



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #778

Funding for Additional Faculty (UW System)

[LFB 2005-07 Budget Summary: Page 499, #7]

CURRENT LAW

In 2004-05, the adjusted base budget for the UW System totals approximately \$3,822.0 million, of which \$976.6 million or 25.6% funded from state, general purpose revenues. Approximately 75% of the University's GPR adjusted base budget is provided under an appropriation for general program operations for University education, research, and public service. The UW System has the ability to combine the GPR general program operations funds with monies received from tuition and certain federal indirect cost reimbursements, creating an approximate \$1.5 billion pool of funds that it may use to run its operations.

GOVERNOR

Provide \$11,431,600 GPR and 120.0 GPR positions in 2006-07 to increase the number of faculty positions at UW System institutions.

DISCUSSION POINTS

1. In 2003-04 there were 6,622 FTE faculty positions at UW campuses with approximately 5,542 funded through GPR/fees. By statute, faculty are defined as individuals holding a specific rank within an academic department or its functional equivalent, such as assistant professor, associate professor, and full professor. Their duties include teaching, research, and public service. Systemwide, 42% of UW faculty are full professors, 26.4% are associate professors, 30.9% are assistant professors, and 0.7% are instructors or other unranked faculty.

2. According to UW System data, faculty currently teach approximately 60% of the student credit hours offered at UW System institutions. The remaining hours are primarily taught by

instructional academic staff or graduate assistants. While instructional academic staff are knowledgeable in their subject areas, they are not eligible for tenure and are often hired on an ad hoc basis, and are only paid for the hours spent teaching. Full-time faculty provide more program continuity, and are expected to provide student support, as well as conduct academic research and undertake public service activities that are not part of most instructional academic staff functions.

3. Under AB 100, \$11,431,600 GPR and 120.0 GPR positions would be provided in 2006-07 to increase the number of faculty positions at UW System institutions. The funding allocated under the Governor's budget for additional faculty would provide approximately \$95,300 per position. According to UW System staff, the salary and fringe benefit costs provided under the Governor's budget would correspond with the systemwide average for new assistant and associate professor salaries. [Executive budget staff have sent an errata to reallocate \$1,392,100 of fringe benefit expenses to the salary line since the fringe benefit costs were over-allocated under the Governor's original bill.]

4. According to executive budget staff, it is the intent of the Governor's recommendation that the allocation of the proposed funding and faculty positions be left to the Board of Regents. The Board of Regents has not determined how the funding would be allocated to the institutions in 2006-07. The Board would most likely determine the allocation rules in the fall of 2005, so that institutions would have time to complete hiring searches and have the additional faculty in place for 2006-07.

5. The Board of Regents included funding for additional faculty as part of their 2005-07 agency budget request in order to enhance the quality of education for both undergraduate and graduate students. In its "Charting a New Course" study recommendation, the Board of Regents recognized the connection between student access to faculty and a high quality education, and faculty contribution to teaching, research, and public service activities. The United Council of UW Students also listed the prevention of further erosion in tenured/tenure track faculty positions as a recommendation for the UW System's 2005-07 budget request.

6. Typically, student/faculty ratios are used to determine the quality of an institution's academic environment. However, while ratios may vary between campuses, nearly every campus has some large lecture classes, usually in required or popular subjects, and many small classes in advanced or specialized fields. According to Barron's "Profiles of American Colleges," a student/faculty ratio of 10 to 1 is very good. According to the most recent data from the U.S. Department of Education, National Center for Education Statistics, the national average student/faculty ratio for public universities is 15.8 to 1. In past budget requests, the UW System has identified an overall student/faculty ratio goal of 17 to 1.

7. Systemwide, 60% of undergraduate credit hours are taught by faculty, 34% by academic staff, and 6% by teaching assistants. In the fall of 2003, the UW System total faculty to student ratio was 20.5 with variation among campuses based on program array and campus mission. Since 1993, the total student FTE has increased by 9,042 (7.1%) while total ranked faculty has decreased by 548 FTE (7.6%); as a result, the faculty/student ratio has increased from 17.7 to 20.5.

Based on fall of 2003 enrollment data, the additional faculty positions provided under AB 100 would decrease the overall student/faculty ratio from 20.5 to 20.1.

8. The reduction in faculty over the past 10 years has occurred as the UW System accommodated budget and position authority reductions by not filling faculty vacancies and retirements with ranked faculty or tenure track faculty. The reduction in ranked faculty has resulted in both fewer course sections overall, and an increased use of part-time instructional academic staff. Nonetheless, the reduction in the number of ranked faculty has primarily been to accommodate overall budget reductions along with overall enrollment growth; it is less costly to use instructors in the classroom, since the average salary for an instructor is \$45,500, while the average associate professor salary is \$75,200.

9. As an alternative to providing additional position authority to the UW System for 120.0 faculty positions, the Committee could consider providing funds for UW System campuses to convert existing instructional academic staff positions to ranked faculty positions. The Committee could provide \$4,344,000 GPR in 2006-07 for salary and associated fringe benefit cost increases necessary to convert 120.0 positions within the UW System's existing GPR position authority that are currently used for instructional academic staff. The estimated cost of converting academic staff to faculty is based on the difference between the average academic staff instructor and associate faculty salary levels and related fringe benefit costs. This alternative would increase student access to full-time tenure track faculty, and provide students and institutions with the benefits of additional full-time faculty. However, this option would not improve overall student to instructor ratios.

10. Typically, funding for instruction-related initiatives in the UW System's budget is provided through a combination of GPR and program revenues derived from tuition. Historically, the UW System has requested funding utilizing a 65% GPR/35% PR fee split; however the current split between state support and academic fees is approximately 50% GPR/50% PR. According to executive budget staff, tuition funding was not included as part of the provision since the additional positions would be used to increase educational quality rather than increase student access through additional enrollment.

11. As an alternative to the AB 100 provision, the Committee could provide \$5,715,800 GPR and \$5,715,800 PR along with the 120.0 GPR positions. However, if the additional positions were utilized to enhance educational quality rather than increase UW System enrollment, the tuition portion of the funding would result in an approximate 1% tuition increase for students. This approach could also be used for the alternative to convert existing instructional academic staff positions to ranked faculty positions.

12. In the absence of additional funding or position authority, it is unlikely that UW System institutions would be able to hire additional faculty during the 2005-07 biennium. Given the proposed budget reductions, it is likely that campuses would continue to rely upon ad hoc instructional staff for a greater portion of student contact hours.

ALTERNATIVES

1. Approve the Governor's recommendation, but reallocate \$1,392,100 from fringe benefit expenditures to salary.

2. Delete \$7,087,600 and 120.0 positions in 2006-07. This would leave \$4,344,000 in 2006-07 for salary and associated fringe benefit cost increases necessary to convert 120.0 instructor academic staff positions to tenure track faculty positions.

<u>Alternative 2</u>	<u>GPR</u>
2005-07 FUNDING (Change to Bill)	- \$7,087,600
2006-07 POSITIONS (Change to Bill)	- 120.00

3. Delete \$5,715,800 GPR and provide \$5,715,800 PR in 2006-07. This alternative would fund the initiative with 50% GPR and 50% PR.

<u>Alternative 3</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
2005-07 FUNDING (Change to Bill)	- \$5,715,800	\$5,715,800	\$0

4. Delete \$9,259,600 GPR and 120.0 positions and provide \$2,172,000 PR in 2006-07. This would leave \$4,344,000 (\$2,172,000 GPR and \$2,172,000 PR) in 2006-07 for salary and associated fringe benefits cost increases necessary to convert 120.0 instructor academic staff positions to tenure track faculty positions.

<u>Alternative 4</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
2005-07 FUNDING (Change to Bill)	- \$9,259,600	\$2,172,000	- \$7,087,600
2006-07 POSITIONS (Change to Bill)	- 120.00	0.00	- 120.00

5. Delete the provision.

<u>Alternative 5</u>	<u>GPR</u>
2005-07 FUNDING (Change to Bill)	- \$11,431,600
2006-07 POSITIONS (Change to Bill)	- 120.00

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