



Provost Newsletter — February 4, 2021

Provost Perch

Welcome back to all of you, as we start the new terms across the University. In these unsettling times, indeed, and extraordinary historical time in our nation's history, returning to our distanced classrooms, yet again, is an achievement we should affirm with pride. As I noted in the Town Hall on January 15, many of us are fatigued with all the “caveats” and “contingencies” that inform our professional and personal lives. Uncertainties around COVID testing have now been supplanted by confusion about the latest strains of COVID-19 and access to vaccines. It is tiring to pivot and adapt to changes we least expect, especially when those changes seem to undermine what we take for granted as normalcy. But we are back in session, thanks to much effective planning and preparation across departments, the Schools, and the College. A modest number of undergraduate students are in residence in Redlands and residential students continue to live in Marin. Continuation of online and hybrid education is planned for a majority of our instruction this spring and summer. No doubt future surprises are in store for us and new adaptations will be required as our terms progress. We have “pivoted” often since March 2020, and in so doing, generated important long-term innovations that are in process. Many of you have shared with me excitement about new possibilities, but also your concerns for the future. I appreciate the significant additional effort and commitment you have all made to serve the University of Redlands. I join my Cabinet and Trustee colleagues; we thank you very much for all we have accomplished.

Here are updates for three key areas:

1. Structural Budget Deficit Planning

Faculty, deans, administrators, and staff have collaborated on several new and/or reorganized programs that we believe will prove attractive to current and future students, as well as helpful to our bottom line. Initiatives such as these help us grow revenue and enrollments for the near and long term. Shared governance consultation with the Budget and Planning Committee and the Joint Committee on the Structural Deficit has been consistently helpful and fostered transparent and frank dialogue. I'm grateful for that process as we navigate our financial challenges.

Here is a sample of what you have been up to:

- Offering additional 4-plus-1 pathways that can incentivize CAS undergraduates to stay at the University in our graduate programs in business, clinical mental health, theological studies, GIS, and data analytics. These will roll out for fall 2021, and we anticipate more to be on the way.

- Launching CAS Summer School for summer 2021, which will help students who are short credits from COVID situations, as well as offering new opportunities to learn from CAS faculty and trusted adjuncts.
- Expanding certificate offerings in the SCS from all schools, including the certificates in *Theological Studies* and *Business Location Analytics*, which have already launched. Additional certificates in development are *Purposeful Organizational Leadership*, *Non Profit Management*, *Racial Justice*, *Sports Science*, and *Cyber Security*.
- Increased synergies through collaboration on curriculum and programs, planning, for example, in music and the arts, and in humanities and theology at Redlands.
- Initiating discussion of new degree programs, such as an online MDIV, a Doctorate in Business Administration (DBA), an Executive EdD, and a potential Masters in Public Policy.

To put these growth initiatives in context, I remind us all that we identified a structural deficit of approximately \$20M last fall, which we will reverse within the next three years. We have started to address this deficit through a focus first on the 2021-22 budget. Later this week, we will present to Trustees a three-year projection that includes \$9M in *structural* balancing actions, and the remainder in *temporary* balancing actions for 2021-22. That \$9M in structural balancing includes these preliminary assumptions:

- \$2 million (representing less than 12% of the College's total instructional budget, and less than 7% of the University's instructional budget) in savings/efficiencies like those outlined in *Redlands Reimagined* that will come from realignment of curriculum; evaluating faculty composition for the best assignments of full time and adjunct faculty; maximizing full time faculty contributions to our teaching and learning through reductions of course releases; thoughtfully assigning adjuncts where they are most effective and needed; reducing major or minor requirements; and given full-time faculty resources, reviewing priorities for general education, departmental and school/college wide curriculum.
- Optimizing Study Away and May Term programs.
- Optimizing enrollments in Salzburg programs.
- Improving retention rates.
- Initiating a review of our compensation structures for all employees, including faculty, with the goal of sustaining better compensation for a potentially smaller workforce at UR—this action will include a review of the Faculty Salary Plan conducted by the Provost, CFO, and BPC leadership.

Fully resolving the structural deficit will require growth in revenue through new programs, strategic initiatives and diversifying our revenue streams. We must act now to initiate these strategies in order to be effectively positioned to realize the growth over the next 2-3 years. In the meantime, balancing next year's budget will require some temporary, unhealthier structural actions, including:

- Budgeting for some contributions to reserves, but not the full target amount desired to replenish and improve our liquidity.
- Modest investments in physical plant and deferred maintenance allocations.
- Reinstating salaries to levels before the September 2020 reductions.
- A modest salary pool that includes advances in rank and promotion increases for faculty.
- Ending the suspension of employer retirement contributions with a plan to phase in over several years an employee match formula that would create a higher employer contribution cap of 10%. Right now, we're budgeting for a 5% employer contribution next year.
- Asking the Board of Trustees to approve a 5% endowment distribution rate once more, given the current impact from COVID (this is a decision they won't take lightly given the importance of preserving intergenerational equity).

We are projecting additional revenue to address the structural deficit in FY 23 and 24, but current projections still place us millions shy of achieving a structurally healthy budget. We will not cut our way out of this deficit, which is why the deans and I are calling upon you to be aggressive with the growth through new programs and non-tuition revenue generation, such as the maximizing of our rental and conference revenue at the Marin campus. Here are just a few examples of the future forward initiatives we can all support and advance:

- The School of Continuing Studies will set a goal of doubling or quadrupling their current \$1M revenue goal over three years. All Schools and the College can partner with the SCS in this effort. We have included updates from SCS Director Amy Moff-Hudec in this *Newsletter*.
- As illustrated by the example of SCS, now is the time for all of us to meet the moment. We can be bold about growth through adding new programs that meet students' interests, and at the same time, increase the student retention rate. How are you partnering with your colleagues and deans to contribute to this expectation?
- We can also distinctively maximize the use of all three modalities we are currently able to use: in person, online, and hybrid.
- And look to new partnerships, for example, to "the east" of Redlands.

All of these actions assume no elimination of tenure track faculty lines. New searches will be very limited in the near term. I realize this will affect existing curriculum, program viability, and morale, among other consequences. Nonetheless, these compensation and programmatic actions—including the generation of new revenue—contribute to our ability to preserve full time faculty positions. Our choices have not been possible, or at least not followed by some other higher education institutions. Consider just one example: Ithaca College. Ithaca engaged in a fall semester of academic program prioritization—like many other institutions—that will likely result in the elimination of somewhere between 100 and 116 FTE positions; including full time faculty. This translates into 26 department major and program discontinuations, according to recent press

releases. Although the final decisions are still in negotiation, it appears that Ithaca College will see reductions that range from 15%-34% of faculty, depending on the School or program in which faculty are assigned. We need to stay our course.

Throughout this process, there are several frequently asked questions that surface and resurface. Here are some answers for them:

Q: What is the difference between the Structural Budget Deficit and our immediate COVID budget impacts?

Our sector (regional residential liberal arts and professional institutions) is and has been struggling financially, as the capacity of students and families to pay education-related expenses has been stagnant for a half-dozen years. Many institutions in the sector have faced structural challenges where expenses outpace revenue growth, resulting in significant cuts and realignments to budgets. U of R is no exception. We face the need to make changes to become more sustainable over the next several years.

Consider the following:

- A structural deficit is defined when the size of an enterprise (fundamentally its people, buildings, and assets) outstrips the sources of its revenue (for U of R that is 92% of revenue dependent on tuition and related income). The challenge in higher education right now for most institutions, ourselves included, is growing net revenue on a per student and aggregate basis.
- Among two dozen small-to-medium sized private institutions in CA, WA and OR (PACCON consortium), the median net tuition revenue growth among those institutions was 0.2% in fiscal year 2019 and 0.2% in fiscal year 2020. The median annual change in net tuition and fees has declined from 2.1% in 2015 to 0.2% in 2020, not even keeping pace with CPI.
- The wealthiest of private institutions, for whom endowment represents a significant percentage of their budget, can mask the net revenue growth challenge by realizing annualized investment gains larger than the rate of inflation.
- At Redlands, our endowment distribution allocation covers less than 5% of our total expenses.
- We also have an aging physical plant with lack of adequate annual investment in current-year maintenance and funding of long-term capital reserves. Reductions and/or under-investment in annual maintenance have helped balance operating budgets in the past, but that contributes to greater structural deficit as inevitably the University will bear the cost of replacement or refurbishment in due time.

- A substantial majority of our operating budget (2/3) is personnel, which are fixed costs. Both internal and external factors place upward pressure on personnel costs at a faster rate than revenue, caused primarily by:
 - Increased California minimum wage, increased exempt salary thresholds, and increased compliance costs for our personnel (all, however, have improved the compensation for our lowest paid employees).
 - Compliance with legislation that increased very substantially the pay of adjunct faculty members at private institutions.
 - Inexorably increasing costs of health care/insurance premiums nationally.
 - Net revenue on a per student basis grows slower than the associated labor costs.

While substantial, the loss of housing, conference, and event revenue this year from COVID is not structural, as we expect to realize revenue from these sources again post-COVID. Experienced declines in enrollment revenue is mixed—some is temporary as students hit pause on their studies while we remain online-only. But the pandemic has also negatively impacted new student enrollment numbers during a time in which “normal” recruitment practices have been severely constrained by local and state health precautions. To the degree enrollment will be lower than pre-pandemic levels for the next few years, we will need to address the consequent structural implications.

Q: Didn't the merger with SFTS cause most of our current financial trouble?

No. The Board of Trustees authorized the use of \$1.6 M from reserves for the costs of this acquisition. In return, the University netted gains: \$35 million to our endowment, eight endowed faculty positions, and a campus valued at \$50-\$100M in real estate assets. The campus provides strategic opportunities for program partnerships, including 4-plus-1 programs and certificates with the School of Music. The Marin campus enables us to grow enrollments in our professional programs, although this revenue—as well as conference and events revenue-- has been interrupted because of COVID. Consequently, 2019-20 contributions from academic programs and conferences at the Marin campus came in approximately \$500,000 under budget. Over the same time period, the University of Redlands realized over \$1M in philanthropic gifts from the SFTS/GST alumni and friends.

Q: How much stimulus funding have we received and for what purpose?

As has been shared, our CARES Act allocation last spring was \$3.4 million. \$1.7 million of that was used in the form of emergency cash grants to support students with needs from the disruption of in-person learning due to the pandemic. The other \$1.7 million in institutional allocation was used to defray costs and lost revenue caused by the pandemic. It did not cover the entire deficit from COVID.

The second stimulus (CRRSAA) allocation to the University is \$5.1 million, of which \$1.7 million is also required to support students in the form of financial support. The remaining \$3.4 million will be used to defray costs and lost revenue from COVID, helping offset the projected \$12 million + deficit in 2020-21.

Q: Why hasn't our successful fundraising campaign made a bigger difference on our budget deficit?

The fundraising campaign is nearing \$200 million, raised over 9 years, but that's a mix of annual fund gifts (which were spent in those fiscal years), cash gifts to the endowment, and pledges/bequests that have not been realized. The endowment did grow significantly last fiscal year with the acquisition of the SFTS endowment (by approximately \$30 million). The endowment distribution rate allocation to support the operations budget increased from \$5.3 million in 2018-19 to \$8.4 million in 2019-20. Much of that growth in distribution is endowment to support the operations of the Graduate School of Theology.

2. Business as Usual? Yes...

COVID paused or complicated some of our annual academic oversight and planning at the Provost level, but we should not forget that program reviews, the WASC Reaffirmation, faculty reviews, faculty development, and most other academic programming have continued. Library services, the Registrar, the Center for Spatial Studies, and the Office of Career and Professional Development all continued their services through telework and online access. ITS did the same, with increased on-campus support to our community beginning this spring. Additionally, we have expanded technology enhanced learning facilities for the long term, including outdoor spaces. Thanks to a generous gift from the Fletcher Jones Foundation, renovations to Jones Computer Center and the Armacost Learning Commons are underway.

3. Business as Usual? Not entirely...

Two of our annual spring events that signal normalcy will be modified due to COVID restrictions on our campus life. We will move the *Our House* celebration and publication to October 2022, with the hope that some in-person gathering will be possible. You can expect a call for submissions from the Provost Office in May.

Spring 2021 Commencement celebrations for the College of Arts and Sciences (CAS), the School of Business (SB), the School of Education (SOE), and the CAS Class of 2020 will be virtual celebrations. U of R is following the [State of California Blueprint for a Safer Economy](#) and guidance for [Institutions of Higher Education](#), which limits the size of gatherings in each tier. While California's Regional Stay-at-Home order has been lifted, San Bernardino County is still in the Widespread (purple) tier.

Given the in-tier time requirements for transitioning through each less restrictive tier, reaching a tier that would permit our traditional, in-person Commencement gatherings is infeasible.

We are reviewing vendors with whom we will partner for producing the virtual ceremonies. Faculty should work with their deans on how best to be included. Additional events such as Baccalaureate, Johnston Commencement, honoring Military and Veteran graduates, a Students of Color ceremony, the Lavender recognition, and the CAS Honors Convocation are still in planning mode.

Kathy Ogren

Provost and Executive Director, Marin Campus

In Memoriam

As reported to the community last week:

Dr. Carol Ann Franklin passed away on January 22, 2021, following a long battle with illness.

Dr. Franklin had a long and richly varied professional career at The University of Redlands. She joined the faculty in 1976 and served our campus as a faculty member, Associate Dean, program developer, researcher, and governance leader. Examples of Carol Ann's contributions include her work on an early GIS project related to the Salton Sea and a multi-year summer geography kid camp for local youth; foundational contributions to establish and sustain the Ed.D. program; and the Student Success Partnership program.

In our community, Carol was recognized as a Town and Gown Person of Distinction and was awarded the Frank J. Rice Memorial Service Award. Dr. Franklin's School of Education colleague and former Dean Andrew Wall provides a fitting remembrance for Dr. Franklin, writing: "Carol was an exceptional person, who offered wise counsel, incredible guidance to students, and was a champion for those who might not have otherwise had opportunity. I will remember our conversations warmly, as she extended grace and wisdom freely to me over the years. I relished in hearing the story of her academic journey, her remarkable commitment to the University, and the tremendous contribution she made to foster youth."

Cards can be addressed to her family:

The Franklin Family
30 Brentwood Drive
Shrewsbury, MA 01545

And to Carol's close friend:

Karen Paton
35562 Date Avenue
Yucaipa, CA 92399

Academic Affairs Updates

May Term for the College of Arts & Sciences

by Steve Wuhs, Interim Dean

While there is, we believe, light at the end of this very long tunnel, COVID infection rates remain high and vaccination rates remain low. These factors, with all their uncertainty, underpin the decision to cancel May Term travel courses this year and to move May Term courses online.

The decision about travel courses is shaped by COVID guidelines and restrictions that would interfere significantly with course execution, the delay of the COVID vaccine rollout, and the decisions being made by other institutions and leaders in international education (many of which did not even offer 2021 as an option to their students).

The decision about on-campus May Term is shaped by those same factors, as well as the additional and ongoing challenge of on-campus life during the pandemic. While thus far this semester's residential experience has been successful, anticipated low demand for May Term housing, paired with the associated low demand for on-campus dining make offering in-person or hybrid May Term courses untenable for the University. Students residing on campus will move out on Wednesday, April 28, with additional information regarding the availability and processes of summer housing forthcoming from Residence Life and Housing.

Faculty who are planning to teach in May 2021 will do so online, and will capitalize on their growing expertise with online pedagogies to engage students with novel and challenging content, just as they have for the past year. The CAS Dean's Office will communicate in the coming weeks an updated list of courses available for students this May, and CAS Study Away is following up separately with students who were enrolled in May Term travel courses about their options.

School of Continuing Studies

by Amy Moff Hudec, Director

This summer the University will offer our first ever Summer Term for the College of Arts and Sciences. The term will run from June 14 through August 6 and will include courses such as *Digital Imaging, Nonprofit Management, Intro to Comm Dis*, and *Mother Earth Chemistry*. While this program is specifically for CAS students, some of the courses will also be open to visitors such as alumni, high school students, and lifelong learners (65 and older). Students will register in March through self-service. **Please advise your students on these opportunities.** You can find more information here: <https://www.redlands.edu/study/schools-and-centers/school-of-continuing-studies/cas/summer-school/>

Instructional Technology Services

by Cheyne Murray, Director

- **Digital Learning.** The Instructional Technology team reflected on our digital learning achievements in relation to NorthStar 2020 and beyond. You can read our executive summary [here](#), and review our infographic [here](#).
- **Breakout Rooms Update.** *Teams* and *WebEx* can now conduct breakout room sessions. To learn more about how to conduct a session using this feature please visit the following resources:
 - [Teams breakout rooms](#)
 - WebEx breakout rooms
- **Support.** For additional assistance from Instructional Technology Services:
 - [Consultations](#)
 - [Moodle Support](#)
 - [General Information](#)

Office of Career and Professional Development

by Lauren Wooster, Associate Director for Career Strategy & Integration

In a recent poll of students attending an OCPD workshop, roughly 80% said that they attended because of a professor's recommendation. Thank you for encouraging your students to partners with our office to figure out their next steps! The OCPD is still offering all services virtually, so please continue to encourage students to [attend our events](#) and [book sessions](#) with our office.

Students can access the Office of Career & Professional Development through our web page, ocpd.redlands.edu, to reference resources and articles, book virtual sessions with our staff, and view our calendar of events. If they have any questions, we encourage them to email ocpd@redlands.edu.

Additionally, we hope you will encourage students to attend **the 3rd Annual Career Conference held on Saturday, March 13, 2021**. We anticipate a compelling line up of Alumni speakers discussing an array of topics about various industries, including Careers in Social Justice and Careers in Fine Arts. We are currently in the final phase of collecting presentation proposals. **We encourage you to share our [submission form](#) with alumni for consideration or apply yourself.**

Armacost Library and Learning Commons

by Annie Downey, Associate Provost and Director

As of Friday, January 15, Armacost Library went live with *Tipasa*, our new interlibrary loan system. It looks a bit different from *ILLiad*, the system we've used for many years (both hosted by OCLC). The user interface is simplified and enables more integration between library accounts. For library staff, the new cloud-based system enables more flexibility in processes and workflows. **Please let us know what you think (and update your bookmarks)!**

On Monday, January 18, we welcomed a new staff member—Naila Popat—as our Interlibrary Loan Coordinator. Since October, our Access Services team members, Matthew Diep and Michael Kremer, and librarian, Bill Kennedy, have been filling in. We're hoping you didn't notice, but many thanks for taking on this additional work!

[Curbside Pickup](#) service continues this semester. Appointments can be scheduled for Mondays & Thursdays, 11am – 5pm. Because we're maintaining limited staffing in the building, on rotating schedules, we cannot schedule pickups for the same day you request.

Please visit our COVID page <https://library.redlands.edu/covid19> for the latest updates and resources.

Sponsored Programs

by Steven Moore, Director

A list of current and future opportunities is maintained by the Sponsored Programs Office on SharePoint. [Access the opportunities document by clicking this link](#). (University of Redlands credentials are required to access the document)

[Click this link to join the Sponsored Programs group](#) and receive Sponsored Programs news and lists of federal, state, and other funding opportunities. Please contact steven.moore@redlands.edu to discuss a project idea and/or ask questions about the proposal writing process.

If you have questions about Sponsored Programs, funding opportunities, and the process of applying for a grant, please contact Steve Moore at steven.moore@redlands.edu.