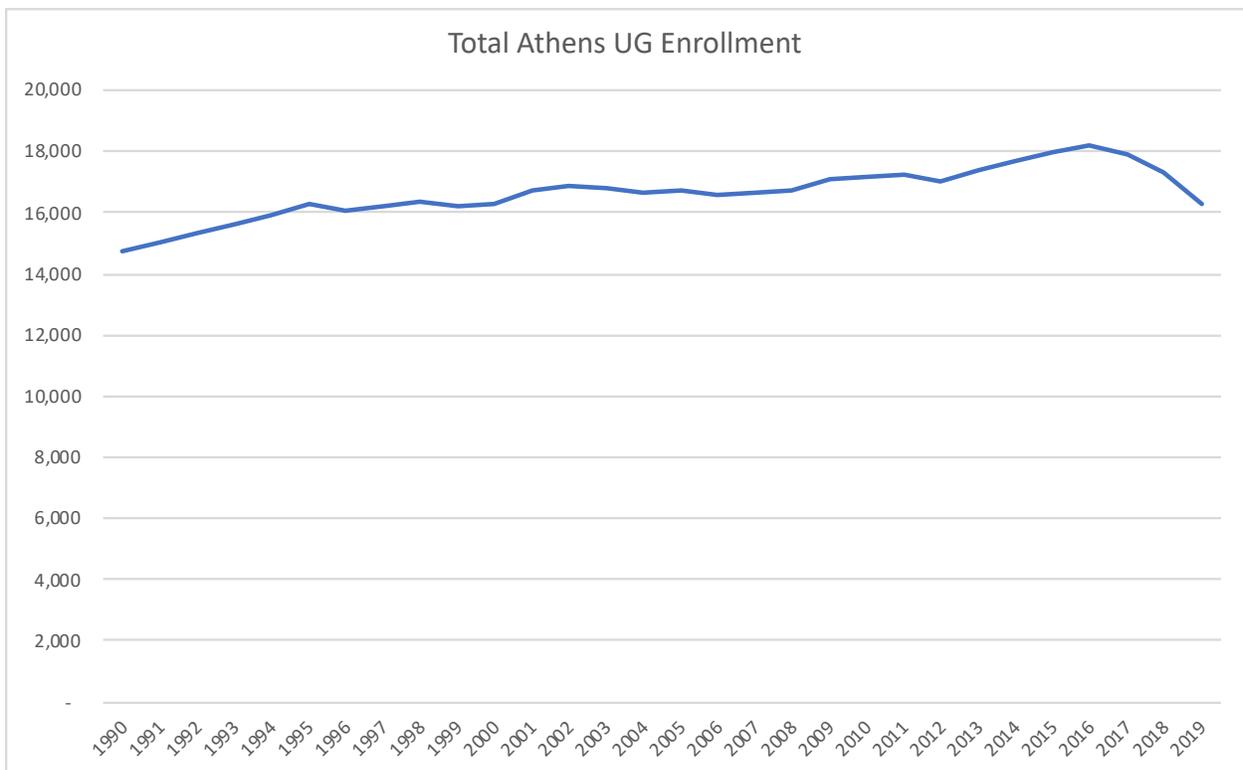


Analysis of Budget Challenges and Contributing Factors

In response to questions about the current budget challenges, this analysis collects information that has been shared in presentations given to the Board of Trustees and Budget Planning Council over the past five years as well as additional analysis to create a more complete picture of the trends that are impacting the Athens operating budget. As with any complex organization, the factors are multifaceted and a detailed level of analysis is required to achieve understanding.

Enrollment Challenges

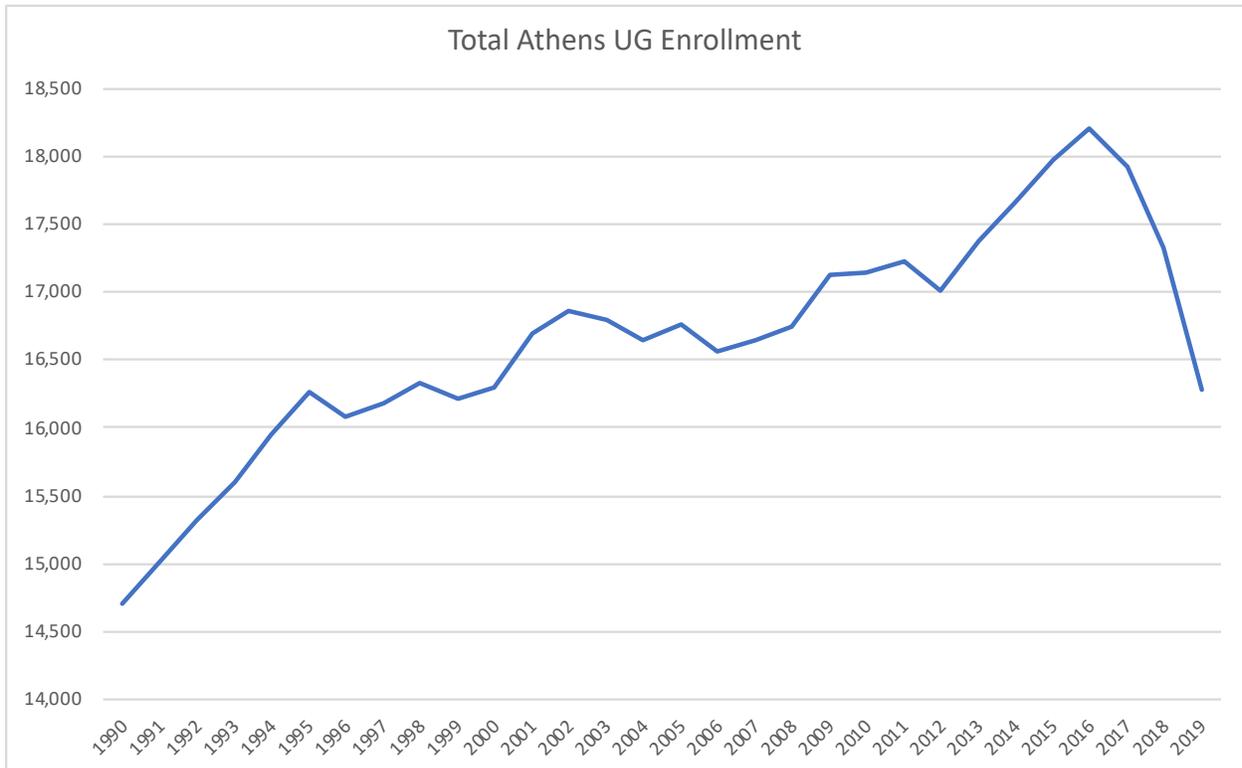
As an academic institution, the main driver of incoming revenue and consequent staffing needs is student enrollment. Historically, Ohio University has been predominately an undergraduate institution in terms of enrollment trends with basically flat enrollments in Athens graduate students. With undergraduate enrollments, we have been experiencing relatively steady increase over the past 30 years from 14,711 in 1990 to a high point of 18,209 in 2016 for Athens undergraduate enrollment which is a 24% growth.



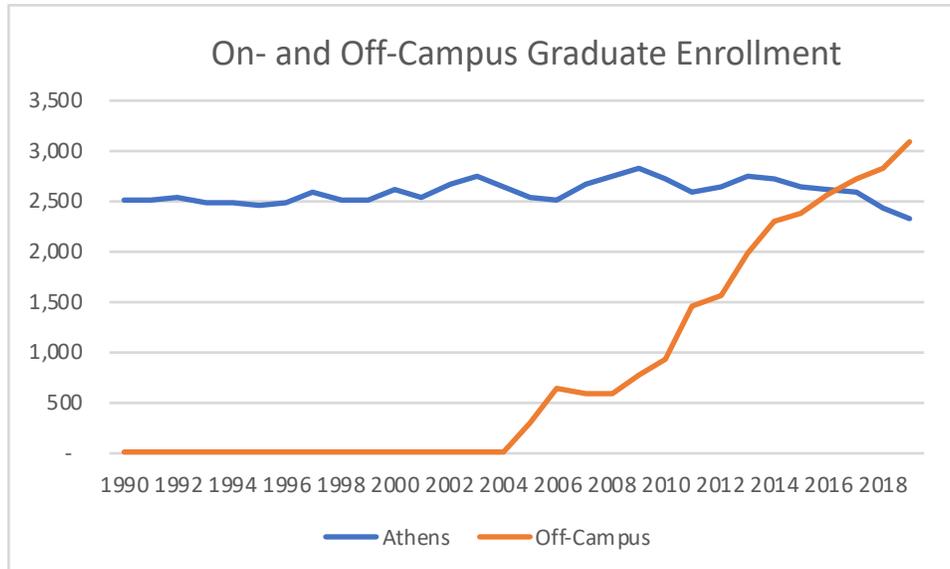
This has changed dramatically after 2016 with three consecutive years of decline in total enrollments to 16,278 in Fall of 2019 which is an 11% drop in enrollment. Enrollment levels in Fall of 2019 are now equal to our Fall 2000 headcounts, basically erasing the gain from the last 19 years. For first-time, first year students on the Athens campus, the peak was fall 2015 with 4,423

incoming freshman students. Fall 2019 freshman class on the Athens campus was 3,671, a recent four-year decline of 17%.

The graph below emphasizes this effect by starting the Y Axis at 14,000 instead of zero.

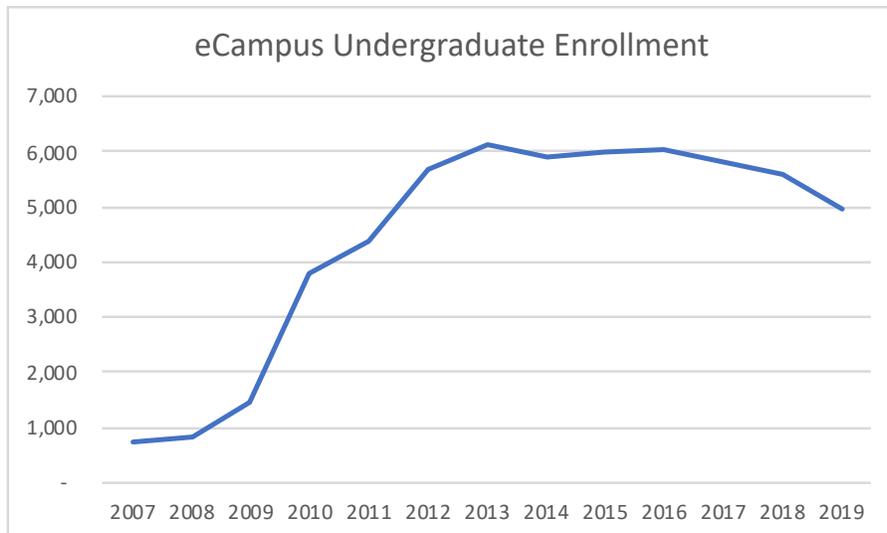


Some of the revenue lost from undergraduate enrollment has been replaced with recent growth in off-campus graduate enrollments. Prior to 2006, the vast majority of graduate enrollments were in traditional on-campus graduate programs with a relatively stable level since 1990. Starting in 2005, some colleges created off-campus professional graduate programs. Traditional on-campus graduate programs have remained relatively flat but have recently started to decline. Graduate enrollment in HCOM has been increasing but revenues from that unit are separate from the Athens campus budget. HCOM contributes an overhead payment for Athens campus operations, which has been increasing proportionally with their enrollments. Enrollments in off-campus graduate programs have surpassed on-campus enrollments in terms of headcounts but off-campus programs are predominately part-time while on-campus programs are typically full time so the credit hours and resulting revenues from off-campus programs is not as great as the headcount changes might imply.



In addition, the tuition revenue resulting from this growth in off-campus programs has always flowed to the colleges producing the enrollments since they are wholly responsible for all the staffing and costs to support these programs. Quick launch and marketing of many of these programs was accomplished by entering into split-fee revenue agreements with Online Program Management partners (such as EMBANET, Pearson, and others). Many of these agreements, executed between 2009-2012, resulted in reduced revenues for many grad programs by up to 50%. Another factor that impacts net revenue is that these programs often attract out-of-state enrollments that do not produce state subsidy revenue. This means the positive revenue impact of the growth in graduate programs (including HCOM) is not comparable to the decline of Athens undergraduate enrollments.

Since 2005, some colleges have also diversified their efforts into online undergraduate programs (particularly degree completion programs) through eCampus. Like off-campus graduate programs, colleges producing these enrollments receive the tuition revenue since they are wholly responsible for all the staffing and costs to support these programs. The headcount trend for eCampus undergraduate enrollment appears in the graph below.



As with off-campus graduate programs, these programs are part-time, so these headcount trends overemphasize the revenue impact. Furthermore, since these programs compete nationally, they must be competitively priced, so the tuition rate is half that of the Athens undergraduate program.

These eCampus programs are currently dominated by the RN-to-BSN program, which accounts for the vast majority of these enrollments. As this program ramped up, revenue gains were substantial since enrollments were primarily within Ohio which also resulted in increases to state subsidy revenue. More recently, however, this program has peaked and started to decline as backlogs in demand have been met and as competitors have entered the market. The program has been diversifying its enrollment to other states but this means that state subsidy revenue is going to decline going forward.

Other degree completion programs are being developed across colleges but it is not likely that enrollments will be as large as what we experienced with the RN-to-BSN program.

Section Summary

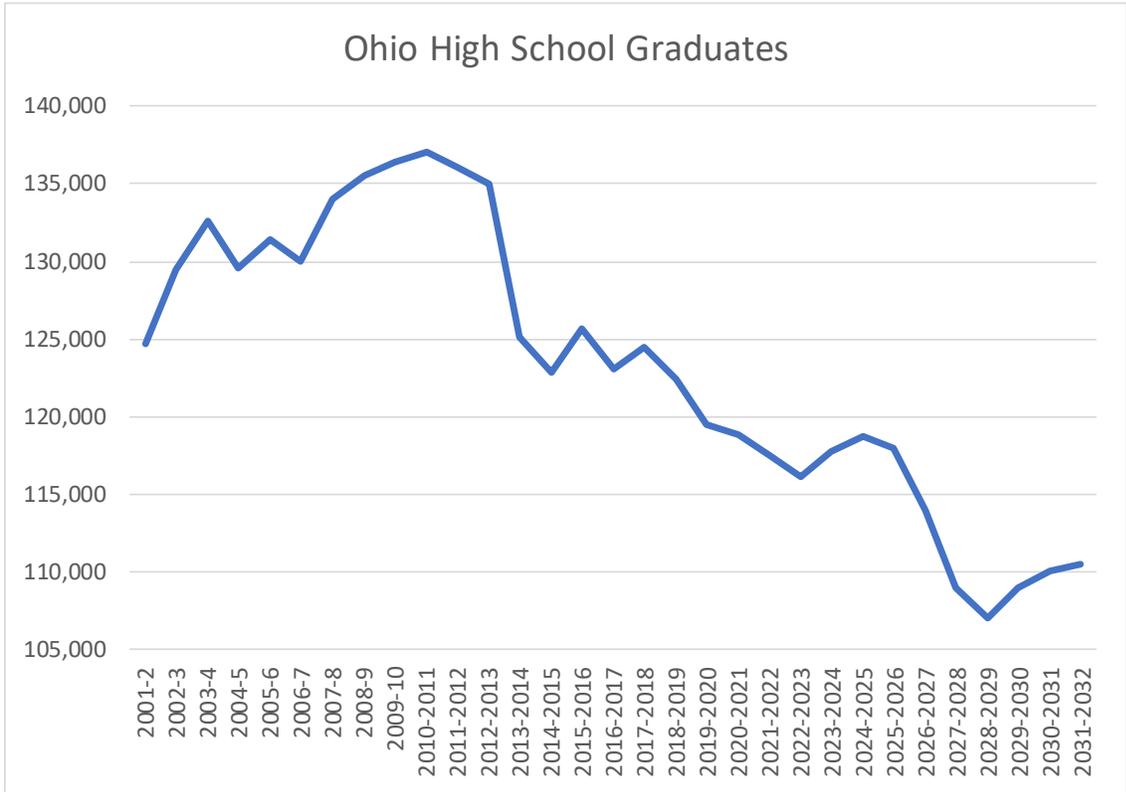
- Traditional Athens enrollments in Fall of 2019 are now at the level we experienced in 2000, erasing the gains from the last 19 years.
- While the graduate outreach & eCampus enrollments expanded dramatically since 2004, the net revenue from these headcounts are impacted by the part-time status of enrollees and agreements for sharing of revenue with external vendors.
- The projected enrollment trends and net revenue impact for the graduate outreach and eCampus programs are no longer expanding at the rate seen through 2019.

Factors Related to Enrollment Challenges

There are multiple factors underlying the decline in undergraduate enrollments and each impacts revenue in slightly different ways.

Incoming Freshmen

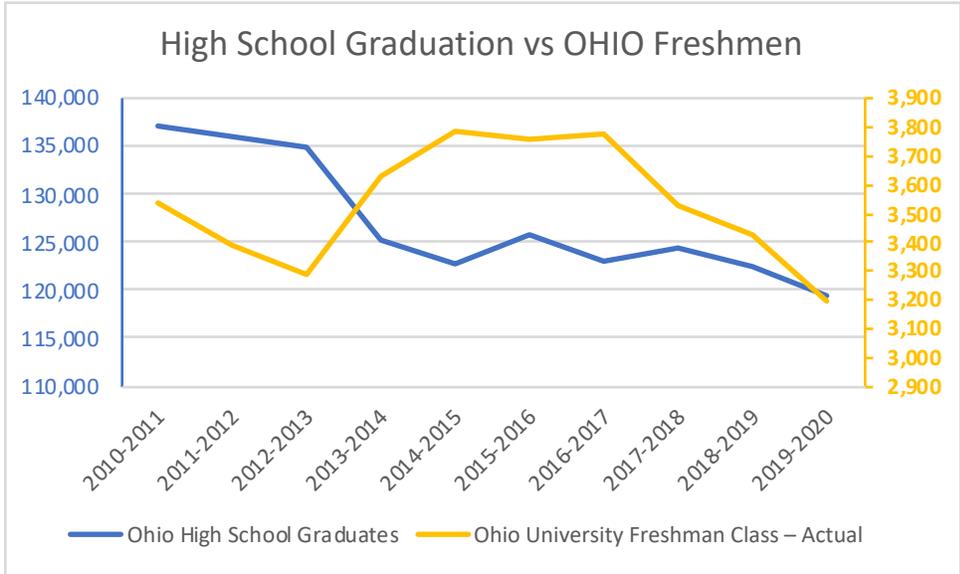
The first factor that has been monitored closely for many years is the number of high school graduates in Ohio. Since the vast majority of our incoming freshmen come from Ohio high schools, changes in the number of high school graduates could present challenges to our recruiting. The number of high school graduates peaked in 2009-10 and has been declining steadily to 119,508 this year a 12.8% decline. This decline will continue through 2029 reaching a low point of about 107,000 which would be a 22% decline from its peak, and a further decline of ~10% from this most recent year.



Through 2016, we have been able to avoid an impact from this trend by basically increasing our share of this smaller total pool by taking enrollments away from other universities in the state. For the last three years, however, we have been unable to maintain that share as our competitors have ramped up their recruiting efforts and scholarship offers causing students to shift to other Ohio schools.

In addition, our “advertised price” is now second highest in the state with our fully implemented tuition guarantee. All other universities have been required to do the same so that may affect the distribution. However, our guarantee implementation rolled all course and special fees into tuition while others did not take this approach. This makes our price non-comparable to the other’s, but it requires additional explanation for families to understand that

the price at other institutions will be higher when their fees are added. We are working with ODHE to see if they can list our tuition both with and without the portion related to fees.



From 2010 to 2016, our share of Ohio high school graduates rose from 9.1% to 10.9% but has now dropped three consecutive years with the biggest drop of 0.5% this past year.

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Ohio High School Graduates	137,087	136,066	135,042	125,152	122,825	125,662	123,075	124,473	122,452	119,508
Graduates Attending University	38,842	37,688	35,075	36,074	36,340	34,817	34,583	34,977	34,409	33,582
Ohio University Freshman Class - Actual	3,540	3,394	3,292	3,629	3,789	3,756	3,774	3,529	3,427	3,199
OU Share of Graduates attending University	9.1%	9.0%	9.4%	10.1%	10.4%	10.8%	10.9%	10.1%	10.0%	9.5%

We have developed plans to improve our branding and marketing in response to our competitors and we have been leveraging and increasing our scholarships. These efforts will not have immediate impact so it is quite possible that our share will decline further before it can be turned around.

Overall Student Enrollment

The effect of changes to the freshmen class is multi-year. Our largest entering class was 3,789 in 2014-15. This class has just started to graduate so larger senior classes are getting replaced with smaller freshmen classes creating an enrollment trough that will continue for several years. Even if enrollments increase in the future, it will take at least four years for the resulting revenue benefit to be fully realized.

In addition, from 2018-19 to 2019-20 we have started to see more students graduating in four years rather than staying extra time to complete additional coursework. This may be related to the implementation of the Ohio Guarantee which was designed to incent graduation in four years. In addition, this might also be a result of the financial pressure on students where it is more costly and more difficult to stay longer. The four-year graduation rate has climbed from

44% to 51.1% over the past ten years. Over the last eight years our three-year graduation rate was around 1% and climbed slowly to 2% in 2014 and now has jumped to 3% with the cohort that started in 2016. This could be further indication of how financial pressures might be influencing time to graduation. It is also related to more students starting with college credits already earned in high school with the percent of students arriving with credits increasing from less than 17% in Fall 2012 to over 34% this year. 11.1% of our students arriving with more than a semester (15 credits) completed and over 5% arriving with a full year (30 credits) completed. It is too early to tell whether this will continue to grow or whether students will graduate in less than four years as a result.

When you combine a decrease in the size of the freshmen class with our largest senior classes being replaced with these smaller freshmen classes and fewer students opting to stay for the fifth or even sixth year, the cumulative effect on overall enrollment has become large enough to erase 25 years of growth.

Section Summary

- Declines in the high school population may impact OHIO’s freshman recruiting efforts.
- The university’s increasing share of Ohio residents peaked in 2016-17.
- College Credit Plus and the OHIO Guarantee are contributing to increasing graduate rates.

Impacts on Colleges

The changes to enrollment outlined above, do not affect all the colleges the same way. In addition to decreasing total numbers, student interest is also shifting. The table below summarizes the change in the number of majors in the seven main Athens colleges over the past six years.

Fall FTE Undergraduate Enrollment	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Change
Arts & Sciences	4,099	4,076	4,068	3,992	3,985	3,796	-7%
Business	2,346	2,657	2,758	2,818	2,737	2,634	12%
Communication	2,093	2,159	2,191	2,132	2,019	1,783	-15%
Education	1,404	1,449	1,513	1,492	1,382	1,356	-3%
Engineering & Technology	1,705	1,785	1,814	1,867	1,829	1,659	-3%
Fine Arts	720	722	729	754	774	798	11%
Health Sciences & Professions	2,581	2,641	2,711	2,728	2,650	2,466	-4%
	14,948	15,489	15,784	15,783	15,376	14,492	-3%

Every college except Fine Arts peaked in 2016 or 2017 and has dropped back some from then until now. Five of the seven colleges have dropped below 2014 levels with Arts & Sciences and Communication dropping the most (-7% and -15% respectively). Business and Health Sciences have seen increased demand. The data in this table is presented graphically below.

FTE UG Majors Per College Since Semesters



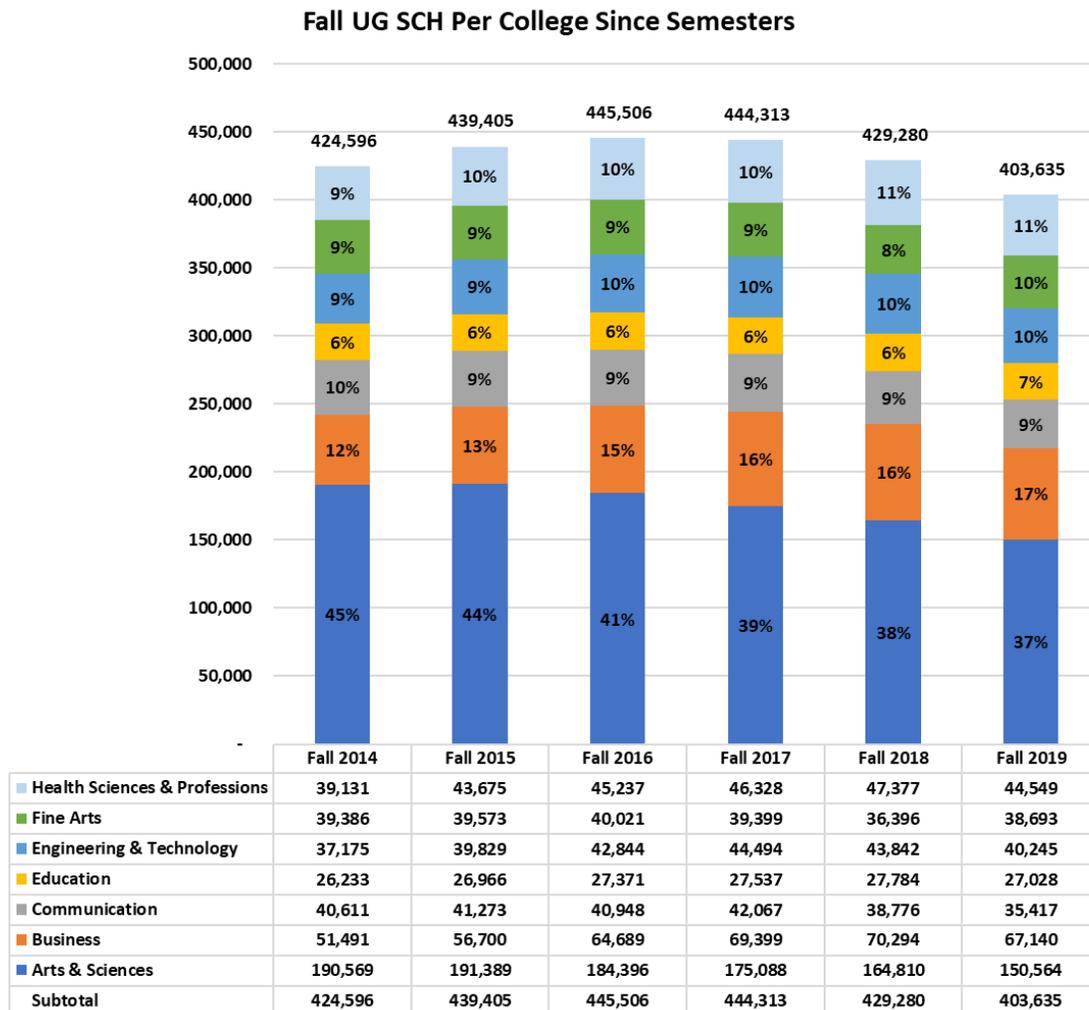
Fewer students will naturally result in fewer credit hours produced. Colleges with large general education service courses (primarily Arts & Sciences but also Fine Arts to some extent) are impacted more since their enrollments are not just driven by changes in their enrollments but also changes in enrollments across the other colleges.

In addition, the trend of students entering the university with credit hours earned in high school through the expanding College Credit Plus program further impacts colleges offering general education courses since those are the courses most often taken in this program.

Thus, the trend in undergraduate credit hour production is also highly differential by college as shown in the table below.

FALL SCH - Undergraduate	Fall 2014	Fall 2015	Fall 2016	Fall 2017	Fall 2018	Fall 2019	Change
Arts & Sciences	190,569	191,389	184,396	175,088	164,810	150,564	-21%
Business	51,491	56,700	64,689	69,399	70,294	67,140	30%
Communication	40,611	41,273	40,948	42,067	38,776	35,417	-13%
Education	26,233	26,966	27,371	27,537	27,784	27,028	3%
Engineering & Technology	37,175	39,829	42,844	44,494	43,842	40,245	8%
Fine Arts	39,386	39,573	40,021	39,399	36,396	38,693	-2%
Health Sciences & Professions	39,131	43,675	45,237	46,328	47,377	44,549	14%
	424,596	439,405	445,506	444,313	429,280	403,635	-5%

Every college has dropped in 2019 except for Fine Arts. Four of the seven colleges have still increased since 2014 but three have dropped below 2014 levels with Arts & Sciences and Communication dropping the most (-21% and -13% respectively). The graph below presents this information visually.



To fill out the picture, the table below shows the trends in graduate credit hours produced during the same time in case declines in undergraduate credit hours might be offset by increases in graduate credit hours.

	2013	2014	2015	2016	2017	2018	
ARTS & SCIENCES	11,084	11,875	11,138	11,083	10,509	10,408	-6%
BUSINESS	3,839	4,743	5,536	6,370	6,269	6,028	57%
COMMUNICATION	2,985	2,663	2,354	2,220	2,429	2,426	-19%
EDUCATION	7,754	7,674	6,978	7,185	7,241	6,841	-12%
ENGINEERING & TEC	4,037	4,411	4,457	5,051	5,301	4,756	18%
FINE ARTS	3,962	3,885	3,848	3,574	3,601	3,638	-8%
HEALTH SCIENCES &	9,216	10,063	9,637	9,492	10,052	10,192	11%
	44,890	47,328	45,963	46,991	47,419	46,307	3%

For this most part, colleges with declines in undergraduate credit hours are also experiencing declines at the graduate level as well. Business, Engineering and Health Sciences still show the most growth. Education is growing slightly in undergraduate credit hours but has the second largest decline at the graduate level. Arts & Sciences and Communication are down at both levels.

Conclusion

Overall, enrollment declines are the major challenge threatening our financial stability. These declines are multi-layered and complex. Freshmen recruiting will become more challenging as the market size shrinks and competition across universities increases. Affordability also threatens enrollment and puts pressure on students to graduate in four if not three years.

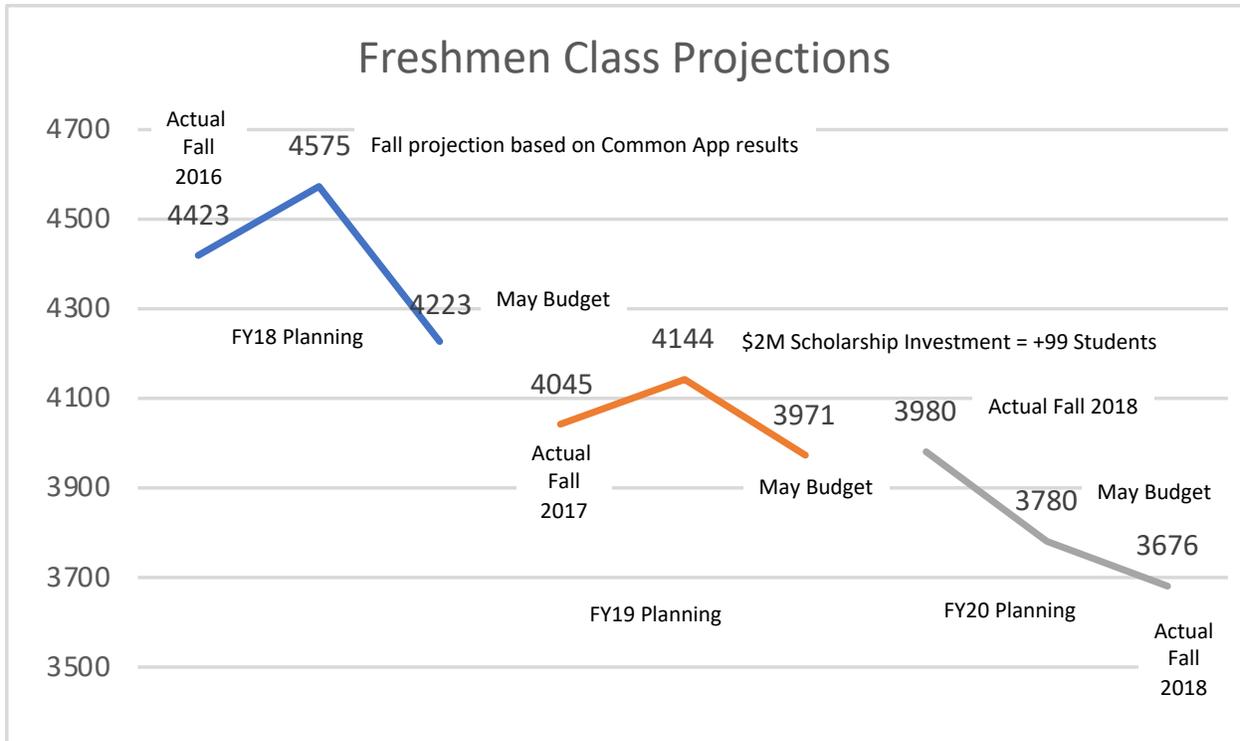
Associated Budget Challenges

Changes to enrollment have a direct effect on revenues available to fund our operations and support our employees. In addition to enrollment levels themselves, there are other factors that influence the budget deriving from those enrollments.

Enrollment Projection Process

Up until Fall of 2017, traditional approaches to marketing and branding were successful in expanding OHIO's incoming freshmen class. As we planned for Fall 2017, the enrollment management model started to change nationally. In response, efforts to use scholarship leveraging and predictive enrollment modeling were developed to maximize student yield. Specifically, investments in student financial aid were leveraged in an attempt to increase our Athens undergraduate enrollments.

The graphic below outlines how these shifts impacted enrollments used for developing multi-year budgets.



In 2017, OHIO’s implementation of the Common Application process allowed students to apply more easily to multiple institutions. We saw applications jump from 20,623 to 26,312 with a corresponding increase in acceptances. This led to an initial assumption that our freshman class would continue its growth with a projection of 152 additional students taking us to a fall freshman headcount of 4,575. As confirmation trends began suggesting a decrease in yield, Enrollment Management revised its enrollment forecast. Between January and May of that year we changed our Fall headcount projection from +152 to -200 freshmen, a change in 352 incoming students.

When we reached the fall of 2017, actual enrollment had declined to 4,045 – a 378 annual decline in freshman. In this new Common App environment, past yield trends were broken and the ability to predict the changes in student enrollment was challenging. Fewer students enrolled for a number of reasons including a decline in our reputation and price increases associated with the with Guarantee when other institutions were flat. In addition, our precipitous drop in yield after joining Common App was extremely anomalous and unexpected. This potential effect was investigated in advance and almost all institutions see a yield *rate* decrease when they join Common App but our yield rate drop was significantly higher than any previous Common App client who joined the organization up until then, despite literally hundreds of institutions moving their process to CA around that time and since.

In response to this change in yield, we made tightened up our application process to try to limit students that were less serious about attending and we invested an incremental \$2M in scholarships for FY19. The increase in student financial aid was projected to result in an incoming freshman class of 4,144, representing an increase of 99 students in the freshman

cohort. This planning assumption was adjusted during the budget process when trends showed enrollments would likely decline in Fall 2018; resulting in a final assumption of 3,971 freshman. By fall of 2018, the incoming freshman class did achieve the planned enrollment assumption presented to the Board of Trustees in June of 2018.

For FY20 budget planning we assumed that freshman enrollments would continue to decline and budgeted for a decrease of 200 students for a total incoming cohort of 3,780. When census enrollments in fall (2019) were captured, we were down over 300 students.

The purpose of this illustration is to emphasize that we have been monitoring fall enrollment trends during each budget cycle based on applications, admits, and housing deposits. By fall census, however, the actual enrollments vary dramatically from initial budget assumptions and this variance has become more volatile. Moreover, the compounded loss of smaller freshman cohorts is only now being realized.

Budgets have been reduced in reaction to the declining enrollments but the impacts have been softened by use of bridge funds to see if actions could reverse the enrollment declines and allow for natural turnover through attrition. Unfortunately, enrollment declines have continued to outpace predictions and investments in scholarships to reverse declines have not had the anticipated effect.

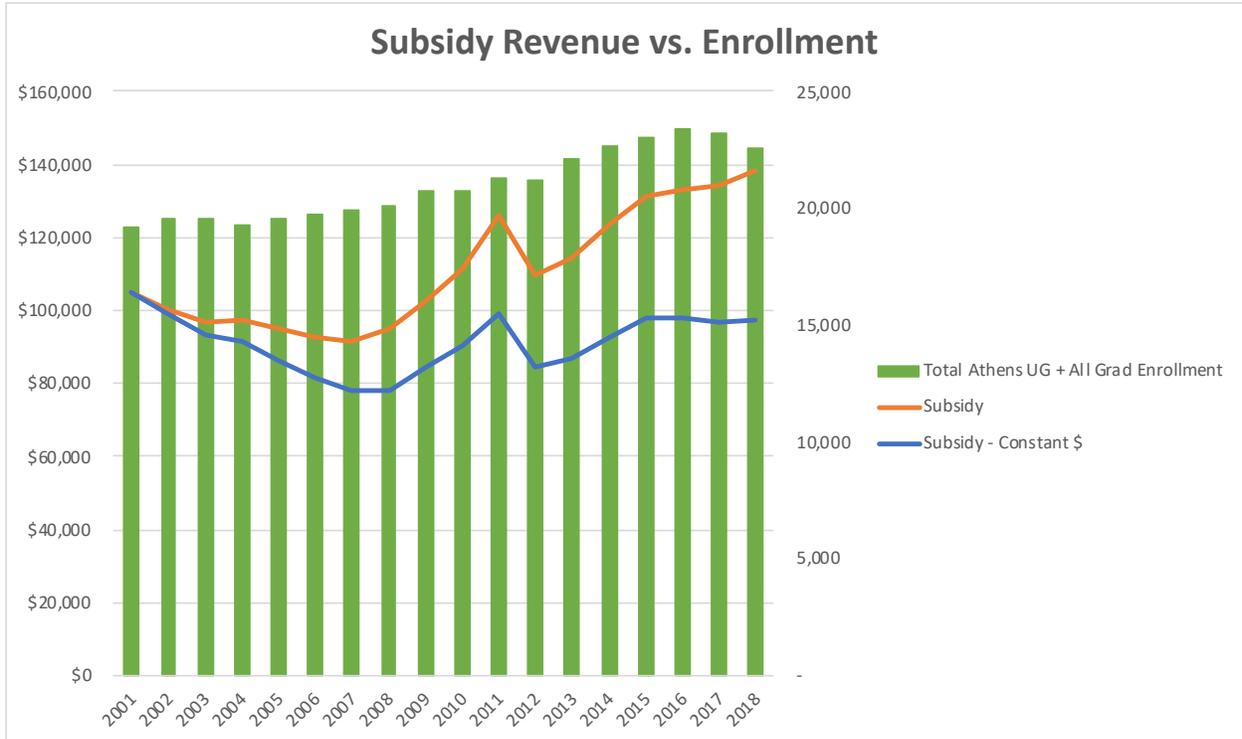
Two other areas where past trends are no longer predictive of future enrollment trends include graduation rates and summer enrollments. With fewer students staying beyond four years, the overall UG Athens enrollment declines are outpacing the declining freshman class. With more online options and the ability to transfer credit, fewer students are choosing to attend summer school. This creates yet another negative impact on enrollments.

State Support and Tuition trends

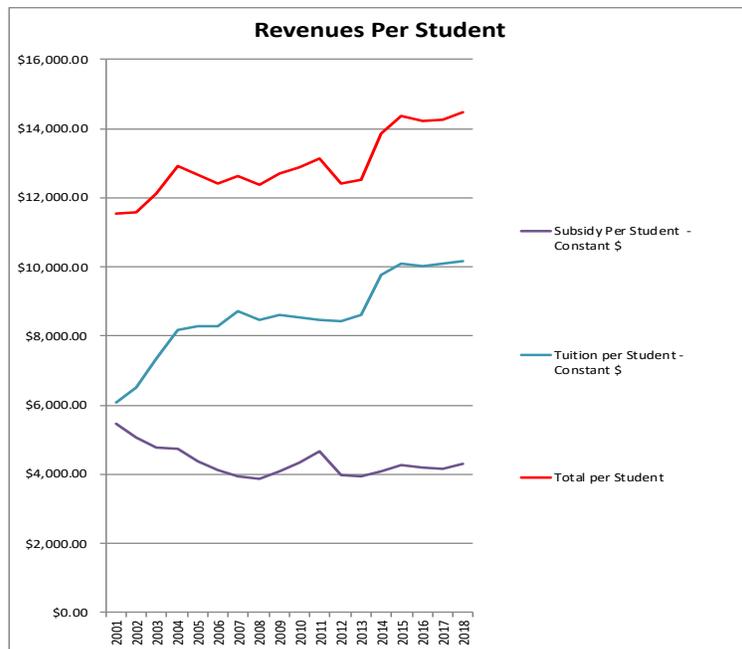
Other factors influencing the institution's operating budget are controlled by the Ohio legislature, namely tuition caps and levels of state support (SSI).

Universities are heavily reliant on human capital which produces inflationary pressures that exceed the consumer price index (CPI). Historically, universities maintained financial stability through tuition rate increases and support from the state (SSI). Both options have been severely curtailed in recent years.

For some perspective on state support, SSI funding per student today is less than it was in 2001 when you normalize for inflation. The graph below shows that the amount of SSI in constant dollars is essentially flat while enrollments have increased.



As a result, the inflationary growth at Ohio University is not supported by increases in state support leaving only tuition increases or expense reductions to support operations. The option to increase tuition was removed when the state legislature imposed 0% tuition caps for four years between FY07 through FY10 and again between FY16 and FY19. The chart below converts both SSI and tuition to constant 2001 dollars and shows the amount on a per student basis.



As illustrated above, it is readily apparent how the amount of available revenue from SSI is declining on a per student basis. The small uptick in 2010 was the impact of one-time federal stimulus funding that was used to temporarily maintain state support during the recession.

Between 2001 and 2004 you see tuition growing in a mirror image to the decline in SSI and growing in response to inflation. Through the recession and subsequent recovery (2006 to 2014), tuition was relatively flat while SSI declined which resulted in no additional revenue available to address inflation. The increase in 2014 is the effect of the OHIO Guarantee. This jump should be interpreted with caution since the rates before this time were only tuition and did not include course and technology fees that are now included in the guarantee.

In addition to the constraints on tuition rates, the pressure on scholarships to remain competitive with our peers, decreases the net tuition left over for funding the budget. The chart below shows that as total tuition has declined with recent enrollment declines, the net available has declined more as the amount needed to support scholarships has grown rather than declined.



A 2015 study on affordability breaks down the underlying trends driving the national tuition increases (<https://www.demos.org/research/pulling-higher-ed-ladder-myth-and-reality-crisis-college-affordability>). The primary conclusion was that 79% of the national increase in tuition has been a result of declining state support. Legislatures are simply not able to invest in offsetting the cost of higher education such that universities have grown more reliant on tuition revenue. This seems to be borne out in the data presented above.

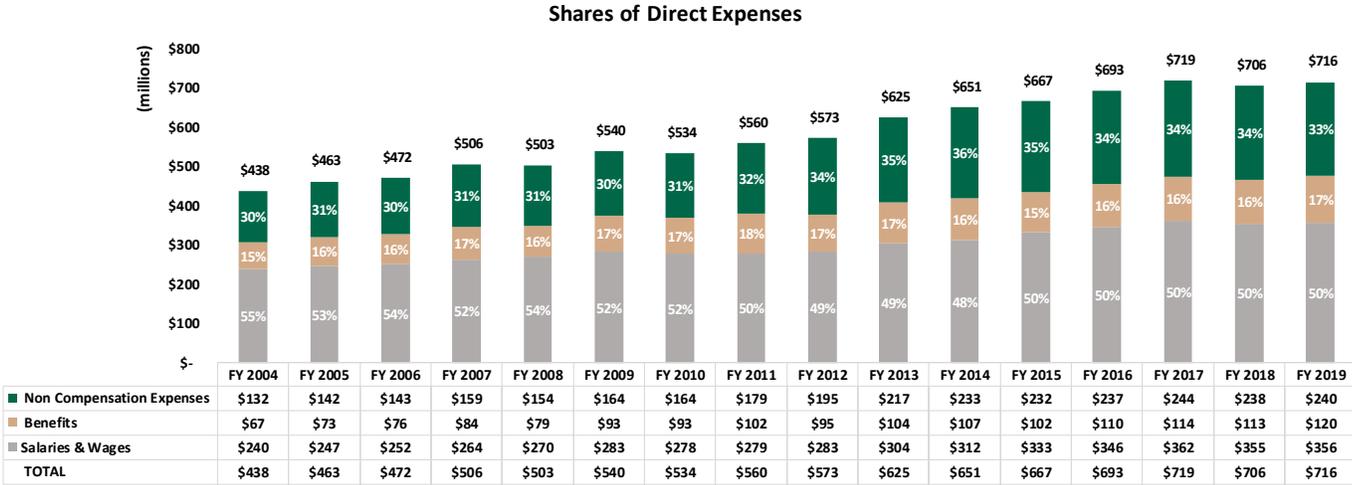
Annual Inflationary Pressures

While the institution’s revenues have been constrained by enrollment declines, tuition caps, and stagnant state support, our expenses continue to be impacted by inflationary pressures.

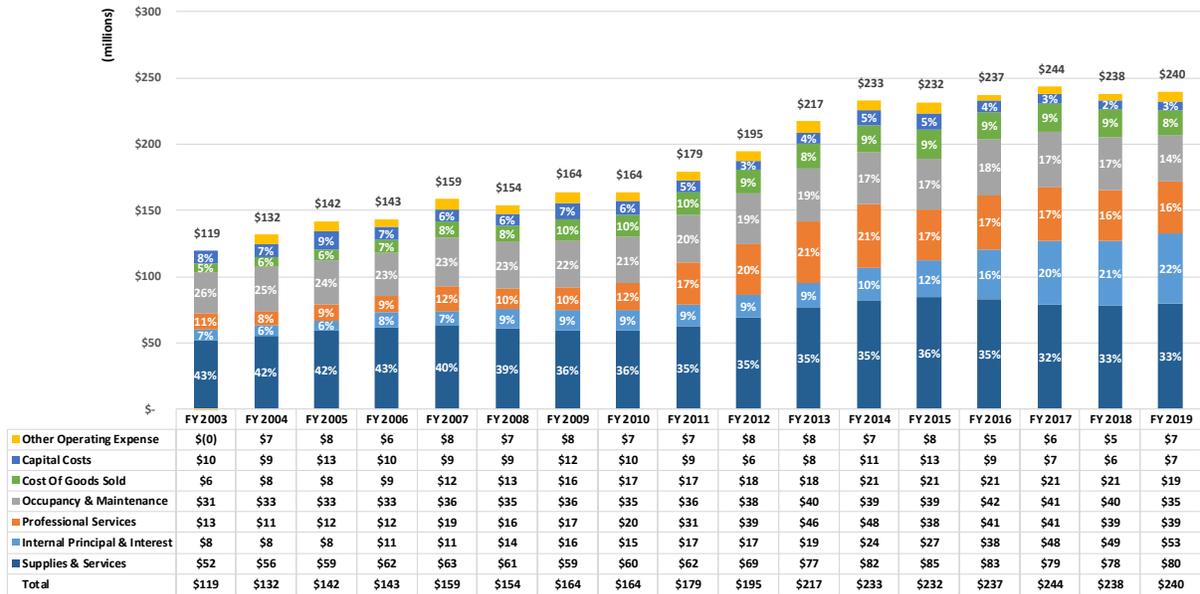
Analyzing the historical financials allows us to identify the primary drivers of the University’s expenses during the past 15 years. The charts below highlight the primary drivers of our annual expense increases.

First, the share of expenditures as a percentage of the total going to staff salaries has been steadily declining from 55% to 50% as other expenses have increased. One in particular has been the increase in expenditures for benefits.

The other increasing portion is non-compensation expenses which is broken down further in the chart below.



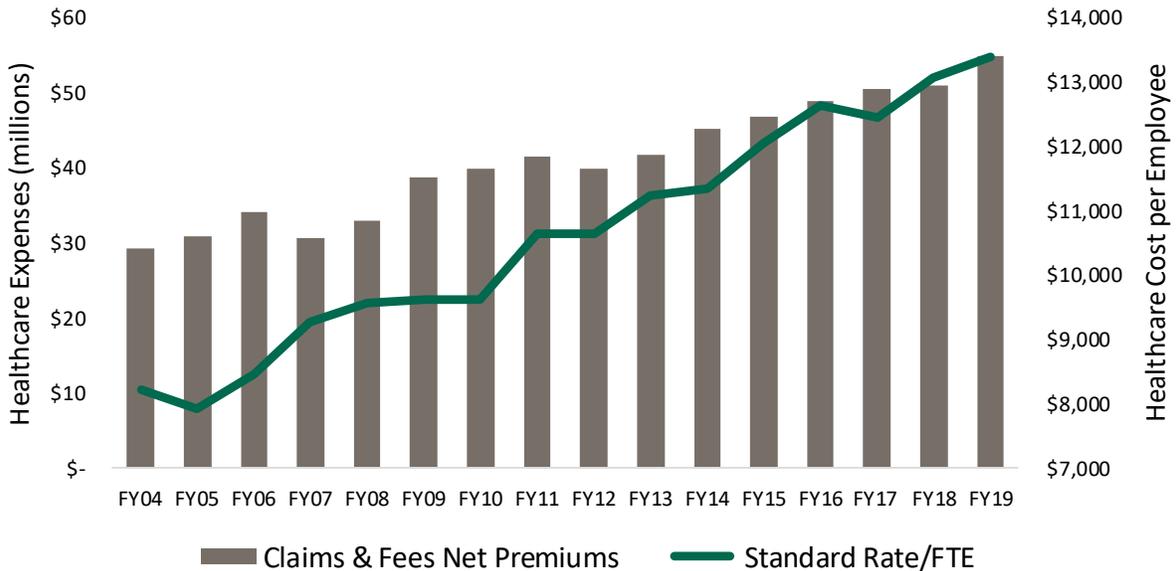
Non Compensation Expenses



The largest increases in non-compensation expenses occur in expenses associated with online vendor payments which appears under professional services and base funding for the century bond (1.3M per year building to a total of 13M) which is intended to address deferred maintenance needs.

To further illustrate the impact of benefit increases, the chart below shows that the total expense has nearly doubled in the last fifteen years both in terms of dollars and dollars per employee.

OU Contribution to Employee Healthcare



Conclusion

This section has focused on the financial trends putting pressure on the budget. Tuition revenues are constrained by legislative caps and declining enrollments. State support is declining in constant dollars. Both of these combine to result in less revenue per student while at the same time the inflationary pressure on expenses continues to rise particularly in expenses related to benefits and deferred maintenance. This results in a continuous cycle of imbalances between revenue and expenses.

The Administrative “Bloat” Theory

As the 2015 research study referenced above shows, a common reaction to the news of budget constraints is to assume that the university has added huge numbers of non-faculty employees especially including high-paid administrators. Their research did not find evidence to support this conclusion in general. The following analysis attempts to determine if this holds for us as well.

About the Data Set

These analyses are based on a data set that takes a snapshot of all full-time employees on November 1st each year from the HR system. The actual number of employees will vary throughout the year. Any employees with less than a 1.0 FTE are not included. So, this would not count part time administrators, adjunct faculty, graders, or facilitators. The data set groups employees into three categories: faculty, classified (hourly), and everyone else in considered administrative. This catch-all administrative category includes everyone from Academic Department Administrators, to Post-Docs to Advisors to Lab Technicians to Programmers to Accountants to Auditors to Deans to Vice Presidents all the way up to the President.

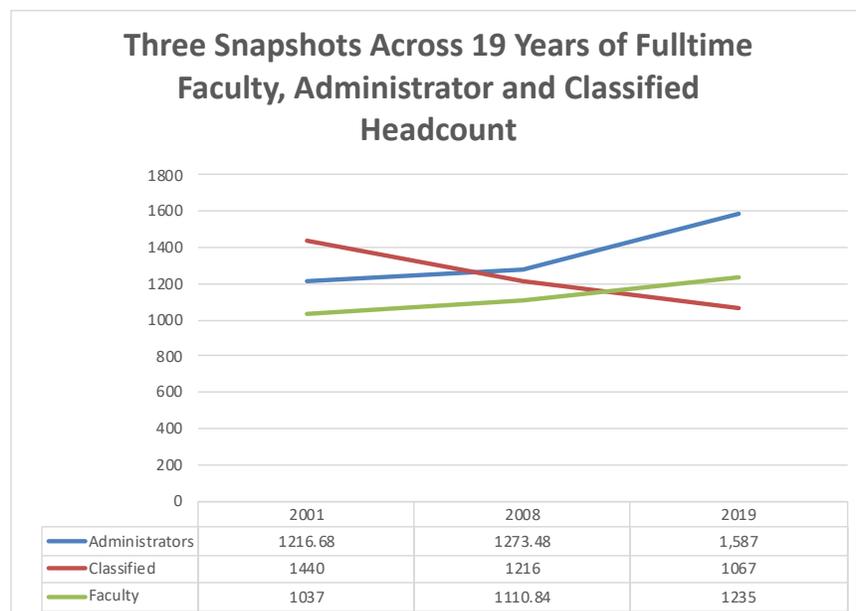
Plotting comparisons of the numbers of employees across years is also sensitive to the years being compared. Comparisons at the planning unit levels in particular can be skewed through reorganizations and reclassifications. For example, the employees in the Office of Information Technology (OIT) have moved from the Vice President of Finance and Administration (VPFA) to the Executive Vice President and Provost (EVPP) back to the VPFA and most recently to the Office of Instructional Innovation (OII) over the span of four years. Culinary Services is another unit that has moved during the same period. Similarly, reclassifications can create swings in the counts of personnel. For example, during the 2009 recession, more than 30 employees in WOUB dropped to 0.9 FTE to reduce the budget which caused them to disappear from these counts and then reappear when they returned to full-time (1.0) the next year. Teachers in the Child Development Center started out as administrators and were then reclassified to instructional faculty. These examples illustrate how any comparison of the number of employees at a particular point in time requires a detailed understanding and analysis of what is or is not included.

Also note that since this data set comes from the HR system, there is no information for the source of funds used to support the position. Fund Source can be foundation accounts, grant accounts, or operating funds. When analyzing the budget impact of a position, it should be noted that positions funded on grants, endowment or other external sources do not have a direct impact on the operating budget. Budget shortfalls related enrollment declines or constrained tuition or state support cannot be resolved by making changes to positions associated with non-operating sources. Even within the operating budget, some positions are tied to particular revenues such that as revenue decreases, positions are automatically reduced. A good example of this is project management staffing related to capital projects. These positions are paid from the capital project which is funded by capital funds that are not part of the ongoing base operating budget so changes to these positions would not solve a shortfall in the operating budget since capital funds must be used for construction costs and not to cover ongoing base expenditures.

The maximum possible timeframe for this analysis is from 2001 to the present since 2001 is when the current financial system (Oracle) was put into place. Data from further back would not ensure consistent trends or comparable comparisons. This analysis will focus on trends over the most recent decade from 2008 to 2019. In addition, the dataset from 2001 was also captured to allow for a look at the entire available trend over the full 19 years for some comparisons.

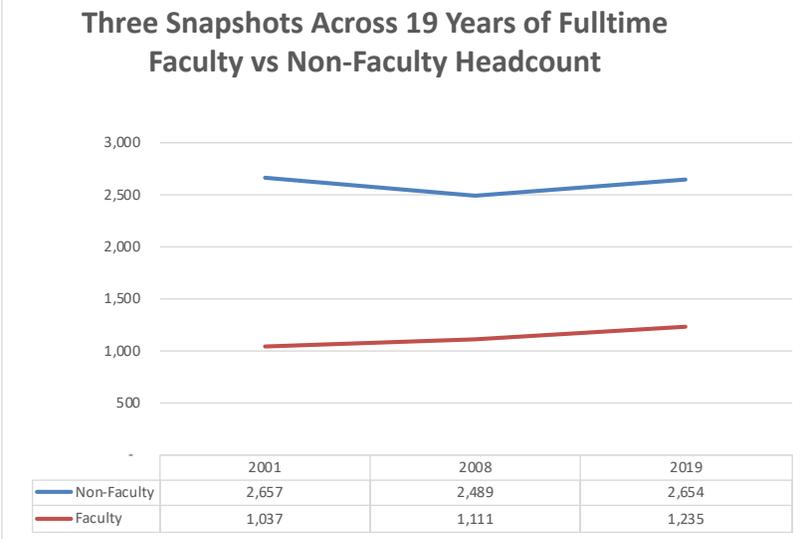
High-level Macro Trends (19 years)

Using data from 2001, 2008 and 2019, the graph below shows the trends from the three major employee groups – faculty, classified staff and administrative staff. These represent personnel across the entire university – Athens, HCOM and RHE.

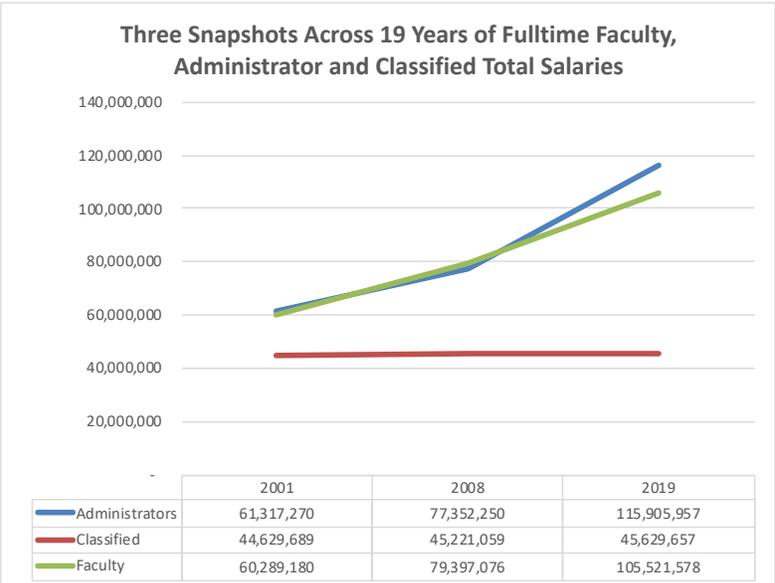


This graph shows growth in the number of positions in the faculty (+198) and administrative (+296) groups. Over the same period, the classified group shows the opposite trend with the number of positions declining (-373) in an almost mirror image to the change in administrative positions. This suggests that the growth in administrative positions is a result of a switch from hourly administrative employees (classified) to salaried (administrators).

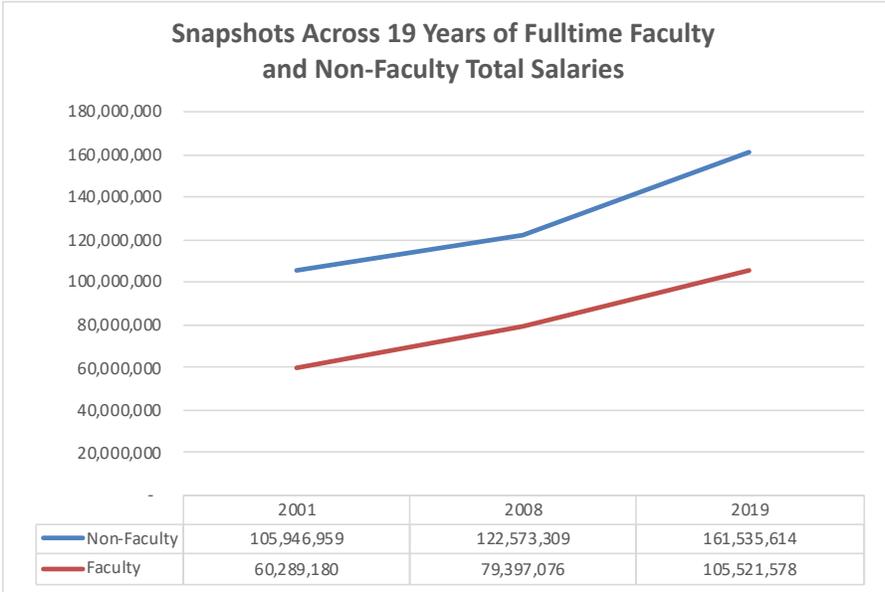
If you collapse the classified and administrative categories, the resulting graph below shows an increase in faculty (still +198) and a slight decrease in non-faculty (-3) positions.



Of course, headcount does not capture changes in the budget allocated over time so an additional comparison would be to look at the salary dollars spent for each group at these three points in time. The graph below provides this information.



When total amount spent on salaries is compared at these three points in time, the amount for non-faculty salaries tracks almost exactly with the amount for faculty salaries in 2001 and 2008. In 2019 the amount of dollars in the administrative category increases but notice that the amount spent in classified salaries is basically flat across all three points in time. This also illustrates the effect of the switch from hourly to salary staff positions. If you combine the administrative and classified staff you get the graph below.

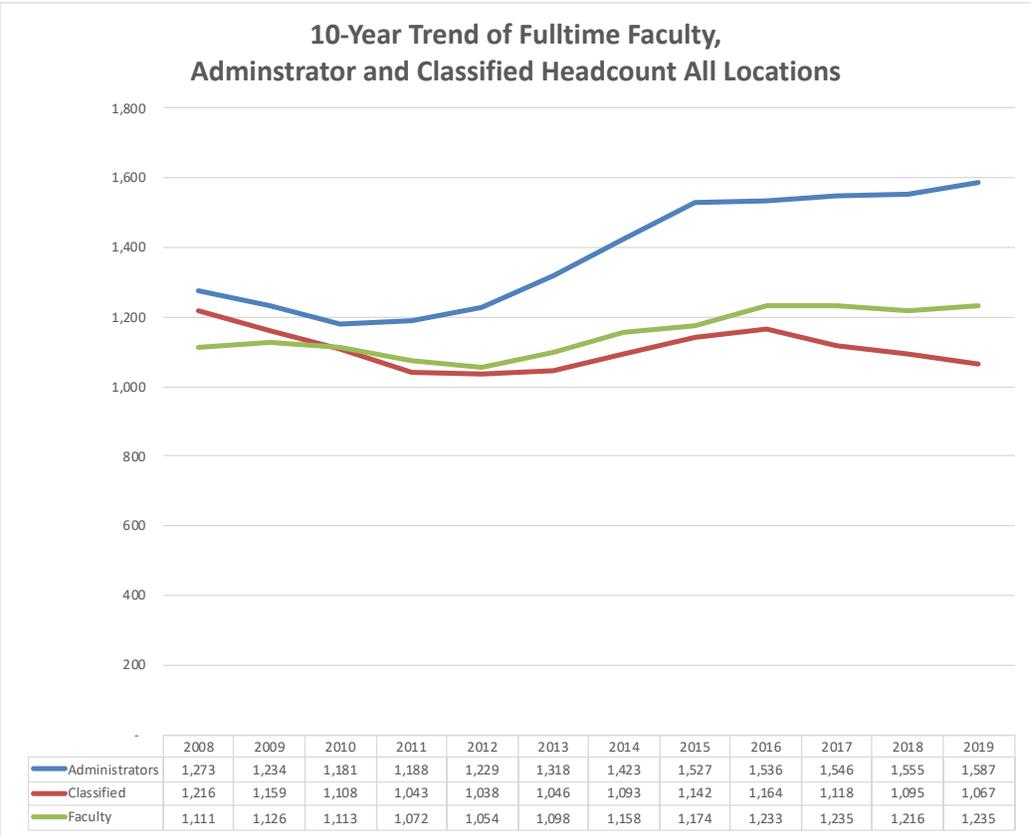


In this graph, the amount spent on non-faculty is reduced much more during the recession. The change in total faculty salaries over the 19 years is 75% and for non-faculty the change is 52%. This indicates that as the conversion was made from classified to administrative positions, lower paid classified employees were not replaced by high paid administrators.

In all of these graphs, a dip in positions around 2008 can be seen. This is the beginning of the effects of the 2008-9 recession on the budget, which will be more obvious when looking at the last 10 years in detail.

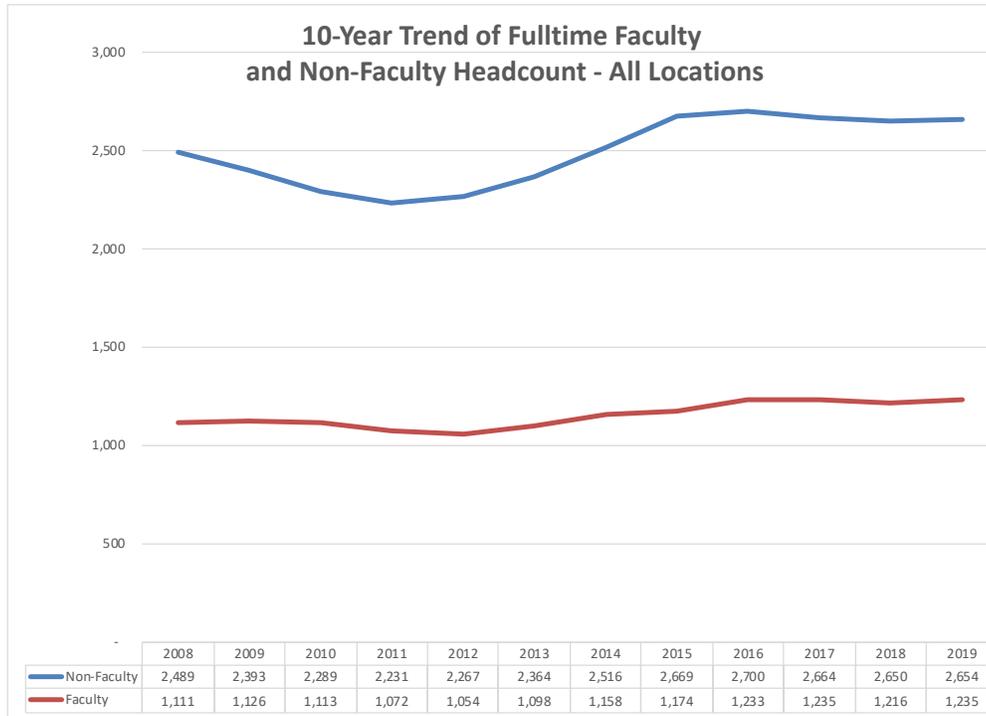
10 -Year Trends

If we look in greater detail at the FTE trend over the past decade (2008-2019) for the same three groups of personnel, the graph below is the result.



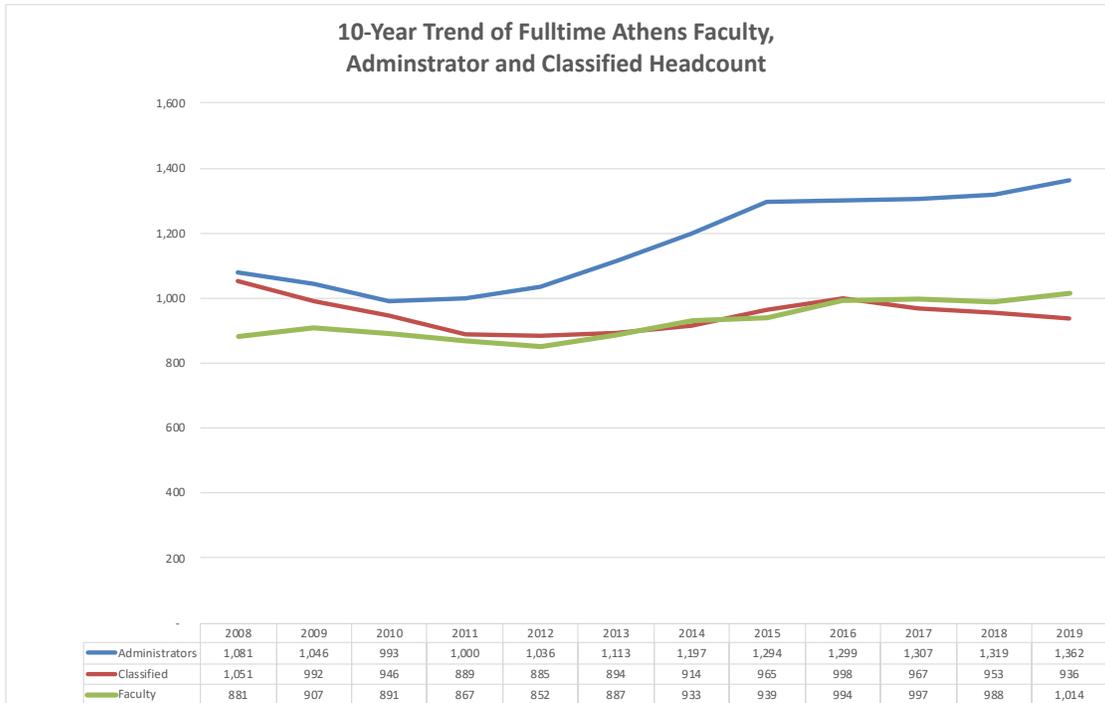
From this graph, we can see dips in all personnel categories as we enter the 2008 recession. Full time faculty declined to a low point of 1,054 in 2012 and then grew through 2017 during the period where enrollments were increasing. With recent declines in enrollment, growth in faculty and administrative staff has leveled off and classified staff has declined. The total change in faculty over the decade was +124. Similarly, administrative and classified employee numbers had large growth through 2016 with a total change of +314 in administrative and -149 in classified positions.

The relative positions of the totals for the three groups still shows a similar shift from classified to administrative types of employees. While the gap between administrative and faculty groups seems to have widened, much of this is offset by the numbers of classified staff falling below the line for faculty. This is easier to see when the classified and administrative counts are combined in the graph below to compare counts of faculty versus non-faculty.

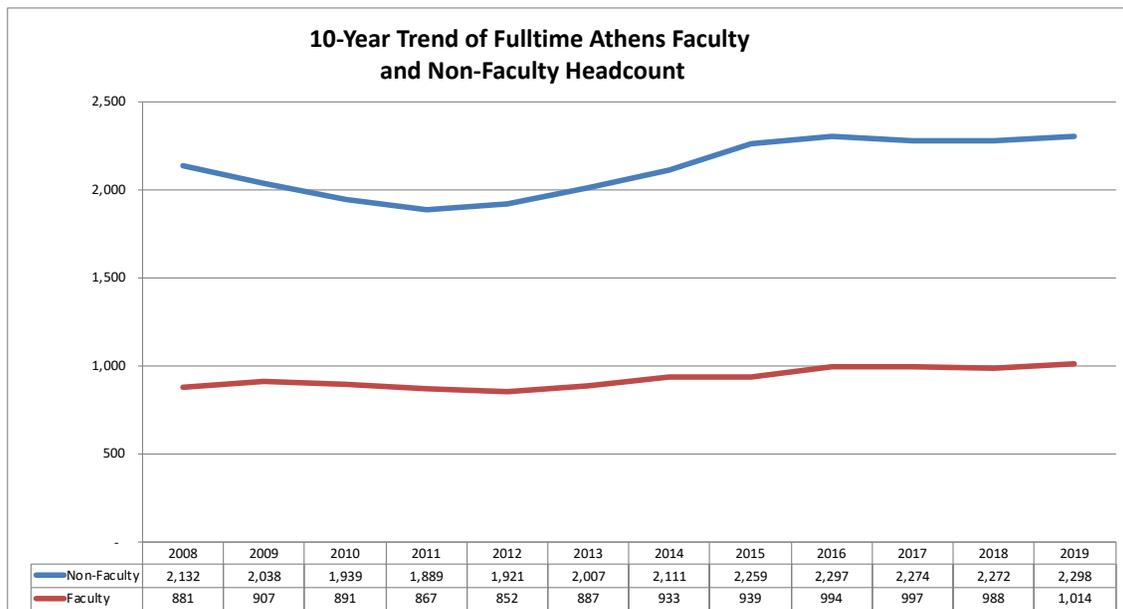


In this comparison, faculty headcounts have increased 124 (11.2%) during the past decade while non-faculty headcounts have increased 165 (6.6%). The other confounding variable in this graph is the inclusion of HCOM and RHE personnel who are in units experiencing different and opposite enrollment pressures and have budgets that are not directly related to enrollments in the Athens colleges. Regional campuses have been experiencing large enrollment declines coming out the recession and as a result of College Credit Plus which has triggered staffing reductions. Conversely, HCOM has doubled its enrollment through expansions in Dublin and Cleveland which has resulted in staffing expansion. Both of these circumstances mask the trends in the staffing on the Athens main campus.

To understand the trends of the Athens main campus, the graph below shows the FTE trend for full time faculty, administrators and classified positions.



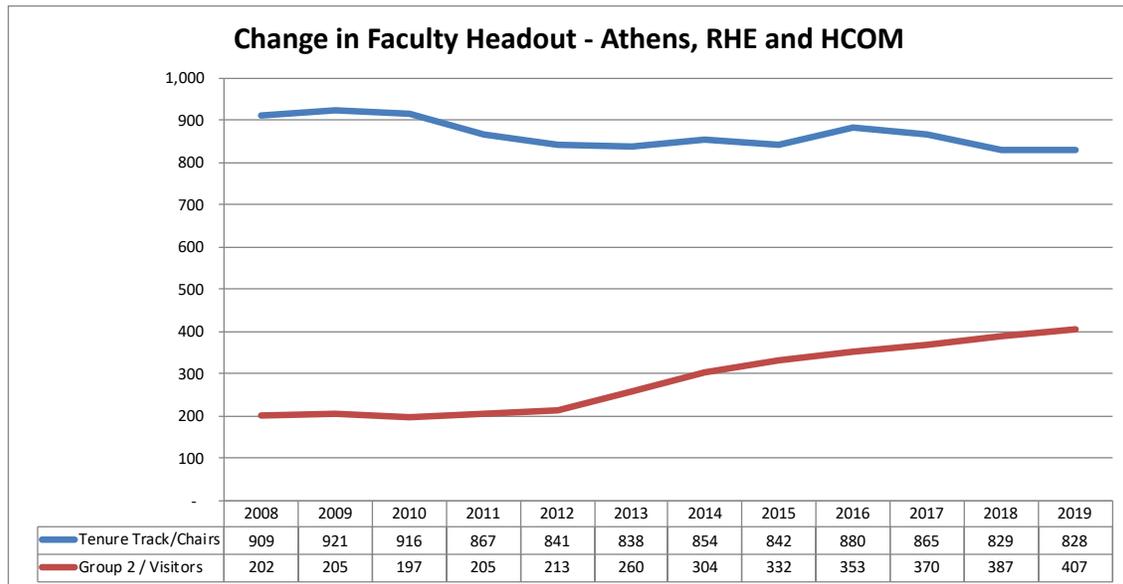
On the Athens main campus the trends are bit flatter but similar. Over the decade faculty increased 133 compared to 124 across all units and locations most likely because decreases in regional faculty was bringing the total down. Administrative positions increased 281 compared to 314 across all units and locations and classified positions declined 115 compared to 149. As before, combining administrative and classified position to get an overall trend in non-faculty versus faculty positions produces the graph below.



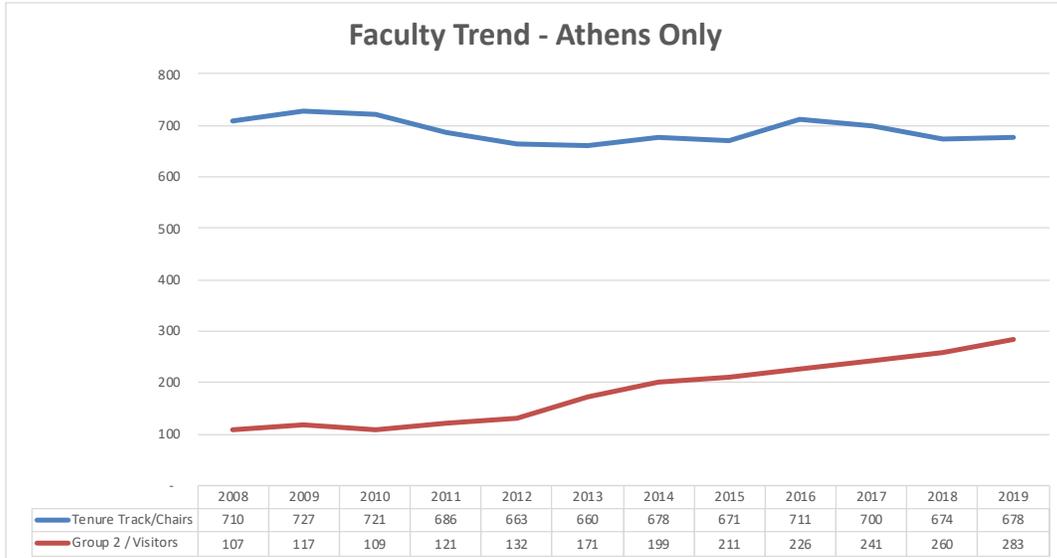
In this view, faculty on the Athens main campus have grown 133 (15.1%) over the past decade while non-faculty positions have grown 166 (7.8%).

Faculty Trends

The previous graphs have presented the highest possible level of aggregation of faculty across all funding sources (operating and non-operating) and across all units. At this level, full-time faculty can also be separated into tenure-track and non-tenure track (faculty of instruction and visiting). The graph below separates these two types of faculty.



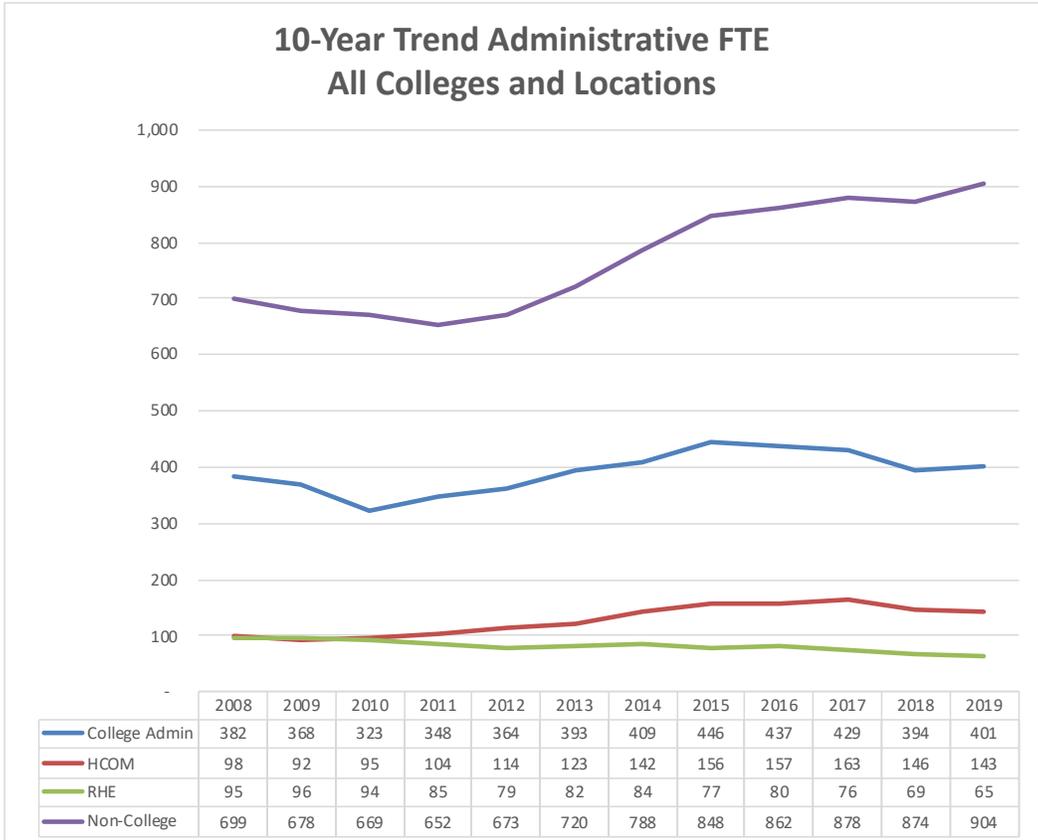
From this graph, it is clear that the increase has been in non-tenure track faculty, which is consistent with the national trends. As before, the other confounding variable in this graph is the inclusion of HCOM and RHE faculty. To separate these effects, the graph below excludes faculty from these two units.



In this graph, tenure-track faculty have declined by 36 while non-tenure track faculty have increased by 153. The percentage of tenure-track faculty has gone from a high of 87% in 2008 and 2010 to the current 71%. This follows a national trend where about 60% of full-time faculty are tenure track in R2 institutions and less than 50% across all institutions.

Administrative Changes by Unit

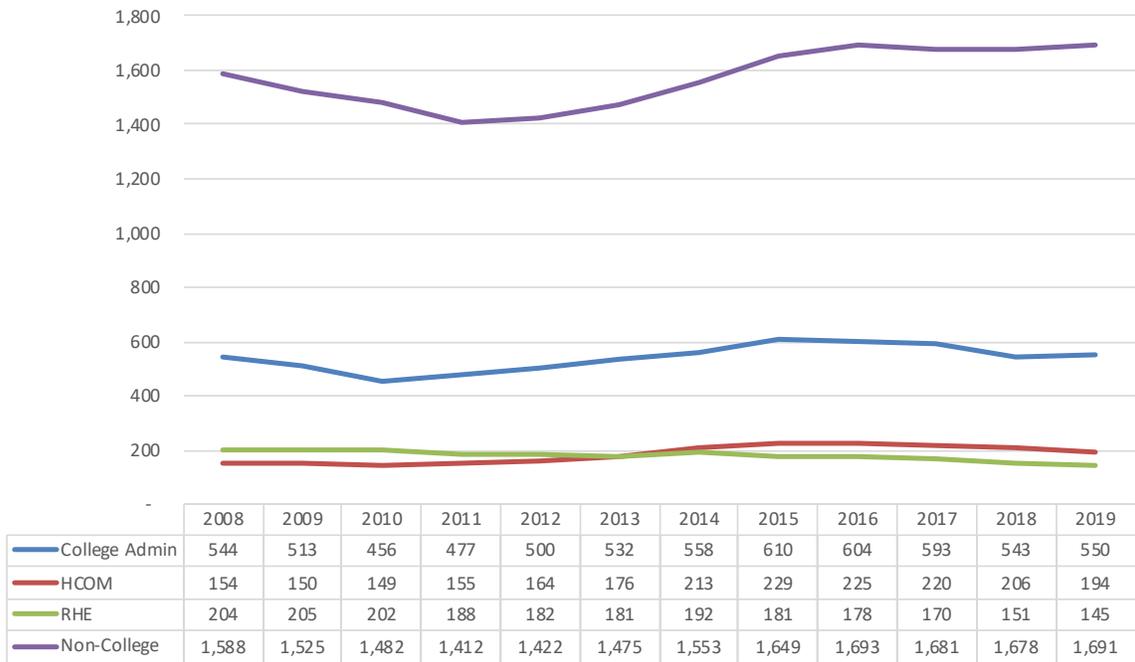
As noted in the discussion of the data set available for this analysis, trends at too granular a unit level will be influenced by shifts of various subunits across time. Therefore, this next analysis groups administrative headcounts into four buckets: college administrators (this would include advisors, technicians, department administrators all the way up to the Dean), HCOM, RHE and non-college (every other unit – from Wellworks to residence life to the library to athletics to the president’s office). The graph below shows this trend.



From this graph, we can see the expected decline in positions in RHE resulting from enrollment declines since the recession. In addition, administration in HCOM has increased as they have expanded from one to three campuses. Administration in colleges dropped during the recession, grew along with the increase in enrollment and shrunk back with the recent enrollment decline to end up slightly up (+19). Most of the growth appears to be in non-college administration (+205).

As noted previously, these changes in administrative headcounts are offset by decreases in classified headcounts. The only question would be how these shifts have occurred across the four areas. The graph below shows this trend.

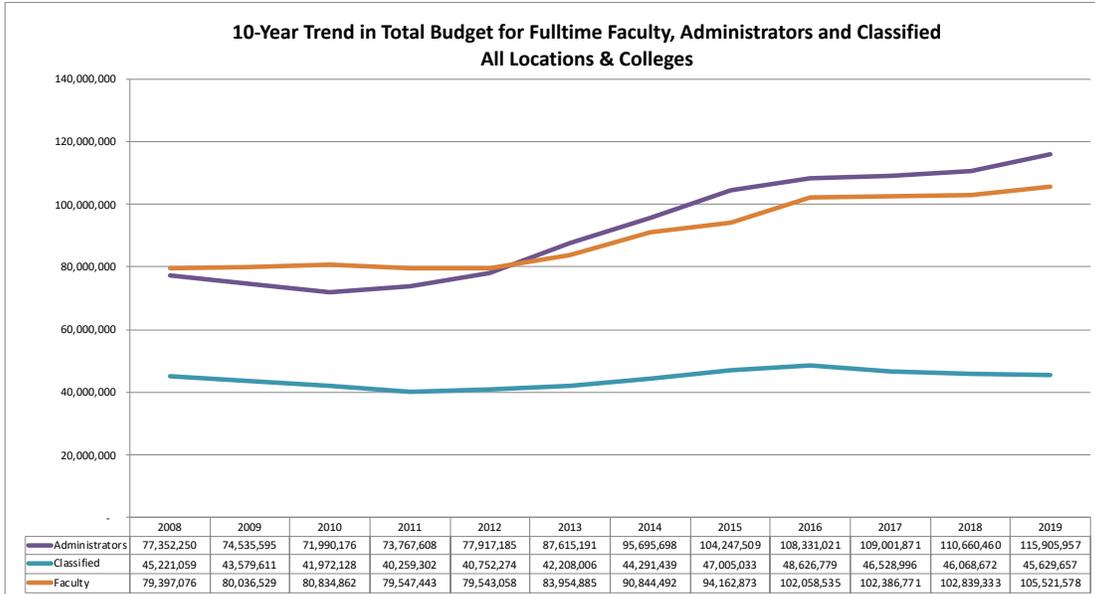
10-Year Trend Combined Administrative and Classified FTE All Colleges and Locations



From this graph, the trends for RHE and HCOM are still similar with RHE down (-59) and HCOM up (+40). Administrative positions in colleges have essentially come back down to near 2008 levels (+6) after increasing with the enrollment increases up to 2016. Central Administrative positions took the biggest brunt of the decline during the recession (-176), grew back to that level by 2015 and have since peaked and plateaued for an overall change of +103.

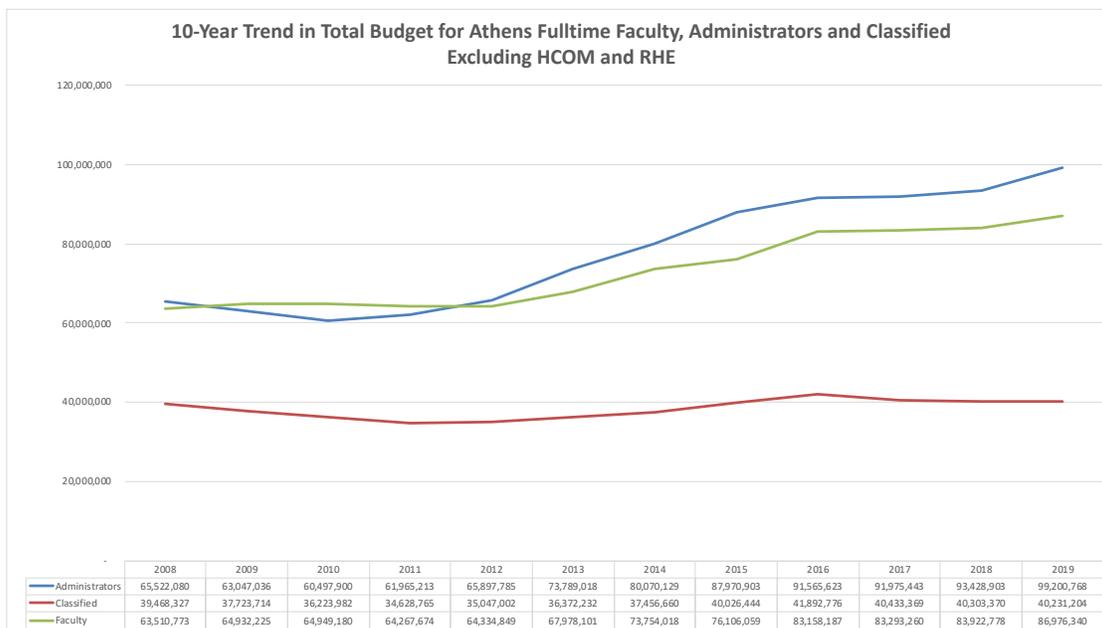
Salary Changes

In addition to changes in headcount, a similar trend related to salaries can also be constructed. By adding up salaries rather than counting people, you can see the total amount of funding put into employees in the various groups in the graph below.



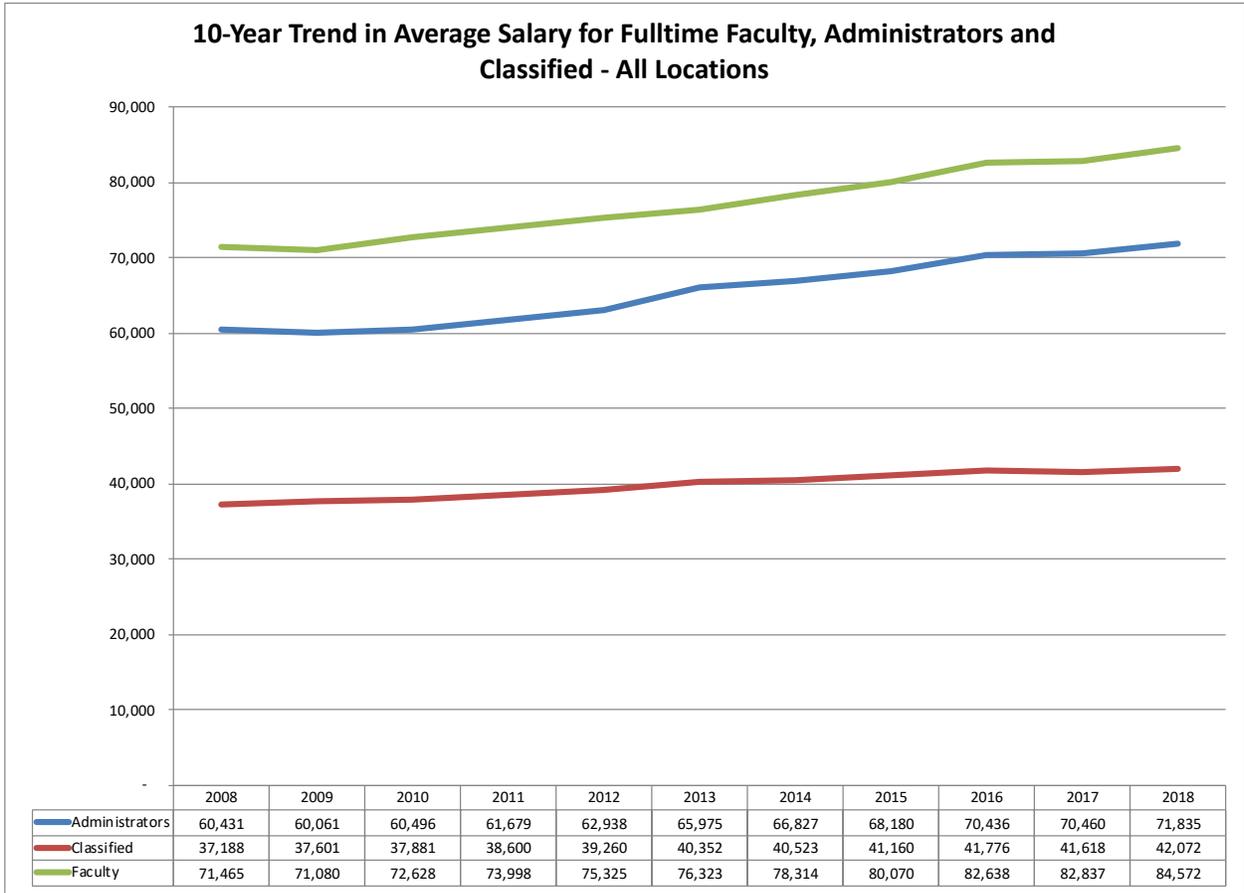
From this graph you can see that the amount of budget dollars allocated to classified staff is basically flat. This represents a combination of increases to individual salaries over time coupled with a decrease in the number of employees in the category. The trends for faculty and administrators similarly include a combination of the effects of raises and changes to the number of employees. As a percentage of the total, faculty salaries were 39% of the total of all salaries in 2008, grew to 41% during the recession as more administrative positions were cut and are now 40% of the total.

The trends for the Athens main campus without HCOM and RHE is shown below



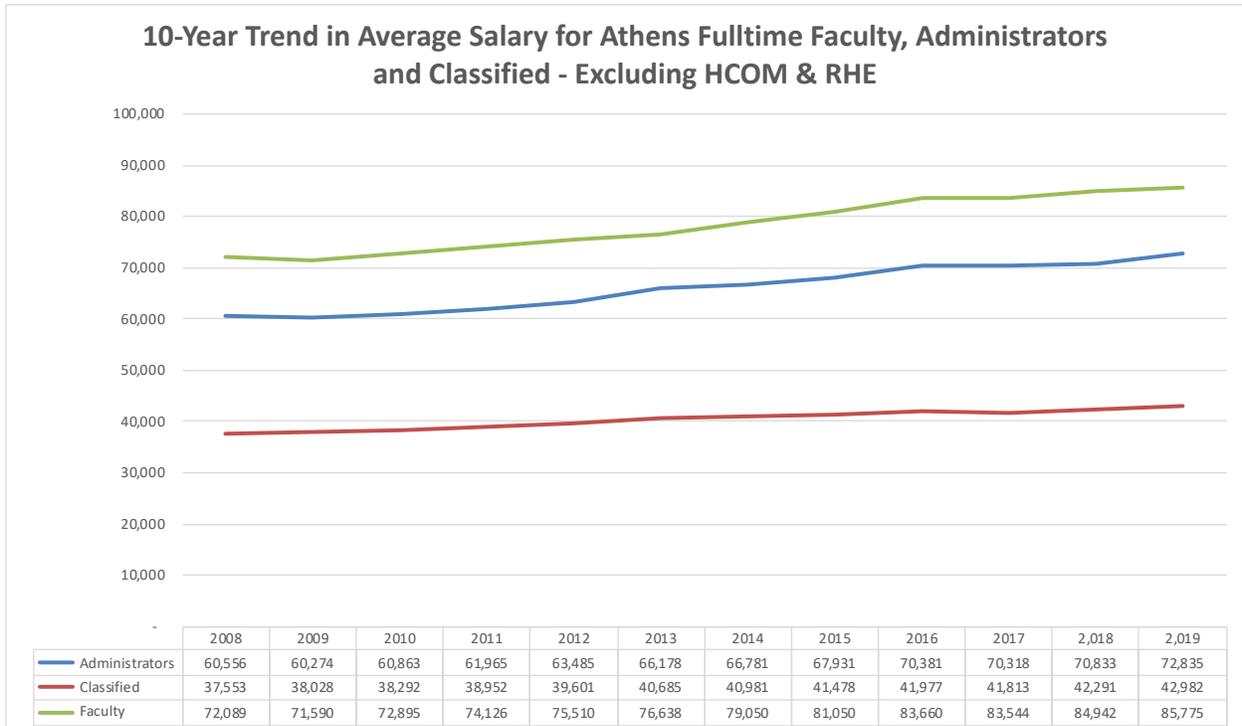
Excluding HCOM and RHE, faculty salaries on the Athens main campus were 38% in 2008, grew to 40% and remain 38% in 2019.

Another way to evaluate whether there have been shift towards high paid administrators would be to see if there are shifts in average salary levels for the three job categories. For example, if we been replacing lower paid administrators with higher paid administrators over time, the average salary for administrators should be climbing more quickly than the average for faculty. A graph of the average salary for each group can provide an insight into this question and is show below.



From this graph, the average salary for faculty and administrators has progressed essentially in parallel with the average salary across all faculty being about 18% higher than the average salary of all administrators. The average salary for classified employees has grown but not as quickly which is likely a result of raise pools being set on a percentage basis so the dollars going into this group are different.

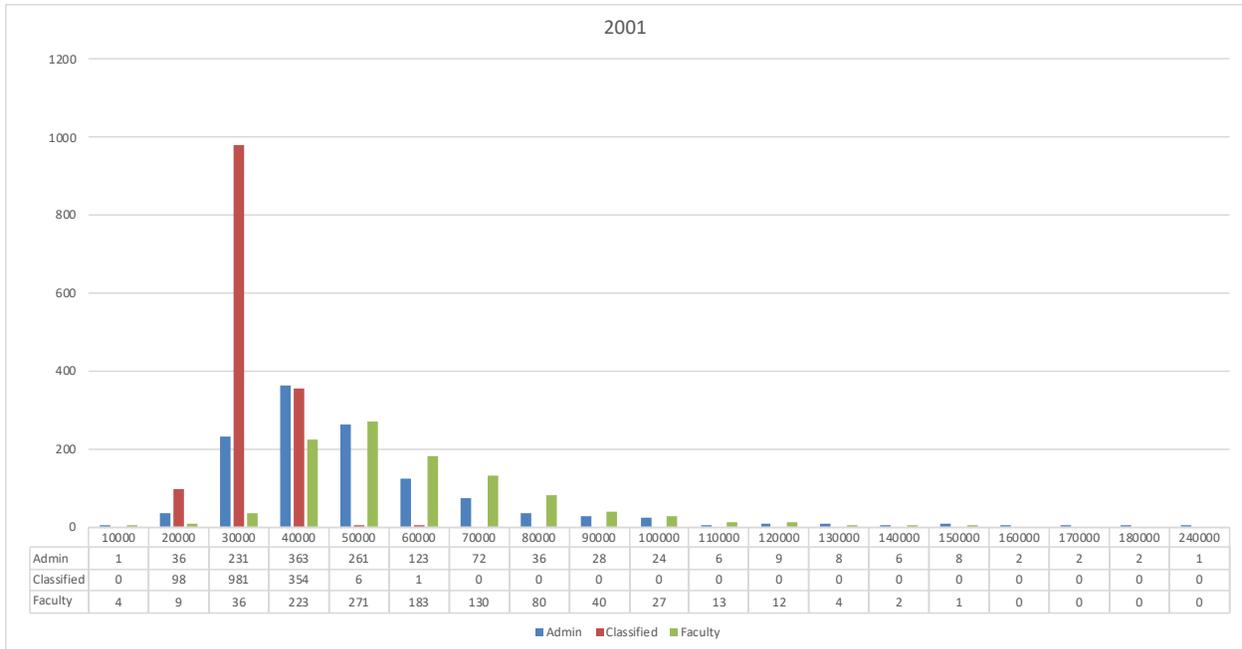
Since salaries in HCOM tend to be higher and salaries in RHE tend to be lower, these are removed in the graph below to see the comparison for just the Athens main campus.



Removing HCOM and RHE does not change the basic relationship between average salaries. Faculty on the Athens main campus average 19% higher than administrators across the decade.

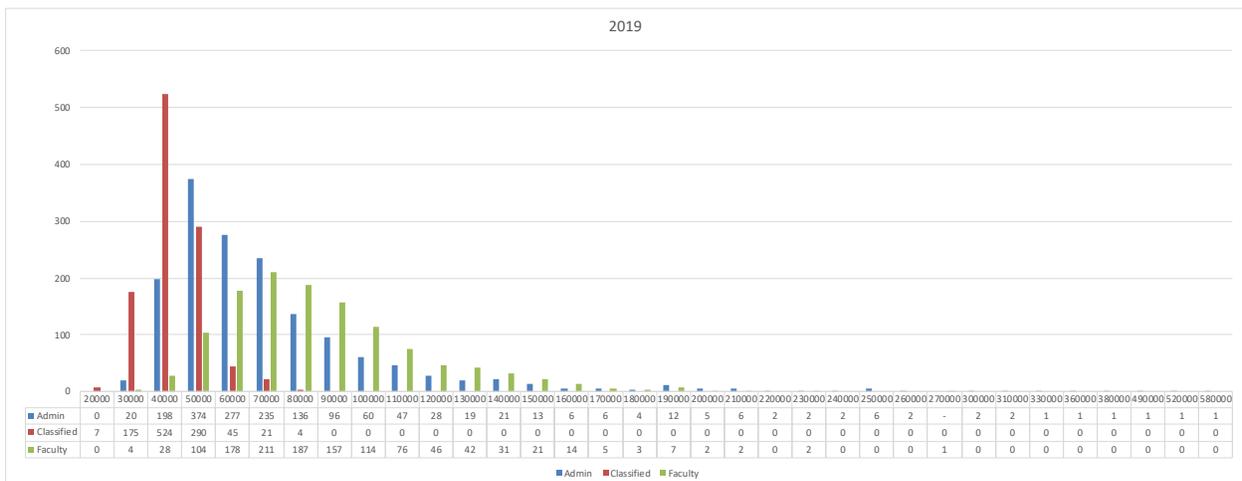
Since averages are sensitive to outliers, if a large number of high-salary administrators were added, the line for administrators should start to move closer to or cross the line for faculty. It is possible that an increase at the top could be offset by a balancing increase of administrators with below average salaries.

To look deeper into the distributions of salaries, each salary was rounded to the nearest \$10,000 and the frequency chart below with numbers of employees in each salary bucket was constructed. In addition, for this next analysis, we have excluded employees in HCOM and RHE to focus on changes that would impact the Athens budget where the current budget challenges exist. The graph below shows this frequency chart going all the way back to 2001.



From this graph you can see that the majority of classified employees fell in the \$30,000 bucket while administrators peak around \$40,000 and faculty peak around \$50,000. There is also a long tail of a small number of employees in the \$140,000 bucket and beyond (3 faculty and 21 administrators).

Doing a similar graph for 2019 you get the graph below.



The distribution for classified employees is similarly concentrated in the third salary “bucket” but the value of the bucket has now moved up one level to \$40,000 and the number of employees in this bucket has been cut in half from 1000 in 2001 to 500 in 2019. This shows the combination effect of increases in average salary coupled with changes in headcount. Administrators peak in the next bucket (\$50,000) as they did in 2001. Faculty salaries peak two “buckets” higher than administrators at \$70,000.

There is a possibility that large numbers of high paid administrators could be counterbalanced by an increase in the number of lower paid administrators while keeping average salary in parallel with the average salary of faculty. To evaluate this possibility the percentage of administrators and faculty below, in and above the “peak” bucket in was compared in 2001 and 2019. In 2001, 3% of the administrators and 6% of faculty were below their respective peak bucket. This makes sense given that the faculty peak bucket is \$10,000 higher than the administrative peak bucket. In 2019, 14% of the administrators and 25% of the faculty were below the peak bucket. This runs counter to the assumption that there is a large number of lower paid administrators counterbalancing a large number of high paid administrators influencing the average.

Going further, the number of people within the peak bucket was 19% of the administrators in 2001 and 24% in 2019 indicating the more people are concentrating around the peak. For faculty 17% are in the peak bucket in both 2001 and 2019. In terms of the number of people above the peak bucket, 78% of the administrators were above the peak in 2001 and that has dropped to 63% in 2019. Similarly, 77% of faculty were above the peak bucket in 2001 and 57% in 2019. This also seems counter to the idea that there are large numbers of high paid administrators being added.

The one thing that does stand out between the two frequency graphs is that the tail above the peaks is more stretched out for both administrators and faculty. For administrators the skew was 2.37 in 2001 and is 4.55 in 2019 indicating that the tail is stretching out to the right. Similarly, the distribution of faculty salaries is also positively skewed but not as much with a skew of 0.69 in 2001 and 1.16 in 2019.

To dig further into the positions that appear in the upper tail in 2001 compared to 2019, the \$140,000 bucket in 2001 discussed above was set as an arbitrary point of comparison since that is the point at which the bucket stops containing relatively equally numbers of faculty and administrators. In 2001, there are 14 employees in this tail – 1 faculty and 13 administrators.

To get a comparable point for 2019 the \$140,000 was increased by the annual inflation from 2001 to 2019 to come up with \$202,205. So, to compare 2019 to 2001, we will look at the distribution of employees in the \$200,000 bucket and up for 2019. In 2019, there are 37 employees in this tail – 6 faculty and 31 administrators.

To try to determine the types and locations of employees at these levels, the titles of positions included in these comparable tails is shown in the table below.

Athens Personnel - excludes RHE and HCOM				
	2001		2018	Change
Non-College				
President	1	President	1	0
VP Adv	1	VP Adv	1	0
CFO	1	CFO	1	0
VP Admin	1	VP Facilities	1	0
Provost	1	Provost	1	0
Legal	1			-1
VPR	1	VPR	1	0
VP RHE	1			-1
		VP HR	1	1
		Psychiatrist	1	1
		CIO	1	1
		Dir Investment	1	1
		Assoc Prov	2	2
		St Affairs	1	1
		VP Marketing	1	1
		President Staff	1	1
		VPR Partnership	1	1
		ICA Director	1	1
Coaches	2	Coaches	3	1
College				
		TechGrowth	1	1
Dean	3	Dean	10	7
Faculty	1	Faculty	6	5
	14		37	23
Total				
	2001			2018
Deans/Faculty	4			11
Central Admin	10			8
Salaries				
	2001			2018
Total	2,154,839			9,810,488
Average	153,917			265,148
Inflated	222,306	Beyond Inflation		42,843

In this table, positions are lined up so you can see which ones were in this category in both 2001 and 2019 (e.g. president, VP finance/admin, etc.) and which are changing. In 2001, three deans show up at this level and this has increased to 10 in 2019. There are now 6 faculty at the higher levels in 2019 compared to one in 2001. Of the additional 23 top-paid employees from 2001 to 2019, 13 are in academic units. The remaining 10 are in non-college administration.

The table also totals the salaries of all these highest paid employees at these two points in time. The total salaries for this top group was \$2.1M in 2001 with about 600K (27% of the total) in colleges and 1.6M (73%) in non-college administration. That has shifted in 2019 with \$3.8M (39%) going to college administration and \$5.9M (61%) going to central administration. The totals are naturally larger in 2019 given the larger number of people included. To tease out the effect related simply to the number, an average salary of personnel at these levels is included for each year. In 2001, the average was 153,917. When this number is adjusted for inflation, it is 222,306. In 2019, the comparable number is 265,148 which is 42,843 above inflation. This indicates that as both top faculty and administrative positions become vacant salaries often go

up with competitive hiring and market shifts in the level of salary needed to hire the level of candidate desired.

One should be cautious about interpreting these numbers. The cutoffs used are arbitrary and the increased number of positions relative to the cutoff does not necessarily mean completely new positions are being created across time. To completely understand the underlying factors related to the changes in salaries, you would need to try to trace the evolution of positions through time. To try to further tease out where positions might be increasing beyond simple inflation, each position in the 2019 group was compared back to the same position in 2001. You cannot simply add up the salaries of positions appearing in this group in 2019 and consider that to be an increase in upper administrative cost since most of the positions existed in 2001 but are below the \$140,000 cut off. To get a better sense of the increase in administrative costs, the positions in the 2019 list were matched back to the same person/position in 2001. Of the 37 positions, 8 positions (5 in college faculty/dean and 3 in non-college administration) had no match back to 2001. For example, areas like marketing and investment did not exist in 2001. Of the remaining 30 positions, the 2001 salary was increased by inflation and the difference between that number and the 2019 salary was calculated and resulted in a number of 2.7M. This is the amount of increase in the market rate paid for those positions. Within this total 274,202 was associated with 4 faculty (68,550 per position) , 545,813 went to 9 deans (60,645) and 1.9M was in the remaining 16 non-college administrative positions (118,991 per position). Of the 1.9M, 1.1M (56%) is in the top five positions with 667K in the two highest paid positions for coaches.

Typically changes occur when a position is vacated and new person is hired. These events often require paying a market rate which creates a jump if departing long-term employee has experienced salary compression. This likely contributes to the jump in salaries beyond inflation. This effect occurs across all employee groups. Assuming that these amounts could be saved in the budget by eliminating these positions is also overly simplistic since the functions of these positions would be difficult if not impossible to entirely eliminate. Savings would be fractional since someone would still have to perform these functions.

Administrative Position Detail

This next analysis was conducted in response to a question from faculty senate in 2018 looking at the increase in administrative positions from 2008 to 2017. It requires a detailed matching of position numbers and employee numbers at the departmental level to try to determine what positions are being added over time. As discussed previously, increases in administrative positions is offset by decreases in classified positions. While once you combine changes in classified and administrators, the growth in administration is not apparent, there are still questions about what administrative tasks are being added over time. So, ignoring the change in classified positions, a detailed analysis on a position by position basis was conducted to see what could be learned. To track the maximum amount of change the positions existing in 2008 were compared to the positions existing in 2017 (instead of 2018 where 63 positions were cut) where the total change in central administrative positions was +179. This required ensuring

previously, design and construction added project managers as the number of capital projects has increased. As mentioned before, these salaries are paid by the capital budget and not the operating budget. In 2019, many of these have been cut because of the slowing down of the capital plan. Note that part of the total increase has been offset by a decrease in library staffing. While library funding is critical, the types of changes listed are more related to changing to a more modern digital library where staffing needs for cataloging and clerical tasks are no longer needed.

The table at the bottom shows the net changes when you add in the changes in classified staff. When these are considered, the total change in non-auxiliary units drops from 139 to 49 but as mentioned above it is not possible to track what the evolution has been as hourly positions were decreased and salaried positions increased.

New Compensation Structure

A more granular structure was created within the non-faculty job categories in 2015 in response to findings from an ODE audit. This can be used to understand more recent trends in administrative positions. It was not used in the previous analyses since the maximum trend is 5 years because you cannot go back and reclassify positions prior to 2015.

In this structure there are three career tracks:

- Technical and Administrative Support (TAS)
- Individual Contributor (IC)
- Managerial (M)

Outside these levels there are more senior positions such as Deans, Vice Presidents, Associate Provosts, Associate Deans, etc. This table shows the current number of people in each bucket and the average salary in Fall 2019.

	FTE	Avg Salary
PRESIDENT	1	489,357
ASST TO PRESIDENT	4	174,031
PROVOST	1	378,750
ASSOC_ASST PROVOST	8	172,991
DEAN	11	229,956
ACAD_ASST_ASSOC_DEAN	11	115,650
ASSOC DEAN	3	136,621
VICE PRESIDENT	6	254,928
ASSOC_ASST VP	5	188,737
DEPT DIRECTOR	3	226,303
PROFESSIONAL	4	93,124
IC 1	74	41,908
IC 2	266	52,408
IC 3	299	63,503
IC 4	135	75,795
IC 5	9	127,601
M 1	53	49,326
M 2	109	63,937
M 3	166	77,074
M 4	76	112,298
M 5	35	145,121
TAS 2	4	37,357
TAS 3	3	51,251
TAS 4	1	49,317
Grand Total	1287	

To focus on the upper levels of administration as was done in the prior trend analyses, the first reduction to this list was made by reducing the list to positions with an average salary of over \$100,000. First, looking at the positions outside the compensation structure, the table below shows the trends for the five years that this structure has existed and the net change across that period.

	2015	2016	2017	2018	2019	Change
PRESIDENT	1.0	1.0	1.0	1.0	1.0	0.00
ASST TO PRESIDENT	3.0	4.3	4.0	4.0	4.0	1.00
PROVOST	1.0	1.0	1.0	1.0	1.0	0.00
ASSOC_ASST PROVOST	9.0	7.0	7.0	7.0	8.0	(1.00)
VICE PRESIDENT	6.0	6.0	6.0	6.0	6.0	0.00
ASSOC_ASST VP	4.0	3.0	4.0	4.0	5.0	1.00
DEAN	11.0	11.0	11.0	11.0	11.0	0.00
ACAD_ASST_ASSOC_DEAN	10.0	9.0	9.0	9.0	11.0	1.00
ASSOC DEAN	6.1	4.8	4.2	5.0	3.0	(3.13)
DEPT DIRECTOR	4.0	4.0	4.0	4.0	3.0	(1.00)
IC 5	11.0	11.0	8.0	3.0	9.0	(2.00)
M 4	68.0	72.0	67.0	77.0	76.0	8.04
M 5	30.0	29.0	32.0	31.0	35.0	5.00
Grand Total	164	163	158	163	173	8.91
Non-College	24.0	22.3	23.0	23.0	25.0	1.00
College	27.1	24.8	24.2	25.0	25.0	(2.13)

Positions outside colleges are in blue and show a net change of +1 position over five years. Positions within colleges are shaded purple and show a net change of -2. So, overall there is very little change in positions at this level over the past 5 years.

The Dept_Director category is mixed with non-college positions including the ICA Director and Director of Investments and college positions including one in WOUB and a position in the Sports Administration in the College of Business that dropped off in 2019.

For the positions within the compensation structure, a closer look at positions in the IC5 group shows they have gone from 11 to 9. These include positions like software developers and database administrators in IT, Avionics research engineers, psychiatrists, real estate, and student success as opposed to leadership or managerial positions.

That leaves the positions in the M4 and M5 Managerial categories. The trends for these categories are show below grouped into positions within academic colleges and those outside those units.

Academic Units	2015	2016	2017	2018	2019	Change
M 4	19.96	19	18	23	27	7.04
M 5	7	6	6	7	7	0
Non-Academic	2015	2016	2017	2018	2019	4
M 4	48	53	49	54	49	1
M 5	23	23	26	24	28	5

Overall there are a few added positions with similar numbers added within and outside the academic units.

For Managerial positions in academic units, the M5 level is unchanged across the five years. These positions are all CFAO budget positions. For the M4 positions within academic units, there is an increase of seven. These positions include directors of various program in the Voinovich School, some Assistant Deans for student success and directors for Wellworks, Kennedy Museum, OPI, ISFS and WOUB. The seven new positions are directors of communication, Cutler Scholars, and additional Assistant Deans in student success functions.

For Managerial positions in non- academic units, the M4 level shows a change of one position. This area includes positions such as the men’s and women’s basketball and volleyball coaches, Assistant Deans in Student Affairs and the Graduate College, directors in the women’s, LGBT and multicultural centers, positions in institutional research, auxiliaries, maintenance, grant accounting, HR, advancement, admissions, and risk management. The salary average for this group is skewed by two of the coaches’ salaries and would be close to \$100,000 without them so these are mostly lower level management positions as opposed to senior or executive leadership positions.

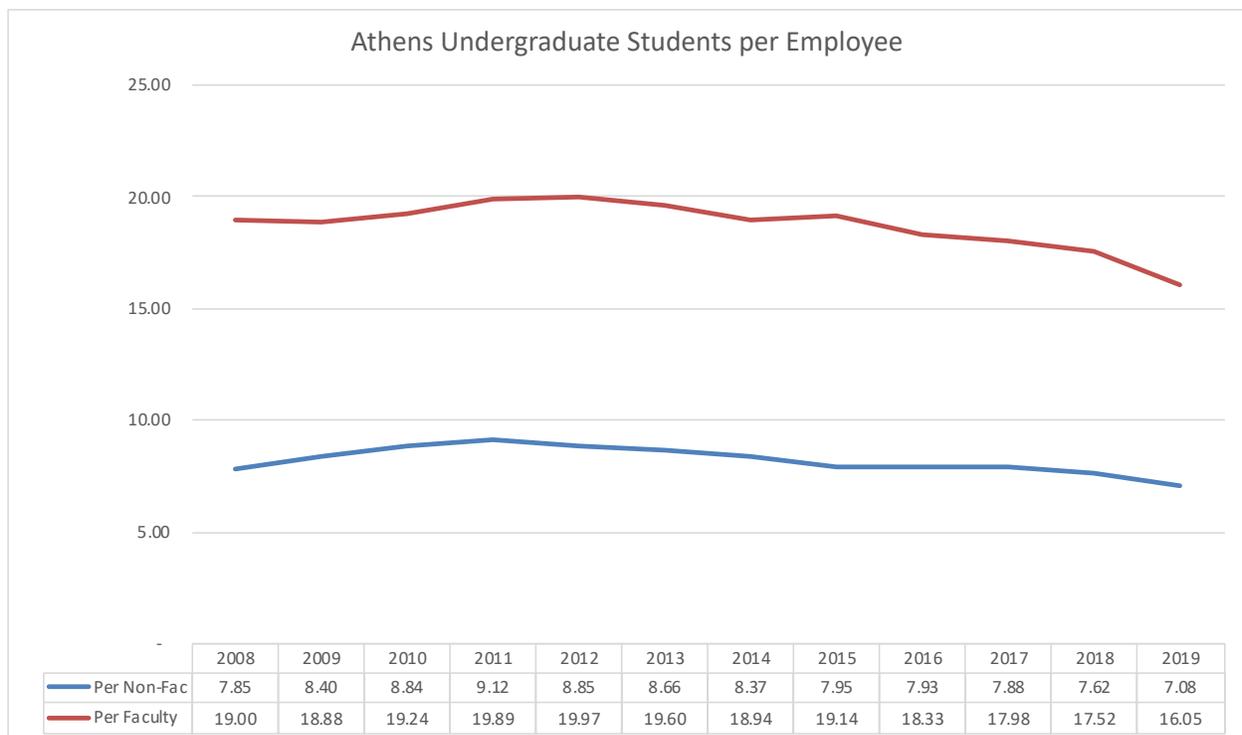
For the M5 positions within non- academic units, there is an increase of 5. These positions include the registrar, directors in financial aid and admissions, directors of budget and OU foundation, football coach, chief of police, directors of benefits, ECRC, housing, dining, alumni,

tech transfer, research compliance, and advancement services, and Assistant Deans in the library.

Overall, the increases in administration have been in the more managerial level (M4 and M5) and not in senior leadership positions such as Deans/Associate Deans, Provost/Associate Provost and Vice President/Associate/Assistant VP. The increases at the managerial level have been occurring both with and outside academic units.

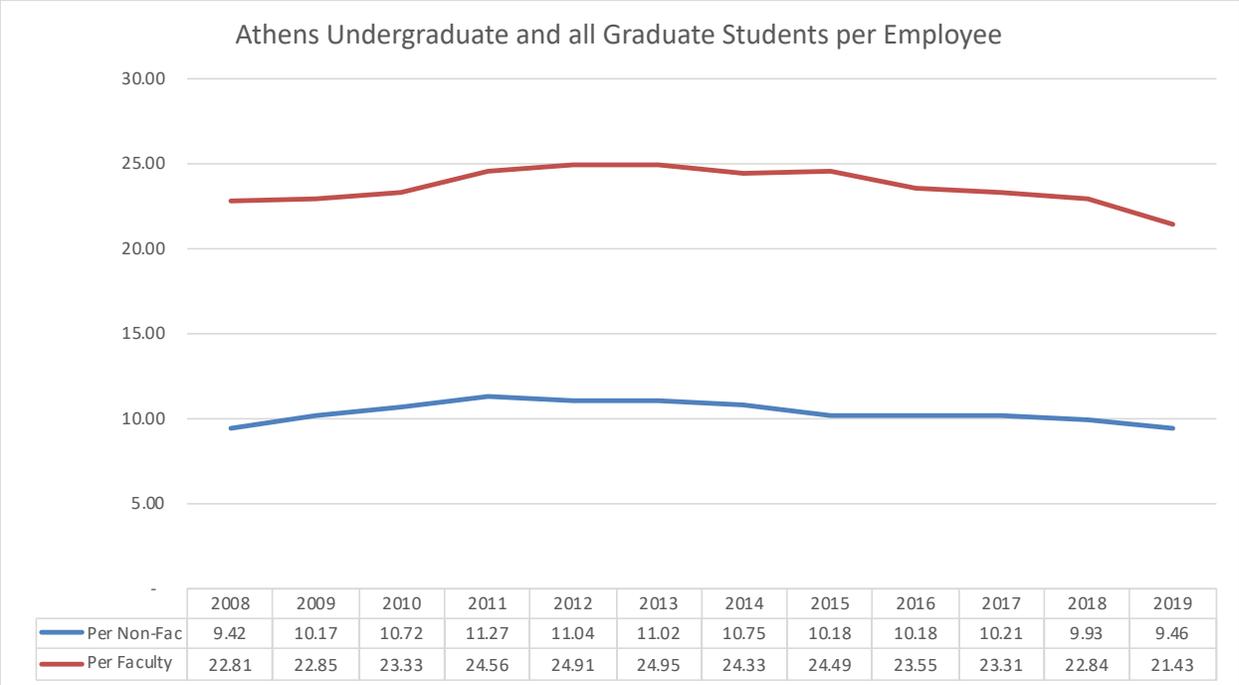
Staffing Per Student

Another way to analyze the appropriateness of staffing levels is to convert the data to employees per student. The graph below divides the number of Athens undergraduate students by the number of faculty and non-faculty employees (excluding HCOM and RHE).



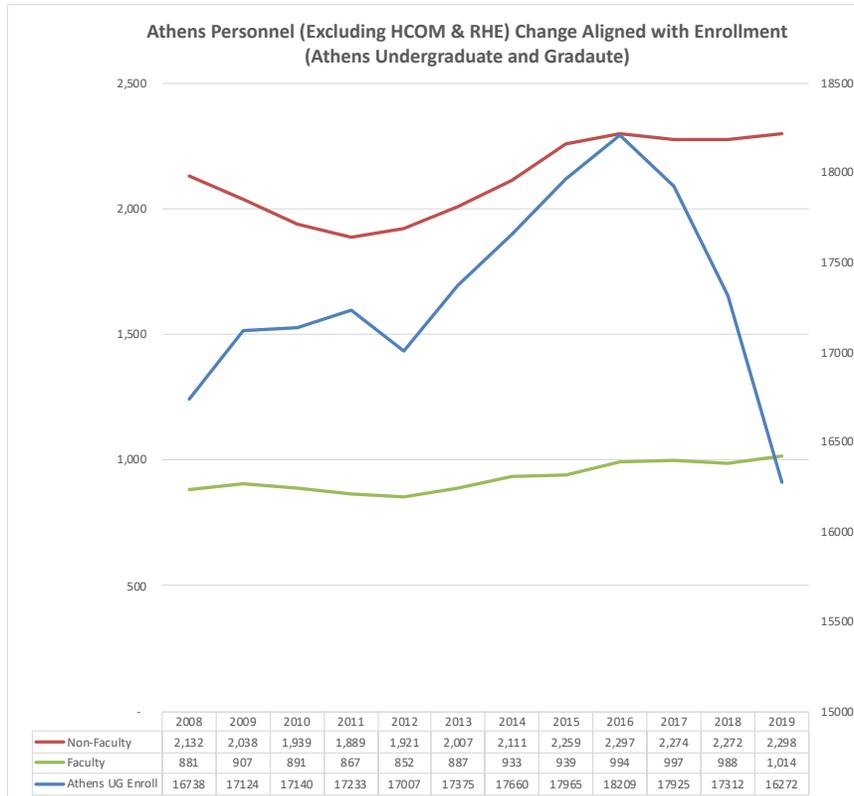
From this graph, the number of students served per of non-faculty staffing grew larger as enrollment grew and has ended up slightly lower across the ten years indicating that as enrollment declined in recent years the number of non-faculty has not yet come down to match. For context the fall enrollment in 2019 is slightly lower than the enrollment in 2008 so if staffing changed in relation to enrollment, it would require the 2019 ratio to be slightly higher than the 2008 ratio. With faculty, the number of students served by each faculty member similarly grew with enrollment but has declined even more than the non-faculty ratio indicating that the number of faculty has not been coming down in proportion to the enrollment decline.

One might argue that using just undergraduate students in this ratio gives an incomplete picture since staffing is also needed for graduate enrollments and those have been declining like undergraduate enrollment. The graph below combines graduate and undergraduate enrollments.



With these ratios, the ratio for non-faculty has basically returned to the 2008 level while the faculty ratio is still low. This again fails to support a conclusion of disproportionate growth in administration compared to faculty.

Another way to visualize the relationship between enrollment and staffing would be to lay the enrollment trend over the FTE lines for faculty and non-faculty as illustrated below.



In this graph the staffing trends (both faculty and non-faculty) remain near their high points despite three years of declining enrollment. Part of this is the delay in implementing staff reductions through bridging strategies so it would be expected that the personnel levels will start to come down. In the future, we will be able to see if personnel trends start to respond to the enrollment decline.

Credit Hours Per Faculty

Another common metric for determining if changes to faculty are not in sync with changes in enrollment would be to look at the credit hours per faculty member over time. To look at this, the number of credit hours (undergraduate and graduate) taught by tenure track faculty and the number of tenure track faculty were pulled from the Compendium information on the Instructional Research web site for 2013-14 through 2018-19. The 2013-14 year was used since prior to that we were on quarters and the number of credit hours is not equivalent. In addition, 2019-20 is not yet available at the time this was written.

As might be expected, the number of tenure track faculty increased to a high point in 2016 when enrollments were at a peak. With the enrollment decline there have been some decreases but levels are still up over 2013.

Group 1 Faculty	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	Change
ARTS & SCIENCES	290	294	289	303	298	286	(4)
BUSINESS	51	54	51	63	60	57	6
COMMUNICATION	72	74	71	72	70	64	(8)
EDUCATION	41	46	48	54	55	52	11
ENGINEERING & TECHNOLOGY	75	78	79	83	79	77	2
FINE ARTS	73	77	74	74	74	77	4
HEALTH SCIENCES & PROFESSIONS	47	46	49	52	53	51	4
UNIVERSITY	649	669	661	701	689	664	15

It is possible that the changes in faculty were not sufficient during the enrollment increase and that faculty have been asked to support more enrollments on a per faculty basis. To analyze this, the total fall SCH (undergraduate and graduate) taught by tenure track faculty was divided by the number of those faculty to get a SCH per faculty ratio which is shown below.

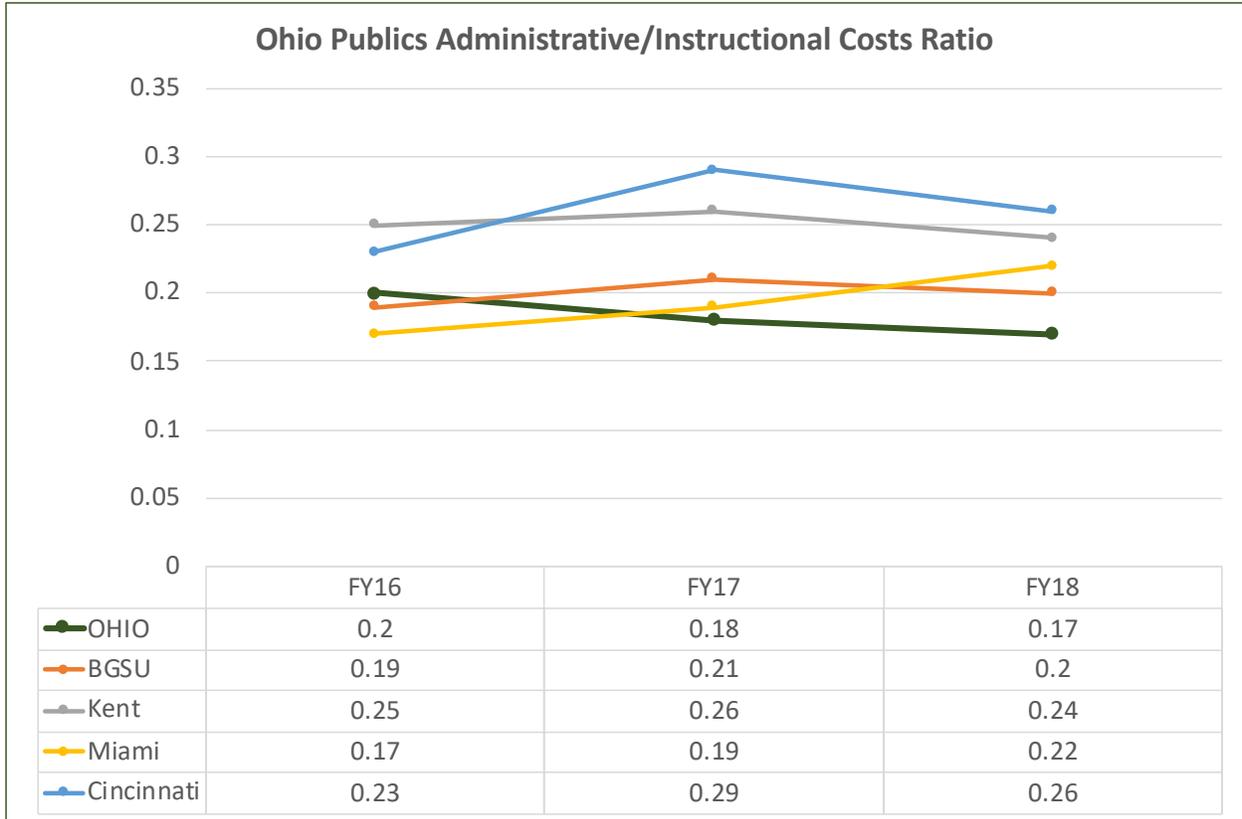
Total Fall SCH / G1	2013	2014	2015	2016	2017	2018	Change
ARTS & SCIENCES	205	214	206	195	194	184	(21)
BUSINESS	241	273	280	287	266	268	27
COMMUNICATION	186	177	171	168	193	182	(4)
EDUCATION	187	172	140	142	159	157	(30)
ENGINEERING & TECHNOLOGY	160	166	164	169	173	156	(4)
FINE ARTS	151	173	148	160	155	150	(1)
HEALTH SCIENCES & PROFESSIONS	209	238	193	194	167	198	(11)
UNIVERSITY	200	209	197	195	189	183	(17)

With the exception of one college, the number of credits per faculty member is down over these six years, so a conclusion that faculty have been disproportionately impacted by enrollment changes is not born out. In fact, at the university level the SCH per faculty at the peak in 2016 was not the high point.

IPEDS Analyses

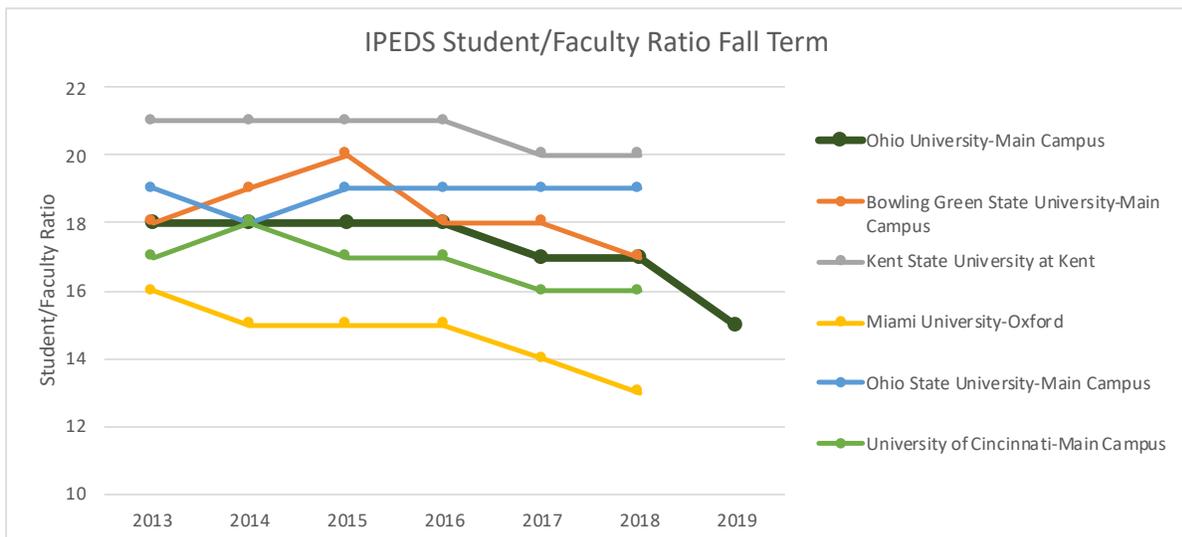
The Integrated Postsecondary Education Data System is another source of information that can be used to explore staffing questions. Two analyses have been conducted and are detailed in this section.

To further explore the balance between administration and instruction, a 2017 American Council of Trustees and Alumni publication used IPEDS data to create an administrative / instructional ratio that divides the spending on administrative functions by direct instructional plus academic support. For four-year public institutions in the Higher Research Activity Carnegie Classification with medium enrollment this ratio is 0.19. The graph below shows this ratio for Ohio University and similar universities in the state over the last three years. Note that the data for 2018 is still provisional and the 2019 data is not yet available.



Our ratio was in line with what was expected back in 2016 and have been going down since then indicating that our spending on administration has been going down in relation to spending on instruction.

An additional analysis was conducted by Institutional Research using IPEDS data to create a student / Faculty ratio for Ohio University and other institutions in the state.



This analysis correlates with the data on credit hours per faculty. Across the period of enrollment growth the ratio remained flat indicating that the enrollment growth did not impact faculty by increasing their load. Since the enrollment decline, the ratio has declined again indicating that as enrollment has declined, the number of faculty has not.

Conclusion

As suggested in the national research, the conclusion that our budget challenges are created through rampant increases in non-faculty personnel is not supported. Most of the increase in the administration category results from a shift from hourly to salaried positions. Average salaries for faculty and administrators have increased at basically the same rate and there are not large numbers of highly paid administrators that break the budget. While there are increases in the number of top-paid employees, most are in colleges with most of the change being investments in recruiting Deans and some top administrators. As enrollment has declined, the number of personnel (both faculty and non-faculty) have not yet been proportionally reduced.