



WARTBURG AAUP

"Committed to Academic Excellence"

NEWSLETTER

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PROFESSORS ARE PROFESSIONALS, NOT MERELY HIGHLY EDUCATED EMPLOYEES

The following is an excerpt from the 25 September 1996 Wartburg AAUP Newsletter article written by Keetje Ramo. Ms. Ramo has been a professor of Social Work at the University of Wisconsin-Green Bay and at St Ambrose University. She has served as President of the Wisconsin Conference and the Iowa Conference of the AAUP. She was a long-time member of AAUP's Committee on College and University Governance.

It is my understanding that a profession, unlike many other types of occupations, is characterized by

- (1) A service orientation (i.e., the needs of "clients"—in our case, students—take precedence over the personal convenience of practitioners);
- (2) A normative component (a code of ethics, a standard of conduct of one's work, and a sense of what it means to be a member of the professional culture); and
- (3) An intellectual component (the development, evolution, and transmission of an "esoteric" body of knowledge and skills passed on through an intensive educational process).

These three components justify society's granting to professions the fourth component:

- (4) The "monopolistic" component, which upholds the profession's fitness to maintain professional authority.

The notion of professional authority rests on the argument that—because of the special preparation they receive (a preparation that involves socialization as well as education)—members of the profession are best qualified to:

- serve as gatekeepers to the profession;
- exercise independently their judgment as to what contributes sound ethical practice, without undue interference from groups without such preparation;
- police their own ranks; and
- determine collectively the directions in which the profession will grow.

The privileges that accrue to members of a profession are maintained through their serious attention to the obligations inherent in this special status. I'm proud to be a member of the AAUP, because I believe that my AAUP colleagues proclaim through their membership their willingness to take these obligations seriously.

As much as we value professionalism, once our professional authority is undermined, we, by definition, no longer qualify as members of a profession. We are simply highly educated employees. Fortunately, the AAUP exists not only to articulate the

values and standards of the academic profession, but also to defend those values and standards in increasingly perilous times.

ANNUAL BUDGETS AN IMPORTANT PART OF THE FINANCIAL PICTURE

The November 18 release of the Annual Report of Revenues & Expenses for Fiscal Year 2009 by Rich Seggerman provides an opportunity to look at financial trends Wartburg experienced during this recession year and to appraise the current belt-tightening efforts taken to keep the college financially strong.

The table below compares Wartburg's revenues and expenses over the past five fiscal years. All figures are in millions of dollars. As noted in my March 3, 2009 article in the *Wartburg AAUP Newsletter*, which focused primarily on the impact of the W on the college's financial well-being last year and down the road, the W's expenses are accounted for separately and are not included in the reports presented here.

On the revenue side, tuition and fees plus auxiliary enterprises dominate: 90.5 – 90.9% of the total revenues for these 5 years. Auxiliary enterprises include housing, food services, bookstore and parking revenues. Revenues from government grants plus fund gifts and grants have been combined into "gifts and grants" in the table. Revenues for sales and services plus other services have been combined into "other." Endowment revenue has stayed close to 3.0 % of the total revenue, even for the recession year 2008-2009.

On the expense side, the "other" category combines expenses for public services, student services, institutional support, operations and maintenance, electric and natural gas, equipment and technology, and student wages. Mandatory and non-mandatory transfers include transfers to the plant fund, summer projects, and debt service. In expenses, salaries and benefits plus financial aid dominate: 67.7 – 70.6% of the total expenses for these five years. It is not surprising faculty and staff salaries were frozen for 2009-2010 and retirement benefits decreased for the year by 2%. Where else could meaningful "cuts" be made?

	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	<u>2008-09</u>
	<u>OPERATING REVENUES</u>				
Gross Tuition & Fees	33.88	36.44	37.99	41.57	45.23
Auxiliary Enterprises	9.33	10.36	11.21	11.99	13.93
Gifts & Grants	2.16	2.38	2.70	2.88	3.13
Endowment Income	1.65	1.56	1.65	1.75	1.98
Other	<u>0.53</u>	<u>0.81</u>	<u>0.77</u>	<u>0.78</u>	<u>1.07</u>
Total	47.55	51.55	54.32	58.97	65.34
	<u>OPERATING EXPENSES</u>				
Salaries & Benefits	18.83	19.82	20.86	21.57	23.46
Financial Aid	14.67	16.08	17.48	19.33	20.97
Auxiliary Enterprises	5.38	5.60	3.38	3.81	3.86
Instruct. + Acad. Support	3.30	2.77	1.89	1.86	1.78
Mand.+Non-Mand. Trans.	1.17	1.77	2.49	3.28	5.33
Other	<u>4.20</u>	<u>5.48</u>	<u>8.19</u>	<u>9.16</u>	<u>9.91</u>
Total	47.55	51.52	54.29	59.01	65.31

It was good news in the fall term 2009 enrollment report that the total number of students enrolled stayed at the 1800-level: the full-time enrollment of 1736 was 2nd highest in the past decade, and the full-time equivalent of 1766 was 3rd highest. Moreover, the fall-to-winter term FTE retention has stayed strong: 95.6 % in 2010 versus 95.8 % in 2009.

The above facts call into question several budgetary statements made by the administration. As noted in interim president Bill Hamm's 27 May 2009 memo on the *Board Meeting Summary*: "So, let me summarize the steps we've taken as a community this year to address budgetary concerns. We *postponed* [italics mine] any decisions about salary increases for FY 2010 until fall enrollment numbers are known." If in fact the board did examine salary increases in the fall, not much was said about it, even in light of the strong fall term enrollment. What was made clear by President Colson was the reduction in the "College's contribution to our TIAA-CREF retirement plan from 8% to 6% beginning with the September paychecks."

Again, President Colson noted, "Wartburg's essential financial condition is quite solid." I don't doubt the statement, but I do question upon whose backs the burden was placed when there was *no demonstrated need* to keep the salary freeze and decrease in retirement benefits. It was a precautionary move that could have been revisited in the fall when enrollments were shown to be strong. But that's history—now what? At this early point in 2010 (salary decision time), faculty need to be alert to the answers to these questions: Should the freezes stay? Should there be just *nominal* salary increases? Or should there be *significant* salary increases to make up for lost ground? And at what cost to the institution?

Addendum The above article was completed in December. I scheduled a meeting with President Colson (January 20) to address my salary concerns before going to press. We had a very cordial and insightful conversation about a number of financial concerns. He said the issue of salary increases was discussed in the October 22 faculty meeting. Although there was not much hope for a mid-year salary increase, he said then they would look at it in January.

There are reasons to be optimistic with the current steady enrollment (see "Who Are The Wartburg Students?"). The fiscal year 2010 (academic year 2009-2010), when set alongside the last five budget years (see table), will show important differences. In particular, under Operating Expenses the entry "salaries & benefits" will not increase nearly as much as in the past due to the salary freeze and reduction in TIAA-CREF retirement contribution. President Colson noted Wartburg will meet its budgetary commitments for the year.

We also discussed the Fitch report and credit ratings, recent Form 990 IRS reports and the college's debt load, and the report to the Higher Learning Commission due November 1. President Colson is working with Faculty Council to reshape the committee that overviews budgetary considerations so that it includes more than the present three Building & Budget Committee faculty members and the Cabinet members. It is refreshing to have a candid conversation with the president about the hard financial decisions with which he is faced. He reminded me several times of his position, "This is where we are." A good looking budget balance is but one part of the financial picture.

Warren T. Zemke

WHO ARE THE WARTBURG STUDENTS?

Where do Wartburg students come from? What is the quality of these students? Below are two tables that provide answers to the questions. The source of the information is the 23 September 2009 report from the Office of Enrollment Management.

The table below lists geographical distribution of the five largest groups of students by head count over the last six years. The constancy of these groups (*subtotal* in the table) is remarkable: the range is from 94.4% – 95.3% over the six-year period.

Two geographical trends emerge over the six-year period: the number of Iowa students is decreasing while the number of Illinois students is increasing. This is consistent with the enrollment goals for AY 2009-2010 posted 13 January 2009 by Edie Waldstein, Vice President for Enrollment Management.

<u>Geographical Distribution of Students Enrolled at Wartburg</u>							
<u>Fall Term</u>	<u>IA^a</u>	<u>IL</u>	<u>MN</u>	<u>WI</u>	<u>International^a</u>	<u>Subtotal^{a,b}</u>	<u>Total</u>
2004	1365 (75.7)	80	110	61	96 (5.3)	1712 (94.9)	1804
2005	1335 (73.7)	84	153	59	94 (5.2)	1725 (95.3)	1811
2006	1300 (73.5)	86	145	60	81 (4.6)	1672 (94.5)	1769
2007	1319 (72.9)	91	146	54	103 (5.7)	1713 (94.6)	1810
2008	1287 (71.5)	103	158	52	99 (5.5)	1699 (94.4)	1799
2009	1296 (72.0)	121	139	54	95 (5.3)	1705 (94.7)	1800
6-year Ave.	1316 (73.2)	94	142	57	95 (5.3)	1704 (94.7)	1799

^a Percentage of total in parentheses

^b Subtotal = sum of Iowa, Illinois, Minnesota, Wisconsin and international students

The next table shows the quality of incoming students by their ACT scores. Based on these scores the quality of incoming students has risen slightly. For 2009 the composite ACT score nearly reached the goal of 24.1 set by Enrollment Management (see Edie's goals).

<u>Entering First-Year Student ACT Scores</u>					
<u>Fall Term</u>	<u>English</u>	<u>Math</u>	<u>Reading</u>	<u>Scientific Reasoning</u>	<u>Composite</u>
2004	23.6	23.7	24.5	23.9	23.7
2005	23.5	23.7	24.4	23.8	23.7
2006	23.9	24.0	24.8	23.9	24.0
2007	23.3	23.6	24.4	24.0	23.7
2008	23.9	23.9	24.6	24.1	24.1
2009	23.8	23.9	24.8	23.9	24.0
6-year Ave.	23.67	23.80	24.58	23.93	23.87

WARTBURG HOSTS IOWA CONFERENCE MEETING

The Wartburg AAUP chapter will host the spring meeting of the Iowa Conference of the AAUP, currently scheduled for April. Final details will be forthcoming. Stay tuned!