% across the board pay cut Approx. savings: $163.1 mil (1% = $32.6 mil)
6. Mandatory furloughs Approx. savings for 10 days: $80 mil
7. Change standard workweek to 35 hours Approx. savings: $350.8 mil ($1.3 mil per hour)
8. Unpaid holidays Approx savings: $108 mil
9. Freeze December conversion of personal leave Approx. savings: $12.6 mil
10. Freeze December conversion of sick leave Approx. savings: $15.6 mil.
11. Eliminate personal leave
12. Eliminate longevity Approx. savings: $4 mil (1st year), $6.5 mil (2nd yr)

eBeam integrated

Job Preservation 1-14-09 $250 mil

13. Freeze step movement Approx. savings: $30 mil (first year), $60 mil (second year)

14. 75/25 split on health care premiums Approx. savings: $48.6 mil (first year), $53 mil (second year)
80/20 split Approx savings: $24.3 mil (first year), $26.5 mil (second year)

15. Decrease UBT contribution by 15% Approx savings: $4.6 mil.

16. Eliminate Roll call pay Approx savings: $14 mil

17. Eliminate Report and Call Back Pay Approx. Savings: $850,000

18. Eliminate Holiday Premium Pay Approx. Savings: $21.3 mil

UMV #4

Howard Bunsis

Why do I want to serve EMU faculty as union president?

Because I am a committed unionist who believes that we are better off if we work together. The university is better when the faculty voice is strongest, and in my time serving you, I believe we have enhanced that faculty voice.

From the time I led our faculty on strike as your president in 2006, I have dedicated myself to making your voice stronger, to help deliver a quality education to our students. I have worked for you as a member of the negotiating team on the last 5 faculty contracts, every time leading the way as financial analyst.

I have stood with other unions at EMU, and I have worked with Faculty Senate and students to protest EMU's continuing participation in division-1 football. I have a national profile on this and other labor issues, and I will continue to demand that resources go into the classroom, not the football field.

When I got involved in union leadership in 2003, the EMU-AAUP was out of money, had stopped paying dues to the national AAUP, and was in disarray. In the time since, we have become one of the strongest unions in academia, with a war chest of close to $1 million, and we reduced your dues. We have stood up to the EMU administration and board, defending the faculty voice. Many of you know me as a fighter, and I will never stop fighting and standing up for you.

Union Service:

- President, EMU-AAUP, 2005 to 2008; 2010 to 2012 to 2014
- Treasurer, EMU-AAUP, 2003 to 2004; 2010 to 2012; 2014-present
- Member, EMU-AAUP negotiating team, 2004, 2006, 2010, 2012 2016. Presented the results of the contract settlements to the faculty for each of those negotiations
- Made presentations to the EMU faculty on the financial condition of EMU
- Made presentations to the EMU faculty on health care options
- Chair, National AAUP Collective Bargaining Congress, 2009 to present (83 AAUP unions)
- Treasurer, National AAUP, 2006 to 2012
- Member, National AAUP Executive Committee, 2006 to present
- Made presentations at dozens of universities around the country, focusing on university finances, Recently, presented at WMU, the AAUP Governance Conference, the PA and IL AAUP State Conferences, Northern Illinois, University of Oregon, Cal State, Univ. of Washington, UIC, UIUC
- Presented at every National AAUP Summer Institute from 2006 to 2016, helping faculty understand university finances; also presented on health care and other negotiating topics

Department, College, and Professional Service:

- Faculty adviser for Beta Alpha Psi and Accounting Club for the last 17 years, and we have achieved Superior Status for each of those years. https://www.emich.edu/univcomm/releases/release.php?id=1477062305
- Member of department personnel committee, 2010 to present
- Chaired five search committees for new accounting faculty and head, 2010 to 2015
- Organize and preside over the Department of Accounting Golf outing for the last 10 years
- Chair, College of Business Faculty Advisory Council, 2010 to 2011
- Serve on the Faculty Senate Budget Committee, current
- Served on the University Budget Council, 2012 to 2014

This is Wright State's NCAA report on intercollegiate athletic operating expenditures.

The chart shows Wright State's operating expenditures on intercollegiate athletics from FY 2016 to FY 2018.

The chart also shows that Wright State has budgeted to reduce its FY 2017 intercollegiate athletic operating expenditures by over $880,000.

	FY 2016 Total	FY 2017 Total	FY 2018 Budget
Operating Expenditures	$12,279,662	$12,756,674	$11,875,739

WSU 18

Cuts:

Athletics participated vigorously in the budget remediation process. Dr. McCray's contract stated that he must eliminate the deficit while maintaining the college's "core athletic programs at a NCAA Division I standing." That gave him great flexibility with athletics – really only ensuring that we would have the minimum number of teams (14) needed to compete at the DI level. Extensive cuts were made, including but not limited to the elimination of:

- 7 staff members
- Swimming & diving
- Cheer & dance
- Cost-of-attendance for volleyball
- Some scholarship dollars
- Some travel, equipment, and supply spending
- Most all of our phone landlines
- Mobile phones for administrative staff members
- Part of our Pepsi sponsorship to help in other areas on campus (helping subsidize Nutter Center)
- Some Study Center availability and printing
- Halloween Hoops – annual external engagement event
- Season ticket holder reception
- Men's & Women's basketball kick-off picnic for high level donors
- Use of athletics corporate box for events
- All Repair & Replacement spending (frozen for now)

And... Athletics also had a $500,000 contribution applied to the university deficit instead.

Revenue:

2014 Peter Cheng (University internal audit): "Athletics' revenue is in line with NCAA benchmarks, and expenses are lower by approximately 16% ($2M)."

Note - revenue numbers would be larger if athletics did not share revenue with the Nutter Center.

Only 24 schools out of over 325+ DI schools generated more revenue than they spent in 2014, according to the NCAA Revenues and Expenses of Division I Intercollegiate Athletics Programs Report. That figure jumped from 20 schools in 2013, but it has remained relatively consistent through the past decade. These 24 schools represent the big football schools, Ohio State, Oklahoma, etc.

"There is still a misperception that most schools are generating more money than they spend on college athletics," said NCAA Chief Financial Officer Kathleen McNeely. "These data show once again that the truth is just the opposite.

"The overwhelming majority of colleges and universities in the NCAA across all three divisions subsidize part or all of athletics. The reason they invest is because sports provide educational value to student-athletes while enhancing overall campus life and building life-long connections with alumni and other supporters. Those are all important outcomes from athletic programs that are worth celebrating, sharing and investing in wisely."

The DII Conversation:

Spending may not look much different at the DII level. However, revenue – sponsorships, donations, NCAA money - would shrink DRAMATICALLY at DII. Exposure for the University which averaged $20M per year the last 2 years would be reduced to a negligible number at DII. And, most importantly, we would likely have an inferior student-athlete academically. Below is more detail based on conversations with the Director of Athletics at Northern Kentucky, Southern Illinois Edwardsville and Cedarville. Northern and SIUE are relative newcomers to DI, Cedarville is a DII program.

Spending on athletics – would likely be close to the same

WSU $12M vs top DII Schools – Grand Valley $12M, Wayne State $12M, Nova Southeastern $12M (a virtually unknown university). The budget would likely not look much different when all factors are considered. Southern Illinois University Edwardsville (SIUE) estimates they spend $2M more on athletics at the DI level than they would at DII BUT the positive numbers make that $2M investment well worth it.

Finances – huge losses in Sponsorship, Donations and NCAA money

Sponsorships:

- WSU generates approximately $800k in sponsorship and trade deals.
- Northern at DII was at $16k and now at DI is at $500K.
- SIUE at DII was at $480k now they are at $1.2M DI.
- Cedarville, our DII neighbor, is at $50,000.

Donors:

- WSU generates approximately $600K in annual donations/gifts to athletics.
- Northern at DII was at $200K, they are now at $750K DI.
- SIUE 's number of donors is 33% higher at DI than at any time of DII.
- Cedarville's total DII donors account for approximately $150k.

NCAA Money:

- WSU received approximately $400K from the NCAA (Grant in aids, sport sponsorship, academic enhancement, royalties, and student-athlete opportunity fund).
- DII receives virtually nothing – Cedarville received $10K from the NCAA.

Guarantee games:

There is no significant opportunity to play guarantee games in DII, last year we played 3 of these games and generated nearly $250k.

Apparel partner:

We have a Nike deal that gives us $50K in free product – these deals do not exist for DII schools.

Academic money is coming:

We are on track in the next 10 years to benefit greatly, maybe as much as $400K per year, under the new DI academic incentive program. These payouts will begin in 2020 and don't exist in DII.

League finances:

- WSU gets an annual payout from the league. It is at an all-time low now of $15K but depending on men's basketball performance, that number has been in the six figure range in the past. To exit the Horizon League would result in a $500k payout by WSU (exit fee). And... likely an entrance fee to join a DII league.
- A large DII program likely has similar travel costs to WSU right now because the Horizon League geographic footprint is quite manageable.

Exposure – would be a fraction of today's numbers

- WSU Athletics generated nearly $13M in newspaper print and online exposure for the university last year.
- WSU's TV/Internet exposure last year: ESPN3: 113 total games, Spectrum (Time Warner): 5, American Sports Network: 2, Games on 106.5 radio for all men's basketball games plus 12 men's shows and six women's coaches shows on WONE. Slam Dunk Contest with Steven Davis on ESPN Nationally for two hours.
- Over the last 5 years, WSU has appeared on a main ESPN television platform 13 times.
- DII has no ESPN coverage except for the National championship games in basketball and football and virtually no internet or radio coverage.
- Media exposure at SIUE was a high of $12m in DII and now is at $75M DI – they track TV and Radio.
- Student applications at SIUE are up 19% DI over any year of DII.

Engagement/Community Impact – would drop precipitously

- WSU leads the Horizon League every year in attendance and is usually top 125 in the country out of 325+ schools with an average of 4000 fans. The 11 DII schools in Ohio have an average attendance 492.
- Northern's attendance in DII was 500 per game – DI is now 2500.
- SIUEs attendance doubled in every priority sport with the move to DI.
- SIUEs economic impact on their region went from $4M in DII to $18M DI.

Quality of Students – GPA, GSR and Retention rates will all decrease

- WSU Athletics has a GPA streak of 47 straight terms with 3.0 cumulative GPA.
- WSU current GSR 87% (grad success rate).
- Both Northern Kentucky and SIUE who have transitioned from DII to DI report a big difference in quality of students.
- Northern's DII GSR was 63% and GPA was 2.88, DI is 3.25 and GSR is improving.
- SIUE in 38 years of DII only had a cumulative GPA over 3.0 twice, they now have 11 straight years of 3.0 coinciding with the move to DI.
- SIUE's retention rate went from a DII high of 82 to a DI high of 91.

Over the last 20+ years, there is a reason VCU, George Mason, Dayton, Xavier, Wichita State, Butler and countless others have chosen to invest in athletics. They know successful athletics programs attract high achieving students, drive enrollment and engagement, generate exposure and increase a university's profile. Moreover, this investment has been shown to increase applications and interest in that institution.

Audits:

Several objective audits have been done recently:

- 2014 Peter Cheng (University internal audit): "Athletics' revenue is in line with NCAA benchmarks, and expenses are lower by approximately 16% ($2M).
- 2015 Budget Review Sub-Committee of Athletics Council: "The data suggests that WSU's budget overrun is due to underfunding of the athletics department budget for its current mission and not due to capricious financial expenditures.
- 2016 Budget Review Sub-Committee of Athletics Council; A comparison of the finances with universities either supported by state of Ohio or other members of the Horizon League suggests that WSU Athletics Department runs a comparatively lean and efficient program.
- On an annual basis, as part of the university audit, athletics is reviewed by an independent accountant to ensure that they are applying agreed upon NCAA procedures.

Athletics Department Staffing

GROUP	WSU	BEL	CSU	DET	GREEN BAY	G MASON	MILW	NKU	OAK	UD	UIC	VALPO	VCU	XAVIER	YSU	AVG	WSU
Associate/ Assistant	2	2	2	2	2	2	3	2	3	4	3	2	6	6	7	3.3	2
Admin/ Lifeskills	2	1	2	0	0	0	0	1	2	6	1	2	2	7	1	1.8	2
Business	2	2	0	2	2	3	3	1	2	2	1	2	3	1	3	1.9	2
Facility	1	2	1	5	3	3	0	2	2	3	2	2	8	0	3	2.6	1
Compliance	1	3	1	0	1	2	2	1	2	2	1	1	2	1	0	1.4	1
Academic	3	3	4	2	2	6	3	3	2	5	4	0	6	2	2	3.1	3
External	6	9	7	10	10	21	9	10	9	26	17	8	13	10	8	11.9	6
Training	5	4	6	3	4	0	7	6	2	0	8	4	9	4	5	4.4	5
Equipment	1	0	2	1	0	6	0	0	1	2	1	0	3	0	2	1.3	1
Strength	2	1	2	3	2	4	2	3	3	0	3	1	5	3	0	2.3	2
TOTALS	**25**	**27**	**27**	**28**	**26**	**47**	**29**	**29**	**28**	**50**	**41**	**22**	**57**	**34**	**31**	**34.0**	**25**

Multiple GA's (Y/N)	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

A CLOSER LOOK AT: WRIGHT STATE

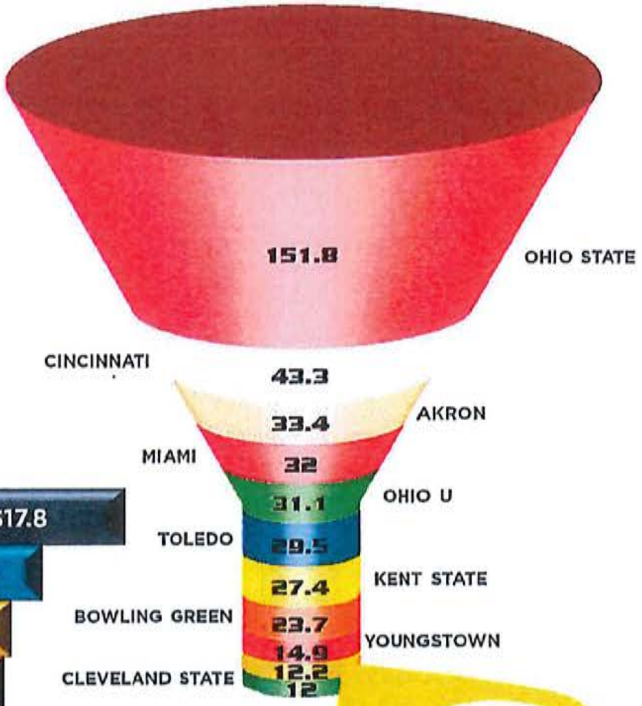
WRIGHT STATE ATHLETICS

ATHLETIC EXPENSES

HORIZON LEAGUE

Total athletic Expenses (millions) 2015-16
USA TODAY SPORTS/NCAA/FINANCES

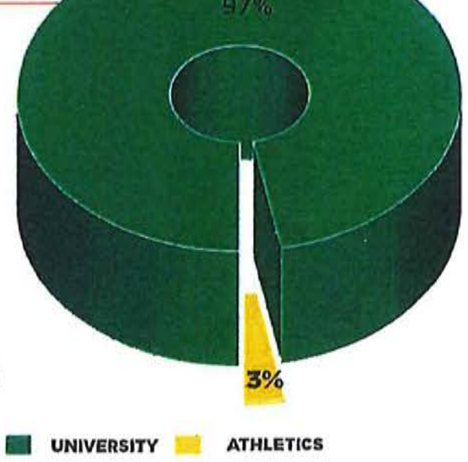
Athletic Expenses (millions) 2015-16
USA TODAY SPORTS/NCAA/FINANCES



12.2
MILLION

WHEN IT COMES TO SPENDING OUT OF ALL DIVISION 1 SCHOOLS IN THE STATE OF OHIO, **WRIGHT STATE** IS AT THE **BOTTOM.**

NCAA Non-Football School National Average: 6%



HALF

WSU Athletics expenses are only 3.01% in comparison to the national average at 6.3%.

*Revenues and expenses 2004-2015 NCAA Division I Intercollegiate Athletics Programs Report-page 15

3%

WSU Athletics accounts for just 3% of the University's total expenses

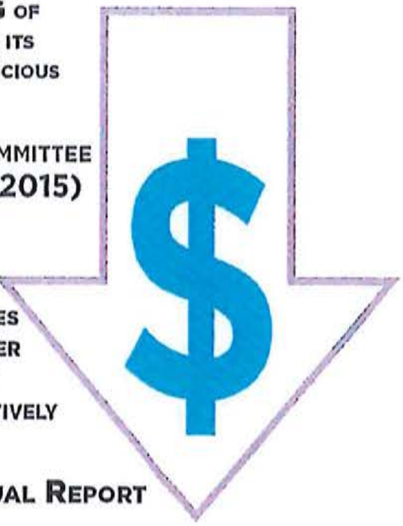
ATHLETICS' REVENUE IS IN LINE WITH NCAA BENCHMARKS, & **EXPENSES** ARE **LOWER** BY APPROXIMATELY **16% ($2 MILLION).**

ATHLETIC EXPENDITURES ALSO FALL **BELOW** HORIZON LEAGUE BENCHMARKS BY APPROXIMATELY **7% ($800,000).**

-PETER CHENG
(UNIVERSITY INTERNAL AUDIT **2014**)

THE DATA SUGGESTS THAT **WSU's** BUDGET OVERRUN IS DUE TO **UNDERFUNDING** OF THE ATHLETICS DEPARTMENT BUDGET FOR ITS CURRENT MISSION AND NOT DUE TO CAPRICIOUS FINANCIAL EXPENDITURES.

-BUDGET REVIEW SUB-COMMITTEE
(ATHLETICS COUNCIL AUDIT **2015**)



A COMPARISON OF THE FINANCES WITH UNIVERSITIES EITHER SUPPORTED BY THE STATE OF OHIO OR OTHER MEMBERS OF THE HORIZON LEAGUE SUGGESTS THAT **WSU ATHLETICS DEPARTMENT** RUNS A COMPARATIVELY **LEAN** AND **EFFICIENT** PROGRAM.

- ATHLETICS COUNCIL ANNUAL REPORT
(2016-17)

STUDENT-ATHLETE CONTRIBUTION

$1.5
MILLION

WSU STUDENT-ATHLETES CONTRIBUTED **$1.5** MILLION IN TUITION AND SSI TO THE UNIVERSITY IN **2015-16**

EXTERNAL CONTRIBUTION

$400,860

TOTAL CONTRIBUTIONS TO **WSU** ATHLETICS WAS **$400,860** IN **2015-16**

$277,961

TOTAL DOLLARS FUNDRAISED BY **WSU** ATHLETICS AND THE SPORT PROGRAMS WAS **$277,961** IN **2015-16**

REVENUE SHARING

$$\frac{{}^{*}\$887\text{K}}{2}$$

*2016-2017

ATHLETICS GENERATES OVER **$880,000** ANNUALLY IN SPONSORSHIP DEALS, **BUT** WHILE MOST PEERS KEEP THE WHOLE AMOUNT, WE SHARE WITH THE NUTTER CENTER

47

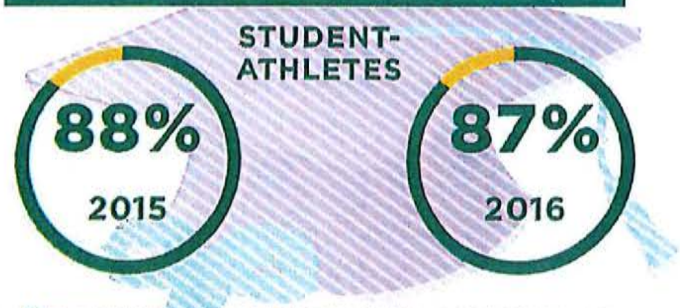
STRAIGHT TERMS OF ACADEMIC EXCELLENCE

OUR STUDENT-ATHLETES HAVE HAD A **3.0 GPA** OR **BETTER** FOR **47** STRAIGHT TERMS.

FALL 2017 SEMESTER GPA:
STUDENT-ATHLETES:

3.249

GRADUATION SUCCESS RATES AT RECORD HIGHS



PERCENTAGE REPRESENTS AMOUNT OF STUDENTS THAT STAYED AT **WSU** AND GRADUATED WITHIN THE LAST 6 YEARS.

Graduation success rates of Wright State student-athletes maintain sky-high level

Wright State University's men's basketball team has it. So does the women's tennis team – a 100 percent graduation success rate. And the other teams have similar success, according to newly released data.

The overall graduation success rate (GSR) for Wright State student-athletes is 87 percent, their second highest overall since the NCAA began tracking the rate of Division I schools with the class of student-athletes who entered in 1995. The 87 percent success rate is eclipsed only by last year's 88 percent.

"These numbers are a reflection of the strong emphasis placed on academics within the athletic department and our culture of personal development and over-achievement," said Trevor Doll, associate athletics director. "Our Academic Services staff does a phenomenal job of putting our student-athletes in position to succeed academically."

The data released Nov. 6 shows that Wright State had five teams finish above the national average for their respective sports, including men's basketball, which achieved a 100 percent graduation rate. The men's basketball rate is the highest ever in the program's history, eclipsing the 86 percent reported over a decade ago.

The women's tennis team also led the way with a 100 percent graduation success rate while baseball (96 percent), women's cross country/track (92 percent) and men's soccer (90 percent) were close behind.

For 46 straight terms, Wright State student-athletes as a group have posted an average GPA of 3.0 or higher. Last fall, student-athletes had an average GPA of 3.26 compared to a 2.89 GPA for students university wide.

The graduation success rate is an NCAA measurement that, unlike the federally mandated graduation rates, includes transfer data in the calculation. The latest graduation success rate data is based on four classes of student-athletes who were enrolled from the fall of 2007 to the fall of 2010.

The GSR allows for a six-year window in which the student-athlete can earn their degree. Although the GSR includes student-athletes who transferred to Wright State, it does not count student-athletes who transferred to another school and were academically eligible at the time of their transfer.

Fall 2017 Grade Report

Team Cumulative GPA's By Sport			Rankings	
Baseball	3.139	1	Women's Cross Country	3.705
Men's Basketball	3.177	2	Women's Track	3.612
Women's Basketball	2.889	3	Women's Swimming	3.458
Men's Cross Country	3.434	4	Men's Cross Country	3.434
Women's Cross Country	3.705	5	Volleyball	3.389
Golf	3.291	6	Women's Tennis	3.349
Men's Soccer	2.882	7	Women's Soccer	3.341
Women's Soccer	3.341	8	Golf	3.291
Softball	3.165	9	Men's Basketball	3.177
Men's Swimming	3.047	10	Softball	3.165
Women's Swimming	3.458	11	Men's Tennis	3.140
Men's Tennis	3.140	12	Baseball	3.139
Women's Tennis	3.349	13	Men's Swimming	3.047
Women's Track	3.612	14	Women's Basketball	2.889
Volleyball	3.389	15	Men's Soccer	2.882
Student-Athletes	3.252			
University Wide	3.036			

Team Semester GPA's			Rankings	
Baseball	3.303	1	Women's Cross Country	3.816
Men's Basketball	3.183	2	Women's Track	3.633
Women's Basketball	2.982	3	Volleyball	3.535
Men's Cross Country	3.349	4	Women's Tennis	3.509
Women's Cross Country	3.816	5	Women's Swimming	3.394
Golf	3.051	6	Men's Cross Country	3.349
Men's Soccer	2.770	7	Women's Soccer	3.313
Women's Soccer	3.313	8	Baseball	3.303
Softball	3.185	9	Men's Tennis	3.264
Men's Swimming	2.868	10	Softball	3.185
Women's Swimming	3.394	11	Men's Basketball	3.183
Men's Tennis	3.264	12	Golf	3.051
Women's Tennis	3.509	13	Women's Basketball	2.982
Women's Track	3.633	14	Men's Swimming	2.868
Volleyball	3.535	15	Men's Soccer	2.770
Student-Athletes	3.249			
University Wide	2.930			

2015-16 NCAA Division I State School Men's Basketball Attendance Comparisons

School	Men's Basketball Attendance
Ohio State	12,283
Univ. of Cincinnati	9,415
Ohio	6,010
Univ. of Toledo	4,478
Wright State	4,355
Univ. of Akron	3,351
Kent State	3,587
Youngstown State	2,013
Bowling Green	2,261
Miami	1,426
Cleveland State	1,911

NCAA Men's Basketball Attendance Division I Summary 2016

Equity in Athletics Data Analysis

DAYTON

Dayton fans cheer during a game against East Tennessee State at UD Arena. The Flyers are playing in the NCAA Tournament for the fourth straight year. DAVID JABLONSKI / STAFF 2016

UD basketball success linked to surge in student inquiries

NCAA Tournament appearances boost exposure, official says.

By Max Filby
Staff Writer

Wins in the NCAA Tournament translate into more potential students for the University of Dayton.

The university saw about a 10,000-person spike in inquiries from prospective students in 2015, just a year after the UD men's basketball team made a run to the Elite Eight in 2014, officials said this week.

"I think it gives us a greater national exposure," said Robert Durkle, associate vice president and dean of admissions and financial aid. "The consistency of us being in the NCAA (Tournament) I think reinforces that exposure nationally."

This year's tournament marks the fourth in a row the UD Flyers have played in.

While it's difficult to tell what exactly causes a bump in applications or interest, officials said the basketball team's success is almost certainly a factor. Inquiries bump up the year after a successful tournament run because most have already been submitted by the time March Madness starts, Durkle said.

The team's success likely also sways some students who have been admitted to a few schools, Durkle said, but haven't decided where to go yet.

"If we weren't in the NCAA (Tournament) would we still have 2,000 students in the freshmen class?" Durkle said. "Potentially yes but it makes it much easier."

Hosting the NCAA First Four also draws UD national attention. It helps the university recruit in other parts of the country, Durkle said.

"We've got hours of basketball here with the University of Dayton name on it which is going to really give us more marketing than we could ever purchase through an ad or phone conversation," Durkle said. "This is really big for us."

OVER THE AIR

TV: Watch live reports from WHIO Channel 7's Sports Director Mike Hartsock in Indianapolis at 5, 6 and 11 p.m. today.

RADIO: Pre-game coverage begins at 6 p.m., tip off at 7:10 p.m. today with the "Voice of the Flyers" Larry Hansgen on AM 1290 and News 95.7 WHIO.

DAYTON

Pair cl in won fatal sl

$1 million bond set for m warrant issued for wom

By Mark Gokavi
Staff Writer

A federally convicted man a
have been formally charged in th
of 20-year-old Taylor Brandenbu
man Avenue residence early Sun

A judge set Chuckie Lee's bon
connection with murder charges

Lee, 38, was formally charged
of murder, two counts of feloni
counts of having weapons under
count off discharge of a firearm o
ited premises. Many charges als
firearm specifications.

No plea was entered at Thursda
ment from Montgomery County
family did not appear in court.
date is scheduled for March 23.

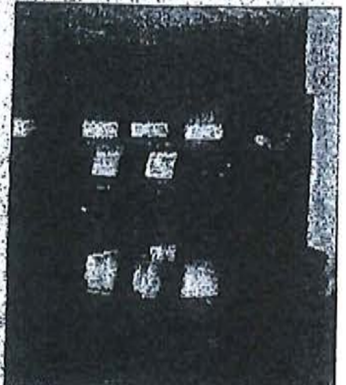
Prosecutors also have charged C
friend – Kara Parisi-King, 26, –
with a semi automatic pistol that t
in the shooting.

Police have issued an arrest w
si-King, who they say has fled t
ing to an affidavit filed in Dayton

The charges filed against Parisi-K
plicity to commit two counts mu
to commit two counts felonious a
plicity to commit discharge of a fi

Shooting continued on B4

DAYTON



Joshua Brown shows off some of th
available to play at DK Effect in the

NEW DETAILS

Dayton man found guilty of murdering 13-month-old

Shawn Smith was found guilty of

Article

Journal of Sports Economics
2014, Vol. 15(2) 107-131
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DOI: 10.1177/1527002512445569
jse.sagepub.com
SAGE

Understanding College Application Decisions: Why College Sports Success Matters

Devin G. Pope[1] and Jaren C. Pope[2]

Abstract

Using a unique, national data set that indicates where students choose to send their SAT scores, the authors find that college sports success has a large impact on student application decisions. For example, a school that has a stellar year in basketball or football on average receives up to 10% more SAT scores. Certain demographic groups (males, Blacks, out-of-state students, and students who played sports in high school) are more likely to be influenced by sports success than their counterparts. The authors explore the reasons why students might be influenced by these sporting events and present evidence that attention/accessibility helps explain these findings.

Keywords

college sports, school choice, student quality, student demographics

Introduction

Choosing where to apply to college is both an important and complex decision. Models of college choice typically assume that high school students are fully informed and choose to apply to and eventually attend a school that maximizes their expected, present discounted value of future wages less the costs associated

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Wright State Earned Media Brief
FY18

Wright State University uses two, third-party vendors to monitor media coverage of the university as well as specific university functions like Athletics. The university contracts with Cision/Vocus as well as TVEyes. Wright State uses Cision/Vocus for online and print coverage and TVEyes for broadcast. They are industry leaders and are commonly used in higher education.

Each vendor generates a daily report for the university that shows our media mentions. They provide links to the stories and provide an estimated dollar value of that story's placement based on market rates for similar size and placement of an advertisement — what we would have had to pay had we bought an advertisement and placed it in the same spot as the story that was successfully pitched. The value in dollars provided by these vendors (the earned media value) is based on what a TV station or newspaper would have charged us to advertise in that same space. The value is based on industry advertising rates, the primary source of revenue for news organizations. Those prices fluctuate based on the audience they can tell advertisers they are attracting. Placements with times/spaces with larger audiences cost more, e.g., placing stories in highly consumed news coverage locations (top position on a news website, front page of news paper, first five minutes of a news cast) is worth more.

Cision/Vocus earned media values are largely based on website visits (web traffic) as well as readership/subscriptions of print newspapers. Cision/Vocus is excellent at monitoring online traffic but poor at monitoring print stories. That being said, we have focused them on a couple of papers (specifically the DDN) and we do receive reliable print observation there. Beyond the DDN, print observation is not very dependable for us among the papers who cover us in print.

TVEyes' data is based on Nielsen ratings. Nielsen measures television viewership in every domestic market for every hour of programing at 15-minute intervals. That data is provided daily to TV news organizations. TVEyes is very reliable for television but weak for radio programming data. They can tell us when we were mentioned on radio but do not give us a value for earned media. They must not have a good relationship with Arbitron, the radio industry's chief measurement company, which is akin to Nielsen.

The data we receive from Cision/Vocus and TVEyes are estimates in readership/viewership (impressions) and earned media value. They do provide a firm, non-estimated clip count — the number of stories or mentions in the news. That being said, as mentioned above, they have gaps in their abilities, printed and radio content chief among them. So we know what we gather from their observation is incomplete. Still it is valuable for awareness, measurement and planning.

Athletics earned media is driven largely by the seasons of Wright State's three flagship programs: men's baseball, men's basketball and women's basketball. Because of the timing of their respective competitive seasons, much of their annual value is accrued in the second half of a fiscal year. Much of basketball's regular season is in the winter and its postseason occurs in the spring. Baseball's entire regular season is in the spring with the post season in the early summer. Any prominent regular season success and/or postseason run by these teams spikes Athletics' values as local media coverage ramps up and national coverage on cable sports platforms occurs.

General University Operations FY18

Positive

FY18 Positive earned media coverage of general university operations (absent Athletics totals) as of March 27:

- $1.65M positive earned media across online, print, television, radio
- 1,847 positive clips (positive external stories and mentions) of Wright State
- 24,754,952 positive impressions (estimated non-unique audience size)

Negative

FY18 Negative earned media coverage of general university operations

- $699,178.17 negative earned media across online, print, television, radio
- 832 negative (external stories and mentions) of Wright State
- 9,266,102 negative impressions (estimated non-unique audience size)

Athletics FY18

FY18 Athletics media coverage as of March 27:

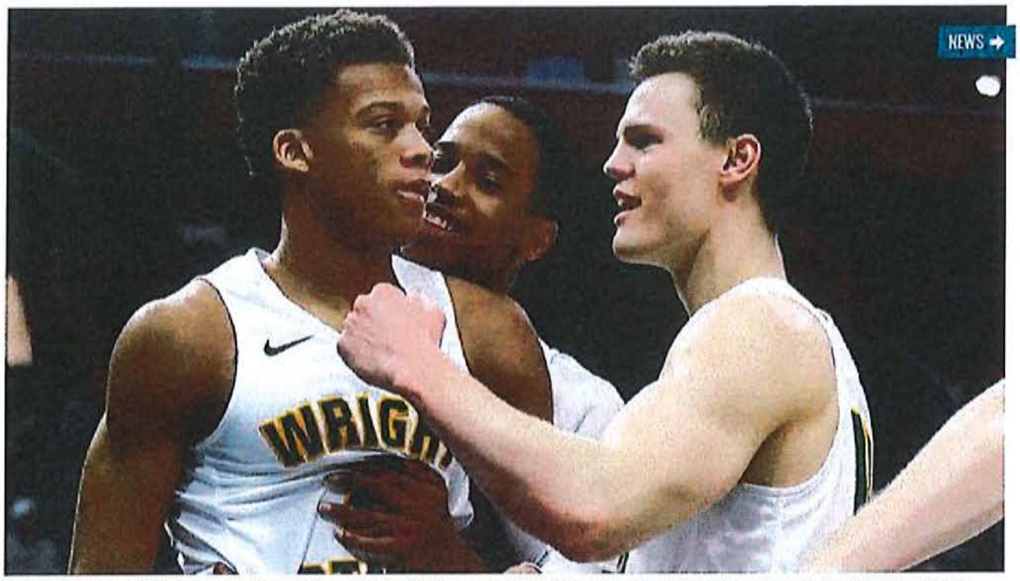
- $38.38M positive earned media across online, print, television, radio
- 26,144 clips (external stories and mentions) of Wright State
- 308,028,405 impressions (estimated non-unique audience size)

Dayton Daily News

March Madness: Win or lose, Wright State sees big benefits in NCAA tournament bid

Max Filby - Staff Writer

3:36 p.m Friday, March 9, 2018



Wright State's Everett Winchester, left, celebrates a basket with Jaylon Hall and Grant Benzinger during the second half of the team's NCAA college basketball game against Cleveland State for the championship in the Horizon League men's tournament in Detroit, Tuesday, March 6, 2018 (AP Photo/Paul Sancya)

The financial rough patch isn't yet over at Wright State University, but the school is basking in a rare bit of sunlight thanks to the men's basketball team, which qualified for the NCAA tournament for the first time in 11 years.

"It's a complete win-win," athletic director Bob Grant said about the tournament. "Only 68 schools get there, so getting there is a great step for us."

Wright State hasn't had many big wins in the last few years and remains under federal investigation over possible visa fraud. It had to pull out of hosting the first presidential debate in 2016 because of financial concerns, and in June the school's board of trustees slashed more than $30.8 million from the university's budget.

It's hard to measure what qualifying for the tournament will mean for the school's long-term economic outlook, but it's worth noting that the school is finally getting exposure for something positive.

Wright State finds out on Sunday who the basketball team will play, but it's expected to be one of the nation's powerhouses. Win or lose, the school's stature will undoubtedly rise just from making it to the dance.

"There will literally be millions of dollars in exposure," Grant said. "This is a great shot in the arm for any university."

Dayton Daily News

Hot seat

The shot in the arm is coming from an athletic program that has also been on the hot seat.

While most department budgets were downsized by cuts, athletics programs actually received a $1.4 million boost to their budgets. Though officials said the increase in budgeted money was $200,000 less than what was spent on athletics the previous year, the move generated intense scrutiny.

In a June letter to then-interim president Curtis McCray, more than 250 WSU faculty members called out the university for the athletics budget increase and said the decision was "disgraceful" and a "gross strategic blunder."

The athletics budget again emerged during contract negotiations between president Cheryl Schrader's administration and the Wright State chapter of the American Association of University Professors. A contract is about a year overdue and faculty union members have repeatedly pointed to the athletics budget as an example of what some perceive to be the university's skewed priorities.

Schrader, a graduate of Valparaiso University — which has had some success in past NCAA tournaments — is a long-time basketball fan and a big supporter of college athletics. She attended both the men's and women's Horizon League championship games in Detroit last week.

The athletics budget is a debate at every college, Schrader said, but she argued the value of a prospering program is undeniable.

"I think that you have some of that buzz at whatever institution you're at, but here the value added by the athletics programs is very clear," Schrader said.

Wright State players celebrate their 74-57 win against Cleveland State after an NCAA basketball game in the Horizon League tournament championship in Detroit, Tuesday, March 6, 2018. (AP Photo/Paul Sancya) Staff Writer

'No bigger megaphone'

The basketball team's success has already begun to pay off, according to a report from the university.

Dayton Daily News

In the six days after Wright State won the Horizon League title, the positive media amounted to around $4.64 million, the report says. The championship game was carried by ESPN.

To date, the free press coverage WSU teams received in fiscal year 2018 amounts to the equivalent of $16.43 million in ad spending, easily eclipsing last year's total of $12.6 million, said spokesman Seth Bauguess, who generated the report using a calculation that translates earned media into projected ad dollars.

"When you consider athletics...there is no bigger megaphone" than the NCAA tournament, Bauguess said.

The dollar figures dwarf what the university generates in positive media coverage without athletics, according to the report, which estimated that figure at $1.57 million in FY 2018.

More than 2,131 stories have been published on Wright State's teams since the championship, amounting to more than 70 million impressions on readers, according to the university.

Grant recalled Wright State's 2007 tournament game and how it "bumped our media exposure dramatically." This time, he said, it's likely to have an even bigger impact because of the growth in social media.

The next Boise State?

Schrader has personally seen how a team's success can become a boon for a university.

She was an administrator at Boise State University in Idaho when that school's football team rose to prominence. On New Year's day in 2007, Boise State went to its first Fiesta Bowl and defeated the University of Oklahoma Sooners to capture one of the top trophies in college football.

Two years later the team went undefeated again and finished fourth in the final Associated Press poll.

Schrader has long thought Wright State could be the next Boise State, with basketball as the launching pad. Qualifying for the NCAA tournament is a step toward elevating the university's stature, she said.

"When you go onto the national scene in a situation such as the big dance, you have that opportunity," Schrader said. "It's always great to be a (Horizon League) champion...I think this is at a time where people are really eager to move forward in a positive direction."

The opportunity isn't lost on men's basketball coach Scott Nagy, who gets to wrap up his second season with Wright State immersed in March Madness.

Nagy, who came to WSU from South Dakota State in 2016, led that school to tournament appearances in 2012, 2013 and 2016.

Nagy said being in the national spotlight is always a good thing.

"There's no way for the university to get that kind of exposure, so there's no question it's good for the university and it's good publicity," Nagy said. "People want to be able to win."

Dayton Daily News

A basketball bump

Wright State hopes the basketball team's success helps with another one of the school's problems: sagging enrollment.

Wright State's full-time enrollment has declined by close to 3,000 since the school's peak during the 2010-2011 school year. Next fall, WSU administrators are expecting a 2 percent enrollment decline, which would amount to a $3.5 million loss in revenue.

Trips to the NCAA tournament often translate into more potential students, several universities have reported.

Wright State saw an impact in 2007, as inquiries about the university spiked the following fall, Bauguess said. The University of Dayton's run to the Elite Eight in 2014 resulted in a bump of 10,000 inquiries from prospective students, according to UD officials.

Schrader said even graduate school applications rose at Boise State after its football team's groundbreaking Fiesta Bowl win.

Wright State will gladly take advantage of any increased interest the school receives from this year's post-season run, Schrader said.

"We would expect to see some type of bump here," she said, "and we are ready to help capture and leverage whatever that means."

Raider basketball history

2007: 21-point loss to Pittsburgh in NCAA tournament.

1993: 43-point loss to Indiana in NCAA tournament.

1987: WSU joins Division I as independent team.

1983: WSU wins Division II national title.

Source: Wright State University.

https://www.daytondailynews.com/news/march-madness-win-lose-wright-state-sees-big-benefits-ncaa-tournament-bid/8wxwy4rJESbFYexJwx5ljK/?icmp=cmgoBusinessStoryLink