

“Cracking the Nut,” Part 4



When the administration was presenting its plan to address the budget issues, it explained the size of the proposed reductions, in part, by pointing to the need to accommodate the faculty and staff pay raises. But, very recently, it has been reported to us that at least one college has been instructed to make further reductions in the current fiscal year’s spending equal to the size of the pay raises. If this is true, then **the administration is, in effect, linking our pay raises directly and causally to further cuts in personnel, stipends, or initiatives within the colleges.**

This is a new variation on an old narrative.

In the aftermath of the Great Recession, the administration asked our bargaining unit to relinquish its raise. We refused because the university was not experiencing a real budget deficit but had, instead, simply seen a dramatic drop in its return on

investments. Moreover, we did not see comparable cuts being made in areas less central to the core mission of the university; so it seemed to us that the raise that we were being asked to relinquish was simply the most expedient way that the administration could identify to replenish the investment revenues that it had lost.

The administration, however, framed our refusal as an affront to the institution, as the bargaining unit's putting the interests of its members above the greater interests of the institution. The administration demonstrated its dissatisfaction with us in several ways. First, it gave a 2% raise to everyone outside of the bargaining unit, without really explaining how that was possible if our relinquishing our raises was such a fiscal necessity. The upper administrators then announced that they would be donating their 2% raises to the campus scholarship fund. They failed to note, however, that most of those in the upper administration had been promoted into their positions over the previous year or so and had received 40%+ pay increases as a result of their promotions. So, although the donation of the 2% increase was a very nice gesture, it was hardly a major sacrifice.

Second, when we were negotiating a new contract in the midst of the passage and effort to repeal Senate Bill 5, the administration refused to give us any pay increases beyond what was necessary to cover the increases in STRS and healthcare costs. The circumstances surrounding those negotiations were very complex, but the administration made a point of framing the very negligible pay increases as retaliation for our refusal to relinquish the previous raise that we had negotiated with them. (If you have joined our faculty after 2011 and, in particular, if you lived previously out of state, Senate Bill 5 was the centerpiece of Governor Kasich's legislative agenda immediately after he was elected. It would have severely constrained the collective bargaining rights of all public employees in the state. But, because the BGSU faculty had just voted to unionize, their attorneys had language provided language that made its way into the bill and would have completely eliminated the collective-bargaining rights of all public college and university faculty. The bill was repealed by referendum, by a 2-1 margin, in November 2011.)

Well, we are not letting any such narrative go unchallenged this time around. Whatever budget problems that did actually exist in 2011 were attributable to a national recession. In contrast, the current budget problems are largely attributable to administrative mismanagement and the absence of meaningful oversight by our Board of Trustees.

The major cause of the current deficits has been the money flushed into multiple enterprises that have been a massive money-losing drain on our institutional resources while contributing nothing to the advancement of the core mission of our university.

We have finally been getting responses to our open-records requests and have accessed other resources, and we will have much more to say about those enterprises—e.g., the “semi-autonomous units”—in future communications.

But if anyone asks you if your pay raise is costing someone his or her job, you can cite the following statistics.

Our best calculation is that a 1% raise for our bargaining unit (TETs and NTEs together) amounts to \$619,355. So a 3% raise amounts to \$1,858,065 and a 3.25% raise amounts to \$2,012,903.

That sounds like a great deal of money. But remember that Wright State’s annual budget far exceeds \$300 million; so, the raises for our entire bargaining units amount to just .5%—one-half of one percent—of the budget.

Moreover, the university knew that it had to budget for this pay raise three years ago when it negotiated it with us—and when it already was well aware of the changes in state funding to which it has disingenuously attributed the bulk of the deficit that it is only now trying to address.

Presumably, our pay raise is now being scapegoated as a cause of the further reductions to the college budgets because the administration’s budget has failed to account for some other eventuality—most likely the failure to hit a targeted 1.5%

increase in enrollment. Perhaps if some of the \$17 million “invested” in property over the last half-decade had been invested in targeted marketing and recruitment, we would have met or even exceeded those enrollment goals.

In any case, the administration has rather blithely allocated the equivalent of our raises to all sorts of other “priorities.”

Consider:

1% BUFM Raise: \$619,355

3.25% BUFM Raise: \$2,012,903

President Hopkins’ “Bonus”: \$354,560

Compensation to Current and Former Basketball Coaches: \$725,000¹

“Branding” Consultants: \$2.3 million²

Cost of Hosting the Presidential Debate That We Are Not Hosting: \$4.2 million³

Budgeted Subsidy to Intercollegiate Athletics: \$9-\$10 million

Budget Deficit Nonetheless Accrued by Intercollegiate Athletics: \$900,000+

Budget Reduction to Intercollegiate Athletics: \$350,000 of the \$900,000+

Budget Deficit⁴

Road-Salt Barn: \$4-\$7 million⁵

And, again, none of this includes any of the massive amounts of revenue that have been flushed and continue to be flushed into the university’s 19 “semi-

autonomous entities.”

Notes:

¹ As always, the administration has claimed that this money has come from “other sources.” As always, there is a paradoxical disjunction between the concepts of “shared revenue” and “shared sacrifice.”

² This was the amount budgeted. I am fairly certain that we spent all of it or more because when I have cited this number, the administration has never indicated that it spent less but only indicated that some of it came from “other sources.”

³ This is an aggregate of the public statement on what the university had spent when it announced it would not be hosting the debate (\$3.3 million) and what it later indicated it would still have to pay for contracted services (\$1.3 million), minus the contributions that it had received (close to \$400,000).

⁴ This calculation is kind of a dark joke because no matter what is budgeted for intercollegiate athletics never covers what is actually spent, and the administration always finds the revenues to cover all deficits.

⁵ I will be sending an entire communication on just this boondoggle. Combining the university’s road salt storage with that of several of the surrounding townships was supposed to save the university \$40,000/year for ten years. But the project has had to be relocated, two parcels of land have been surveyed and access roads and utilities designed, one parcel of land has been cleared and utility lines have been laid, roads have been relocated and then redesigned, the old storage facility has been removed and the land under it has then had to be environmentally remediated, and the permanent salt storage facility has still not been built because the lowest bid was about \$3.6 million, or about \$1 million above what the university was expecting to pay.

**Author: martinkich**

I am a Professor of English at Wright State University, where I have been a faculty member for almost 25 years. I serve as the president of the WSU chapter of AAUP, which now includes two bargaining units, as the vice-president of the Ohio Conference of AAUP, and as a member of the executive committee of AAUP's Collective Bargaining Congress. As co-chair of the Ohio Conference's Communication Committee, I began to do much more overtly political writing during the campaign to repeal Ohio's Senate Bill 5, which would have eliminated the right of faculty to be unionized. [View all posts by martinkich](#)



martinkich / September 9, 2016 / Budget Issues

aaupsublog / Blog at WordPress.com.