



Faculty Senate

The Faculty Senate will meet on Thursday, June 18, 2020, at 1:30pm
via WebEx

AGENDA

1. Call to order
2. Approval of the minutes of the Special Meeting held on May 20, 2020
3. REPORT: Fall Planning Updates
 - Enrollment (Brian Blake, Provost)
 - Academic Planning (Terry Murphy, Deputy Provost)
 - Operations (Scott Burnotes, Associate Vice President for Safety & Security)
 - Resource Allocation Committee process and decisions (Chris Bracey, Vice Provost for Faculty Affairs)
 - Financial (Mark Diaz, Executive Vice President & Treasurer)
4. RESOLUTION 21/6: On Distinguishing Short-Term Fiscal Adjustments from Long-Term Structural Changes (Guillermo Orti, Faculty Senate Executive Committee)
5. RESOLUTION 21/7: On Diversity, Equity, and Inclusion (Guillermo Orti, Faculty Senate Executive Committee)
6. GENERAL BUSINESS
 - a) Replacement of ESIA representative on the FSEC (Nicholas Vonortas)
 - Eligible ESIA faculty members: Hugh Agnew, Harris Mylonas
 - b) Report of the Executive Committee: Professor Arthur Wilson, Chair
 - Letter from the Executive Committee to the Board of Trustees (attached)
 - c) Provost's Remarks
 - d) Chair's Remarks
9. Brief Statements and Questions
10. Adjournment

Elizabeth A. Amundson
Secretary



**A RESOLUTION ON DISTINGUISHING SHORT-TERM FISCAL ADJUSTMENTS
FROM LONG-TERM STRUCTURAL CHANGES (21/6)**

WHEREAS, the George Washington University is currently facing multiple and unprecedented challenges brought on by the COVID-19 pandemic;

WHEREAS, the schools of the university and its central administration must undertake substantial budget adjustments to mitigate the projected financial impact of the pandemic on university operations;

WHEREAS, such budget adjustments may include a combination of temporary measures aimed at mitigating the effects of lost revenue and more permanent changes in the structure of the university, with these combined measures targeting both non-academic and academic realms of operations;

WHEREAS, through its Resolution on Budget Austerity Principles (21/4), the Faculty Senate affirmed the role of shared governance in deliberating budget and prioritizing cuts impacting the effective operation of the departments, schools, and the university as a whole;

WHEREAS, under the principles of shared governance, the Board of Trustees is charged with the ultimate fiduciary responsibility for the university, and the faculty is charged to safeguard its academic (educational and research) mission and integrity;

WHEREAS, the University administration and the Board of Trustees have stated that the schools and faculty should make long-term as well as temporary changes;¹

WHEREAS, the Faculty Senate acknowledges that the long-term well-being of the university may be enhanced by well-targeted permanent changes;

WHEREAS, the administration has enacted a diligent choice of measures with small impact on the academic mission which stabilize the university's operations for the next few months and thus allow for a thorough deliberation of more permanent changes which impact the academic mission of the university;

¹See remarks by Chair of the Board of Trustees Grace E. Speights to the Senate on May 3, 2020, and her "Statement from the George Washington Board of Trustees," on May 18, 2020, which indicated that permanent measures "could include but are not limited to opportunities to restructure programs and services with the intention of materially improving the operations and financial efficiency beyond minor changes that would normally be implemented in a less severe financial downturn."

WHEREAS, proper targeting of such permanent changes requires a process of careful deliberation and regular consultation with the faculty, namely the Faculty Senate and its relevant committees, following the principles of shared governance affirmed repeatedly by the Faculty Senate and accepted by the administration during the 2019-2020 academic year; and

WHEREAS, a quantitative assessment of the financial impact of the COVID-19 pandemic via enrollment and teaching models beyond rough estimates will only be possible after a substantial portion of the Fall 2020 semester has been conducted;

NOW, THEREFORE

BE IT RESOLVED BY THE FACULTY SENATE OF THE GEORGE WASHINGTON UNIVERSITY THAT

1. The University administration be strongly encouraged to rely first on making fiscal adjustments to address the budget gap that, while significant, are also reversible and temporary, and to follow the advice of the Faculty Senate Resolution on Budget Austerity Principles (21/4);
2. Permanent structural changes be distinguished from the short-term fiscal adjustments taken in response to the pandemic;
3. Any proposed permanent structural changes which affect the academic mission or integrity of the university follow a distinct track and timeline of deliberation and consultation with faculty, namely the Faculty Senate and its relevant committees, along with considerations provided by the Dean of each school regarding the unique needs that each school has in supporting its mission;
4. The University administration and faculty collaborate to identify potential long-term changes and present a joint proposal for review by the Board of Trustees by no later than Spring 2021;
5. A period of at least two weeks be allowed before submission of such a proposal to the Board of Trustees for final comments by the Faculty Senate, its relevant committees and the Deans of each school; and
6. As part of the process on consultation the University administration make available the information needed to make an informed analysis of options in a timely manner and with sufficient time for deliberation.

Faculty Senate Executive Committee
June 4, 2020



A RESOLUTION ON DIVERSITY, EQUITY, AND INCLUSION (21/7)

WHEREAS, responding to the killings of George Floyd and Breonna Taylor, nationwide protests, including in Washington D.C. and blocks from the main campus of George Washington University, have demanded recognition of police brutality and the centuries-long, systemic racial injustices enabling it;

WHEREAS, disproportionately impacting African-American communities across this country, the COVID-19 pandemic has further exposed racial disparities in access to resources, including education, safety, and healthcare;

WHEREAS, understood together, these circumstances of systemic inequality and violence faced by communities of color, including African Americans, make clear the need for George Washington University to take direct action in response; and

WHEREAS, beyond statements of support, the university can enact its commitment to diversity, equity, and inclusion through dedicated resources and measurable outcomes, noting that diversity does not automatically equal inclusion;

NOW, THEREFORE, BE IT RESOLVED BY THE FACULTY SENATE OF THE GEORGE WASHINGTON UNIVERSITY THAT

- 1) The university reaffirms its commitment to diversity, equity, and inclusion through enrollment of students and retention of students, faculty, staff, and administration;
- 2) The financial support of the central administration for diversity, equity, and inclusion in all regards, including enrollment, undergraduate financial aid, and Provost support of graduate diversity fellowships, not decline “one iota” below the levels of 2018-19;
- 3) The university evaluate the existing mandated diversity training for incoming students and some staff announced by President LeBlanc on February 7, 2018, and enhance it, as appropriate in response to the recent events, and, further, consider making this training available to all students, faculty, staff, and administration;¹

¹ “Message from President LeBlanc,” GW Today, February 7, 2018, <https://gwtoday.gwu.edu/message-president-leblanc>.

- 4) The university expand its in-service training resources, including workshops and seminars, to incorporate into undergraduate and graduate instruction pedagogic approaches to address racism;
- 5) The university actively engage with calls from student organizations such as GW's Black Men's Initiative and D.C. universities' Black Student Unions to address police brutality, including their demand for a "noticeable reduction" in racial profiling;²
- 6) When the university restarts its strategic planning process, diversity, equity, and inclusion shall be treated not just as a set of values but as one of the central pillars (alongside undergraduate education, graduate education, research, and faculty) by which the university's progress toward its plan will be assessed;
- 7) The administration commit to making GW an inclusive university for all of its students, faculty, and staff through adequate resource allocation and appropriate programming, including by increasing support for the Office of Diversity, Equity, and Community Engagement.

Professor Sarah Wagner
Professor Shaista Khilji
Professor Phil Wirtz
Professor Jamie Cohen-Cole
Professor Guillermo Orti
June 4, 2020

² Tiffany Garcia, "D.C.-area Black Student Unions Urge Local Leaders to Address Police Brutality, May 30, 2020, *The GW Hatchet*, <https://www.gwhatchet.com/2020/05/30/d-c-area-black-student-unions-urge-local-leaders-to-address-police-brutality/>; and Tiffany Garcia, "Black Men's Initiative calls on LeBlanc, Five Student Groups to Respond to Police Brutality, May 31, 2020, *The GW Hatchet*, <https://www.gwhatchet.com/2020/05/31/black-mens-initiative-calls-on-leblanc-five-student-groups-to-respond-to-police-brutality/>.

Board of Trustees Executive and Finance & Investments Committee members

Grace E. Speights, Chair
Ellen Zane, Vice Chair
Ave Tucker, Secretary
Christine Barth
Roslyn Brock
Mark Chichester

Amr ElSawy
A. Michael Hoffman
Madeleine Jacobs
Todd Klein
George Welde
Thomas LeBlanc, President

June 4, 2020

Dear Members of the Board of Trustees Executive Committee and Finance Committee, and President LeBlanc,

This letter is prompted by the current and expanding financial difficulties faced by the university and the letter from Board Chair Speights to the George Washington University on May 18, 2020.

In her letter, Chair Speights called for “transformational thinking and best practices” in order to “safeguard the future and continue to promote the excellence of the George Washington University for generations to come.” To that end, Chair Speights asked for a framework that includes changes to operations as well as “permanent measures that have a lasting impact and sustain our course to preeminence in full recognition that the future will look very different from the past.” In looking at permanent measures, Chair Speights asked that they include “materially improving the operations and financial efficiency beyond minor changes that would normally be implemented in a less severe financial downturn.”

Recognizing that to date there have been no substantive proposals for structural changes communicated from the administration to us, the Faculty Senate Executive Committee has developed a range of possible short- and long-term changes, which are contained in the two attached documents.

We want to emphasize that ordinarily, before sending the Board such proposals, we would have engaged in a robust substantive discussion with members of the Senate, committee chairs, and other interested faculty. However, because of the gravity of the situation and the urgent need to begin taking steps to maintain GW's financial health, we decided to convey the attached proposals based solely upon the consent of the members of the Faculty Senate Executive Committee.

We share these with the hope that the items listed can be on the table for discussion as the Board considers the FY21 budget it will adopt for GW in the coming days and weeks.

The enumeration below arises from three principles:

1. The university should protect its core missions of world class research and education. GW's central mission is promoting the expansion and transmission of knowledge. As framed by Chair Speights in her email of May 18, 2020, GW's mission is to “educate and increase knowledge through research and scholarship.” Therefore, cuts in the current situation should begin in areas outside of the core mission. Structural changes should occur first to non-core areas and to areas that are not revenue-generating.

2. It is important to distinguish between what may be a short-term adverse financial situation and longer-term changes in revenue and expenditures.
3. Budget revisions that require structural changes in the university's research and educational activities should not be made on a hasty basis and should not be done without the joint consultations of the trustees, administration, and faculty. Therefore, plans—budgetary or otherwise—for reacting to COVID-19 should be circulated and discussed by trustees, faculty, and administration for at least two weeks prior to finalization.

To this end, we would like to offer to the Board of Trustees and the administration some suggestions for a range of operational improvements, cost savings, and even methods of new revenue generation. Collectively, these changes can secure GW's long-term health and position as a globally recognized center of research and education.

In their letter of March 4, 2020, Grace Speights and Thomas LeBlanc committed to “meaningful communication and consultation with the faculty before making important academic decisions of shared governance.” It is in that spirit of consultation that the following are offered. Members of the faculty would be pleased and prepared to discuss these directly with Board at any time.

Below, please find two documents:

Attachment I – A list of possible savings of \$21.5M in one-time savings, and an additional \$33.2M in structural, yearly savings.

Attachment II – New possible sources of revenue of \$94M per year.

Sincerely,

Faculty Senate Executive Committee

Attachment I. Savings

1. Direct and deferred compensation.

1.a. Eliminate all university bonuses for both FY20 and FY21.

Rationale: The announced cuts to administrative compensation have a duration only from July 1 2020 to the end of 2020. Announced cuts do not include any cuts to bonuses, deferred, and non-salary compensation in FY 2020 or FY21.

Estimated savings (one time): \$1.5M.

1.b. Permanently end university contribution to [457\(f\) plans](#). For executives, key, and highest compensated employees, also terminate all university payments for benefits not regularly available to faculty and staff, including but not limited to retention bonuses, severance packages, supplemental annuities, supplemental differed compensation, gross up payments, additional insurance, tax and legal services, tickets to athletic and cultural events, membership fees, first class air fare, travel expenses for family members, car allowance, and any post-employment benefits or payments not generally available to GWU employees.

Rationale: Equity and Efficiency. Core programs should be protected above maintaining special compensation for the most highly paid. [The 2017 Tax Cut and Jobs Act assesses a 21 percent excise tax on the compensation of nonprofit executives in excess of \\$1 million.](#)

Estimated structural savings: \$700K/year

1.c. Reset downward, on a permanent basis, executive and administrative compensation within central administration and colleges. Establish cuts to headcount, to salary base, to deferred compensation, and to bonuses. Ensure that GWU pays zero in excise tax for compensation.

Rationale:

- If there is fat to be cut in compensation, it is not in faculty salaries or staffing levels. Indeed, while GW is almost the most efficient of its peers in this regard,¹ administration has grown in both headcount and per-person compensation.²
- At many higher education institutions, the ratio of the President's salary to Full Professor salaries is approximately 5:1. Is it higher or lower at GW and, if higher, what savings would be achieved by setting the GW President's compensation to 5x the national average Full Professor salary?
- What effects would cutting the President's compensation have on the compensation of other administrators at GW, and what collective long-term savings would be achieved?
- There has been some inflation of central administration in both headcount and salaries, whereas it is unclear that recent hiring was done on a competitive basis, given that a number of executives were previously connected with President LeBlanc. Indeed, the university hired an associate provost even after the COVID-19 imposed hiring freeze. Using 2015 as baseline, in real dollars, how are our expenditures now vs then? How much would be saved

¹ https://provost.gwu.edu/sites/g/files/zaxdzs626/f/Core%20indicators_2019.pdf, p.17-18.

² According to the 990 forms, in FY2015 the GWU Provost had compensation of [\\$1,050,411 plus \\$159,732](#) in deferred compensation. In the same fiscal year, the Harvard Provost had total compensation of [\\$867,080](#).

if the university started by reducing executive and central payroll, but by using the 2015 costs as a baseline?

Estimated structural savings: \$1.5M/year

1.d. Pause merit increases for one year

Rationale: already announced.

Estimated savings (one time): \$20M

2. Elimination of Costs outside of Core Mission

2.a. Eliminate competitive athletics

Rationale:

- Some schools like Notre Dame and University of Miami draw students because of their athletics program. GWU is not like those schools. GWU is like schools such as NYU where the competitive advantage in drawing students is its location, not its athletics. Students who care much about competitive athletics will seek to attend schools in the conferences like Big 10, SEC, or ACC, but not GWU. Additionally, competitive athletics is a money loser, even from the perspective of donations. Further, elimination of competitive athletics would also eliminate the need for the new aquatics and athletics facility proposed in the [new campus master plan](#).
- The effective cost per student of competitive athletics of more than \$1,500/year serves a small portion of the student body and would be better spent on core educational and research mission that address a larger group of the undergraduates.

Estimated structural savings: \$20M/year

2.b. End expenditures for events outside of GW space

Rationale: Off-campus space rental (including departmental retreats) and on-campus tents for special events lead to under-utilization of GW facilities. Currently, costs are out of control because of the inefficient structure of GW budget practices. GW units are charged to use GW spaces, effectively encouraging them to seek outside rentals and therefore transfer funds outside the university.

Estimated structural savings: \$1M/year

2.c. Scale back expenditures on consulting activities

Rationale: GW purchased services are currently around \$180M/year. According to the Educational Advisory Board (EAB), high-end consultancy engagements have small impact and unclear ROI. The problem of wasted consultancy fees seems to apply especially for general consulting firms (e.g., Disney) which do not have a deep and longer-term knowledge of the higher education sector and therefore seem to provide generic advice.³ President LeBlanc already informed the Faculty Senate that the Disney Institute contract had reached its conclusion this spring.

Estimated structural savings: \$9M year.

³ EAB “Efficiency and Effectiveness Initiatives: What Business Leaders Should Know About Higher Education’s Million-Dollar Consulting Engagements”, 2019.

2.d. Scale back expenditures on campus beautification

Rationale: Beautification is not necessary for maintenance and should be scaled back or eliminated before any cuts to core activities are considered.

Estimated structural savings: \$1M/year

Sum of potential structural savings: \$33.2M/year

Sum of one-time savings (freeze in merit increases for faculty and staff and elimination of executive bonuses in both FY20 and FY21) = \$20M+\$1.5M =**\$21.5M**

One-year savings (structural savings from first year = \$33.2M + one-time savings) = **\$54.7M**

Attachment II. New Structural Revenues

1. Tuition Income

1.a. Increase summer tuition revenue for grad and undergrad, consider requiring undergraduates to spend a summer in DC.

Rationale: The single most important distinguishing factor of a GW education is its DC location. There could be a strategic educational value in having a summer program. Increased emphasis on a summer in-residence program would offer many good curricular and co-curricular opportunities not normally available during term time, especially if undergraduates are taking only one class at a time. One of the lessons from COVID-19 is that there is great demand for summer enrollment. So too might summer enrollments for grad students be increased.

Expected new yearly revenue: \$10M/year

1.b. Permanently abandon the plan to cut enrollment.

Rationale: President LeBlanc wisely recognized the emergency posed by COVID-19. Therefore, he announced to faculty in early April 2020 that all efforts to reduce undergraduate enrollment would be on hold and would not be considered again until the university had the chance to relaunch the strategic planning process. Given that Chair Speights now calls for structural changes, one such change would be to permanently abandon the enrollment reduction efforts. According to President LeBlanc, the cut to enrollment will cost about \$64M over 4 years. Taking the reduced revenue as a baseline implies that abandoning the 20% enrollment cut is new revenue.

Expected new revenue: \$64M/year

2. Efficiency

2.a. Make Development Office and its activities more efficient.

Rationale: President LeBlanc has announced that development activities should be justified based on their ROI. Faculty support this reorientation. However, [GWU fundraising is falling behind its peers](#). According to its 2017 Form 990, GWU spent \$22.6 M and brought in \$68M. This a 30% expense ratio. [The national standard is closer to 15%](#). The university might increase the ROI and effectiveness of the development office and thereby decrease its expense ratio from 30% to 25%.

Estimated New revenue: \$20M year

Sum of new structural revenues: \$94M / year

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Approved by the Faculty Senate Executive Committee.
June 4, 2020