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Recommendation to invoke Article 22 for IELP retrenchment

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To: Stephen Percy <spercy@pdx.edu>

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President Percy,

I write today to recommend invocation of Article 22, Section 2(b) of the Collective Bargaining Agreement for retrenchment of the Intensive English Language Program (IELP) at PSU. I do so being fully aware that invoking Article 22 is a serious matter that should not be undertaken casually or without deliberation and forethought.

Section 2(b) states:

"A condition requiring reduction or elimination of a department may be declared if the President finds that institutional operations within a reduced budget, or failure to reallocate funds, would result in a serious distortion of the academic or other essential programs and services of the University if retrenchment procedures were not implemented."

As was portrayed in the recent Finance & Administration Committee meeting of the PSU Board of Trustees, the current financial situation of the university, resulting from multi-year declines in enrollment, now compounded by the financial losses incurred as a result of the COVID-19 pandemic, has created circumstances that require significant and continued reduction in university budgets. While the university has undertaken budget reductions in recent years, those reductions have been managed largely through non-replacement of retirements and departures, paring back program spending, and elimination of some positions. Such minimal and nonstrategic budget reductions are not sufficient to address the sustained declines that the university is experiencing and will continue to experience for the foreseeable future. Consequently, we need to consider more impactful reductions that meet the magnitude of the financial challenges the university is facing. The Faculty Senate recognized these conditions in its appointment in October of 2020 of an ad hoc committee on Academic Program Reduction and Curricular Adjustments.

This financial context brings me to recommend today a retrenchment of the IELP at PSU.

As you know, for a number of years, the Intensive English Language Program (IELP) at PSU has seen significant declines in enrollment due to declining enrollments of international students; the COVID-19 pandemic has certainly exacerbated this issue to the point that the program needs significant restructuring in order to create a sustainable budget. In response to declines in 2018, former Interim Provost Margaret Everett made reductions in staffing in NTTF faculty in IELP. I am attaching an MOA relating to these actions that was signed at that time between the University and AAUP.

When I arrived at PSU, I asked Ron Witczak, Executive Director for the Office of International Affairs, to serve as the administrative home for the IELP program and to seek formal approval from the Faculty Senate to merge their operations with the Office of International Affairs. The Faculty Senate approved that merger in March, 2020. Prior to and since that merger, the faculty and staff in IELP have been undertaking a process to review their budget to determine if there are opportunities to make adjustments that would bring

the unit's expenses more in line with its revenues. I believe that the faculty and staff have undertaken those discussions in earnest; however, given the severe budget constraints of the university, the decreasing number of international students seeking Intensive English Language instruction at PSU, the impacts of the COVID-19 pandemic, and changes in federal regulations, the time has come for me to formally request that you invoke article 22 of the AAUP contract in order to implement reductions in IELP.

Here are factors that have informed my recommendation:

IELP enrollments have dropped significantly over the past five years:

2016/17 - 19% decline from previous years' enrollment

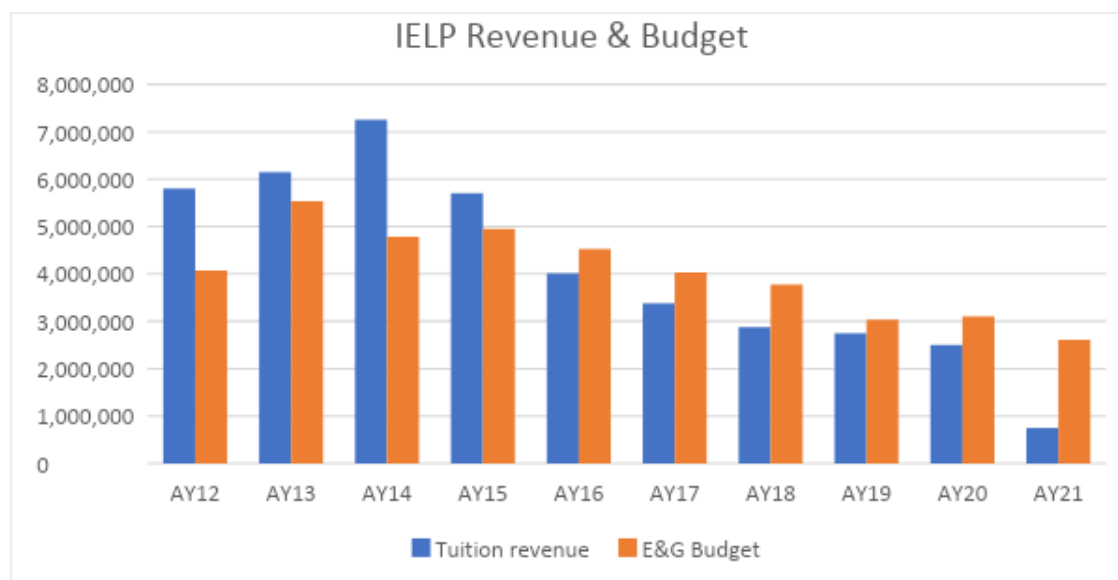
2017/18 - 20% decline from previous year

2018/19 - 1.7% decline from previous year

2019/20 - 7% decline from previous year

2020 Fall term - 78.8% decline from previous year; 52 students are now enrolled in IELP (which currently has 21 NTTF faculty)

Declines in tuition revenue have seen parallel decreases in the unit's overall budget; however, despite these decreases, the IELP budget has exceeded its revenues for the past five years.



As a result, the IELP's RCAT ratio has been higher than any other academic unit on campus. For fiscal year 20, the RCAT ratio shows that, for total expenditures per \$1 in revenue, the IELP spends \$1.48. This ratio for the IELP has been above 1.0 for a number of years prior.

Given these points above and the broader university budget context, I believe that the IELP needs to undertake a restructuring process to make the program financially sustainable.

I do not recommend elimination of the IELP program. International education remains a key component of PSU's academic enterprise. Supporting international students to pursue and complete degree programs at PSU benefits not only those students but the students with whom they interact. The PSU learning environment is enhanced by opportunities to further global learning. For students who are not yet prepared to enter directly into PSU classes, IELP provides an exceptional benefit and opportunity to transition successfully into degree programs. The IELP faculty bring expertise that benefits PSU in multiple ways.

Consequently, I support the continued successful transition of IELP into OIA and its activities so that the unit can restructure the budget model of the IELP in such a way that will insure fiscal stability into the future, while also ensuring that the unit is able to generate sufficient revenue to cover its expenses.

Ron Witczak has been working with OIA; Julie Haun, IELP Director; and the IELP faculty to transition the work of the IELP into the OIA unit. This work has been going on since the summer of 2020. The IELP faculty has also been working diligently on a complete curricular redesign that will enhance the offerings of the IELP program moving forward.

As you are aware, the Office of Academic Affairs continues to work on a new budget model for the division. This new budget model will allow for viewing the IELP as a hybrid academic program that combines E&G and self-support revenues. We believe that the IELP can follow the successful model of the Education Abroad program, which transitioned into an entirely self-support program. Ron Witczak and the IELP have begun working with my finance team through Ron's participation on the Budget Model Working Group so as to explore how to manage the funding model of the IELP program to include an appropriate portion of the program to be self-support.

I have confidence that the proposed retrenchment of the IELP will allow Ron, the IELP leadership, and the entire OIA team to reorganize the operations of the IELP in ways that will benefit both IELP and the university long into the future.

If you concur with this recommendation, we will begin the requisite processes as outlined by the Faculty Senate and the Collective Bargaining Agreement.

Sincerely,

Susan

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