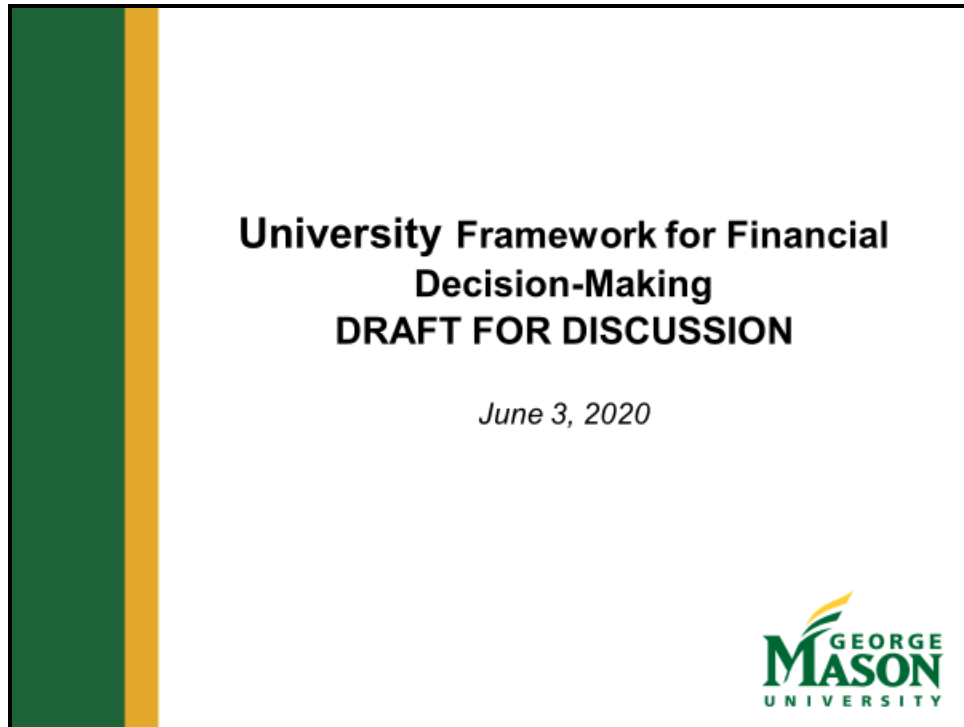


GEORGE MASON UNIVERSITY
MINUTES OF THE FACULTY SENATE EXECUTIVE COMMITTEE MEETING
THURSDAY, JUNE 4, 2020
Electronic Meeting 1:00 – 2:30 p.m.

Present: Lisa Billingham, Melissa Broeckelman-Post, Shannon Davis (chair), Interim Provost Mark Ginsberg, Timothy Leslie, Bethany Letiecq, Kumar Mehta, René Stewart O’Neal (Associate Vice President for Strategic Planning & Budgeting), Suzanne Slayden.

- I. Call to Order:** Chair Shannon Davis called the meeting to order at 1:00 p.m.
- II. University Framework for Financial Decision-Making DRAFT** Chair Davis welcomed René Stewart O’Neal (Associate Vice President for Strategic Planning and Budgeting). René shared a presentation to provide basis for discussion. Associate VP O’Neal noted that the presentation is a work in progress and is being collaboratively developed with inputs from Interim Provost Ginsberg, Sr. Vice President Carol Kissal and other university leadership.



Consultations are ongoing with various stakeholders within the university, including input from the faculty as part of shared faculty governance. With desire to be financially transparent and continued shared governance, it was noted that the situation is fluid and there is expectation that with further developments associated revisions to the budget will be necessary

Planning Context

Mason is facing extraordinary financial circumstances as a result of the pandemic and economic crisis that will require new ways of thinking.

We need to proactively plan for significant shifts in operations, academic offerings/delivery and finances due to probable revenue losses from the following:

- *Potential out-of-state and international student enrollment declines*
- *Loss of housing & dining revenues*
- *Decreases in State support for operations and capital projects*
- *Declines in philanthropy and endowment returns*
- *Potential slowdown in research grant funding*

We must also continue to invest and to innovate – we must look beyond the crisis since the institutions that do so are the ones that will emerge most successfully.



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Associate VP O’Neal: We had a very good budget year pre COVID. The state expressed a great deal of confidence in both our stewardship as well as our mission. This had resulted in increased state appropriation to reduce the historical funding disparity. Mason has managed to retain the allocation for Tech Talent Initiative, which now remains as the only component of that increase that it is still receiving.

Conversations with the state are scheduled this week. Depending on revenue forecast for state later this summer, Mason may actually be faced with a cut to the base budget. The best-case scenario for state appropriations part of Mason’s budget is that it will stay flat. With market performance and the reality of the economic downturn, it is prudent to plan conservatively and anticipate a decline in philanthropy and endowment returns. A slowdown in research grants funding is expected to materialize more in FY 22 than FY 21.

Budget Planning Objectives

- These efforts should aim to **improve collaboration and incentives** between academic, administrative, and auxiliary units, which will **preserve existing financial and operational autonomies**.
- **Although we assume this is a short-term financial challenge, we need to understand the potential multi-year impact**, enabling leadership to make informed decisions with an understanding of their impact well beyond the current year.
- We must **identify and leverage opportunities** in the crisis to complete much needed projects that will **improve Mason's long term operational efficiency and bring transformative change**.
- Decisions should be viewed through the lens of how they will **deliver on our mission, sustain our workforce, maintain student success, improve our financial position, and promote transparency, accountability, and responsiveness** to faculty, staff and students.
- In addition to strategic plan priorities, we must **balance investment in strategic items with core-based business needs** that improve efficiency and sustainability of business processes.



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Mason has not announced any furloughs or layoffs, and there is recognition and priority that there should be no cut to core operations.

Guiding Principles

- To protect the health and well-being of faculty, staff and students.
- To maintain flexibility to support and sustain our academic, student success, and research mission.
 - ***We assume the anticipated revenue losses are short-term and we need to take care not to erode our core business;***
 - ***Identify strategic cuts, rather than across-the-board reductions***
- All actions should consider long-term university priorities, our commitment to excellence and a rich learning experience for our students.
- Shared sacrifice will drive our budget decisions—every constituency will participate and share in mitigating revenue losses.
- Continue to fund our highest priority strategic investments that will mitigate negative financial impact, improve our recovery trajectory, and deliver long term benefits.
- Incremental revenues from the FY21 tuition increase will be allocated to fund our strategic investment priorities.



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Sharing the current version of the guiding principles for decision making, it was noted that the faculty input is most valuable in development of these principles. In past economic downturns, percentage cuts were made across the board. Such uniform cuts have a differential impact; and this time there is a recognition that we need to approach these cuts thoughtfully.

Shared sacrifice will drive the budget decisions, and every constituency will be invited to participate and share in mitigating revenue losses.

Fall Planning

Overarching Goal: Maximize value to students and continue access to excellence while mitigating risk and keeping campus population safe

- Establish decision-making framework and criteria that Mason will consider to make a decision for fall opening:
 - State guidelines
 - Strategic rationale to protect safety of students, faculty and staff while delivering on mission
 - Community engagement
 - Establishing innovation in the delivery of education
 - Determination of risk thresholds (short, medium, long)
 - Continued monitoring, assessment and testing
 - Operational and financial impact

We are planning for two rounds of budget revisions in FY21; one round in June/July after we announce our fall reopening plans and a second round after the State does its revenue reforecast in August/September.



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Planning Strategies

- Budget decisions should be determined on a strategic and selective basis, minimizing differential impact to units whenever possible.
 - The goal is to keep people working; however, we will need to re-examine our workforce priorities and think about how to redeploy and retrain employees whose work may have fundamentally changed; therefore, guidance will be provided for units to consider workforce adaptations to meet their financial and strategic objectives in a constrained budget environment.
 - There will be a set of central/university decisions such as:
 - *Temporary salary adjustments: If salary reductions are implemented, the reductions will be prorated so that the lowest-paid employees are protected as much as possible.*
 - *Personnel guidelines*
 - *Resource and workload redeployment considerations*
 - *Guidance on early retirement incentive options*
 - *Hiring freezes/critical vacancy hiring*
 - *Unpaid furloughs/temporary layoffs*
 - *Support for displaced employees, taking into consideration the availability of federal and state relief*
 - *Prioritization of criteria for strategic investment*
 - *Guidelines on the appropriate use of carry forwards and fund balances as partial offsets to required budget cuts.*
- There will be unit level decisions about:
- *Unit personnel actions will be informed by university guidelines*
 - *Reductions in non-critical discretionary expenses - mix of one-time and recurring cuts*
 - *Opportunities for operating efficiencies through reorganizations and/or reforming budget base*
 - *Strategic investments with positive returns on investments*



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Anticipated Next Steps

Timeline: [NB: Community consultation and discussion will inform.]

➤ **First Week of June (6/1-6/5):**

- Fall 2020 Safe Return to Campus – initial Blueprint communication
- Fall 2020 Enrollment Deposits Due
- EMEC/COOP begins to operationalize plans

➤ **Second Week of June (6/8-6/12):**

- Fall 2020 Safe Return to Campus- Blueprint update
- EMEC/COOP continues to update operationalized plans
- Strategic Budget and Planning models estimate revenue losses and expense increase and quantify the FY21 Budget Net Financial Impact
- High level instructions sent to university to identify financial mitigation actions

➤ **Third Week of June (6/15-7/1):**

- Housing deposits decisions are due.
- EMEC refines costs of all operational plans.
- High level instructions and mitigation plans refined and determined
- Criteria for prioritizing strategic investments finalized



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Anticipated Next Steps

Timeline: [NB: Community engagement and discussion will inform.]

➤ **Fourth Week of June (6/22-6/26)**

- Communicate guidance to units about their budget reduction target(s):
 - Revised FY21 university-level fall 2020 enrollments communicated to schools so that they can revise FY21 enrollment planning based on projected university Fall 2020 enrollments
 - Budget reduction templates, with Business Plans for Strategic Investments, sent to units with instructions and guidance for budget reduction considerations on 6/22/20.

➤ **First Week of July (6/29-7/6):**

- Budget reduction templates due back from units on 7/6/20.
- Review of proposed budget reductions and investments with senior leadership.
- Finalize FY21 central and unit level budget reductions.
- Develop Revised FY21 University Consolidated Budget with strategic investments identified.

➤ **Mid-July (7/9-7/15):**

- Amend budget and review operational plan for late July BOV/Planning Conference.



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Associate VP O'Neal: This presentation was given to the deans today, and input was solicited from several deans before that. There is a desire to co-own the plan with the schools, and the faculty in particular. The deans have been requested to be the ambassadors to the faculty to get honest feedback on our budget strategies -- what we may want to do, what to consider or reconsider, and engage in consultation before finalization of these guidelines.

Questions and Discussion:

Senator: Chairs received an email today inquiring about how much teaching tenure-line faculty are doing with the idea they may need to increase teaching. Interim Provost Ginsberg was asked to share plans and thoughts on pursuit of this strategy.

Interim Provost Ginsberg: No recommendation from central has been made regarding personnel redeployment. As a new R1 university, taking time away from scholarship to teaching is not advisable. Also, cannot imagine term faculty teaching five courses, or to displace adjuncts as part of a short-term solution.

Follow up: When Provost's office communicates with the deans, and it goes from deans to chairs, there has been no real consultation with the faculty. There is serious concern about lack of transparency in communications from central administration to the Deans.

It was stressed that in the planning there be clear distinction between faculty and staff.

Associate VP O'Neal noted that future revisions will differentiate between faculty and staff. Also noted that we do not want to do salary reductions.

Interim Provost Ginsberg emphasized on the desire to protect everyone's salary. There are consequences to making changes to salaries, and the desire to avoid short-term solutions that have serious long term consequences. Enrollment numbers for summer show 30% increase from summer 2019. Noting that registration was started a month later than last year, Fall enrollments are comparable to same time 2019 with 3% decrease in credit hours. Freshman deposit numbers are down 4% compared to same time last year. Most of the decline is from out-of-state students. It was stressed that these are encouraging numbers but evolving.

Chair Davis: Greatly appreciates differentials across units/specific funds for one-time budget needs. Different kinds of strategies, taken in terms of prioritization of how to approach the budget cuts. – Inquired about what the approach for budget adjustment is for differentiating units, identifying centers funded, short term funds to bring in speakers or support campus event. Also expressed concern about teaching load increases for term and tenure line faculty. When can we talk about prioritization?

Associate VP O'Neal: We hope by mid-June to have a sense of size of revenue losses and expenses. If we can manage without personnel cuts, and would certainly encourage units to cut discretionary expenditures such as travel, etc. We do not prescribe how units decide this. Central decisions will be in terms of equity - identify units, develop guiding principles at university level. Beyond that, individual units are responsible for managing their own needs.

Interim Provost Ginsberg: There is recognition that there is unique context for each of the academic units and a one size fits all model is not workable. While there is still much uncertainty, there is confidence that they will not suggest disruptive changes.

He stressed that he does not want to minimize budget reduction but is encouraged that Mason is in better position than some other universities faced with need to make draconian cuts facing shortfalls from football revenue, hospital cuts, etc.

Senator: Requested adding faculty to financial and budget planning committees as a way to emphasize on shared governance and transparency.

Associate VP O'Neal: We will take this back to leadership to figure out a way to do it . There are 18 working groups. She asked for a list of faculty interested in participating in working groups.

Interim Provost Ginsberg expressed support that more representation informs _____transparency, and enhances decision-making acuity.

Senator: Glad to see ruling out of financial exigency, to ask deans to repeat that LOUDLY to faculty. Are strategic reductions to eliminate units being considered?

Associate VP O'Neal: We are consulting, not prescribing options. Central is not keen on making eliminations, but the budget situation also offers an opportunity to look at programs that have not been operating well for years.

Interim Provost Ginsberg: Emphasized that there is no secret list. Given the uncertainties, in 6 to 12 months time -- this could be an action of last resort. He also acknowledged that such drastic actions will only be a last resort because they will also have wider repercussions on morale, bond rating of the university, university ranking, reputation etc.

Chair Davis: Where can we be of use? and, When would the next opportunity for Interim Provost Ginsberg, Sr. VP Kissal and Assoc. VP O'Neal to meet with the Executive Committee?

Associate VP O'Neal: Expects that in third or last week of June, they would be in better position to quantify net financial impact.

Chair Davis: Our next regularly scheduled Executive Committee meeting is next week. We are ready, willing, and able to deploy quickly, through working groups to get feedback from faculty to plan for the third week of June.

Senator: When you talk about making decision re highest priority, strategic investments, high transparency? Will these be shared with bodies like this (Executive Committee) or only deans?

Associate VP O'Neal: These will be shared with BOV and be transparent in identifying the priorities to address equity investments, upgraded technologies, etc.

Follow up: Thank you, appreciates your position. We are completely committed and if you need us, come to us.

Chair Davis: One of our greatest concerns inequity in information and transparency shared (or not shared) within colleges and schools. This varies widely with respect to chairs/deans. The transparency adopted in our meetings here with central administration does not necessarily get reflected out. This results in decisions being made from dean's office up, and not always coming from the ground up. This has perpetuated a lack of trust across colleges/units.

She advocated that central administration encourage and enable deans and their staffs to share information with faculty. Disparate levels of information or misunderstanding re budget scenarios could be catastrophic.

Another Senator really encouraged direct conversations from central with faculty when information needs to be shared. Different deans and chairs are communicating differently, to get as many ideas to share.

Associate VP O'Neal expressed support and said they will do what they can to share budget information at university level.

Senator: Inquired about plans to invest and reinvest in communities which are hurting for redress.

Interim Provost Ginsberg appreciated the points and said it is a priority at executive levels.

Associate VP O'Neal: GMU is the most diverse institution in VA, and it remains as one of our top strategic priorities -- to maintain this access and diversity and inclusion.

Interim Provost Ginsberg appreciates this conversation and input, discussion with Associate VP O'Neal and we will move forward.

Associate VP O'Neal: Thank you for this opportunity to share and looks forward to coming back again at the end of the month. Feel free to share with me any thoughts you think of later.

Chair Davis: Thank you. Will try to figure out a time in advance in the calendar, as thinking becomes more obvious, will work together to get something on calendar, to have more time with you.

Executive Committee brainstormed various ways to mobilize in response to Tiger Team report to get colleges together collectively in a space to have a conversation once decision 1.0 is made. Also, discussed follow up approach to when the Budget Reduction template goes out

The Academic Policies Committee asked about a change to the fall schedule. We thought it was the old schedule. Is there a new one? Is there some reason the final exams are not going to be in the old period?

Interim Provost Ginsberg: does not know at this time whether students will return to campus after Thanksgiving break.

Respectfully submitted,
Kumar Mehta
Secretary