A CRISIS OF PRIORITIES

Our students pay for an education, not an administration

TEMPLE UNIVERSITY GRADUATE STUDENTS' ASSOCIATION
TUGSA
AFT 6290
EST. 1997
AFL-CIO

EDUCATION OVER PROFIT
CUT the CUTS
TUGSA AFT 6290

Table Of Contents

At a Glance

Two Visions Of Temple

Through a research coalition consisting of union members from TUGSA and TAUP (the union for faculty and academic professionals at Temple), staff from the American Federation of Teachers and United Academics of Philadelphia, and Temple undergraduate students, we have embarked on a deep dive into Temple's finances.

As educators and researchers, we must think critically about the information we've been receiving and question who benefits from admin's narrative. Our research indicates that Temple is facing serious challenges, but these are almost entirely the result of admin's misplaced priorities and gross mismanagement.

The Problem: Temple's Cycle of Failure

Both in public-facing statements and internal memos sent to department leaders, upper admin would have us believe that job cuts are inevitable because of an "unavoidable" sequence [FIG 1.1, p5].

However, what happens is that this line of reasoning in reality becomes a self-reinforcing cycle that, conveniently, allows the administration to continue job cuts and other anti-education austerity measures that they have already been carrying out for years.

What actually happens when admin disinvests in education to "cut costs"? Current and potential students turn away from Temple in greater numbers precisely because of these cuts. Desired degree programs are no longer offered, there are fewer course offerings, faculty members leave Temple for more stable jobs, and academic advisors are so overburdened that students can't even get an appointment. Meanwhile, those who have the power to advocate on our behalf, such as the Deans, are choosing not to. Overall, the value of a Temple degree takes a hit. And so the cycle continues [FIG 1.2, p5].

The Solution: The Cycle of Growth

It is not unrealistic to believe that we can get out of this cycle. The first step in addressing serious challenges is identifying the real problems. We are not suggesting that upper admin has secret treasure troves they've been hiding from us or that the solution to fixing everything is to remove a couple bloated administrator salaries. Instead, we are suggesting a shift in priorities, a re-investment in education that our research shows Temple can readily afford. Without this shift, the long-term flourishing of our community is not possible.

Such changes are an absolute necessity for the preservation of Temple University as a premiere education and research institution. As the only four-year public university in the City of Philadelphia, we cannot afford to allow admin to continue implementing their agenda unchallenged. The information we've compiled below illustrates how admin has misdiagnosed the problems and consequently has put forward short-term fixes that endanger Temple's long-term health. We show where this narrative fails and offer solutions that prioritize education and research.

Temple's Numbers Don't Tell The Full Story

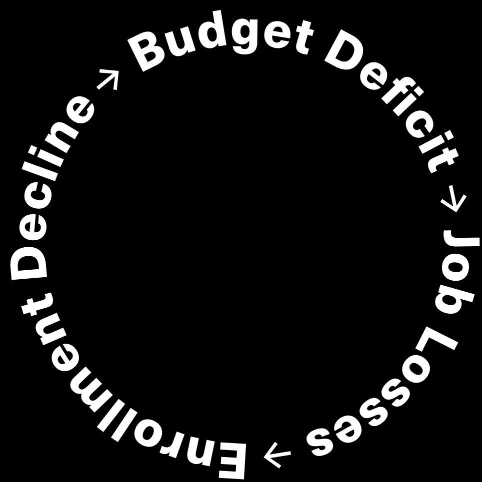
Admin purposefully misrepresents data to justify severely cutting labor costs. In a fall 2023 budget statement they claimed that "enrollment has decreased by 24.1% students since the Fall of 2017," yet the "number of full-and part-time time faculty members has decreased by only 3.5%." This is just one such example of Temple cherry-picking data to misconstrue the real picture.

The reality is that the number of full time faculty, adjuncts, librarians, and academic professionals has fallen by 20.7% since 2017. Furthermore, full-time faculty that teach undergrads has fallen 33.68%. But in Temple's statement they included medical and professional school faculty (who don't teach undergrads) and administrators that teach one-credit courses to suggest a much higher teacher-to-student ratio than is the reality.

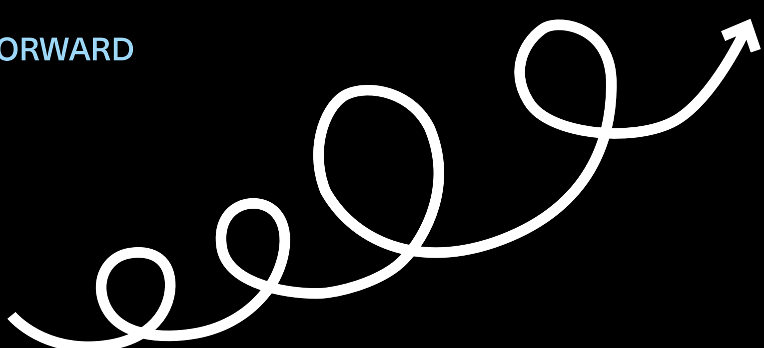
1.1
TEMPLE'S NARRATIVE

Enrollment decline → Budget deficit → Layoffs

1.2
THE REALITY



1.3
OUR PATH FORWARD



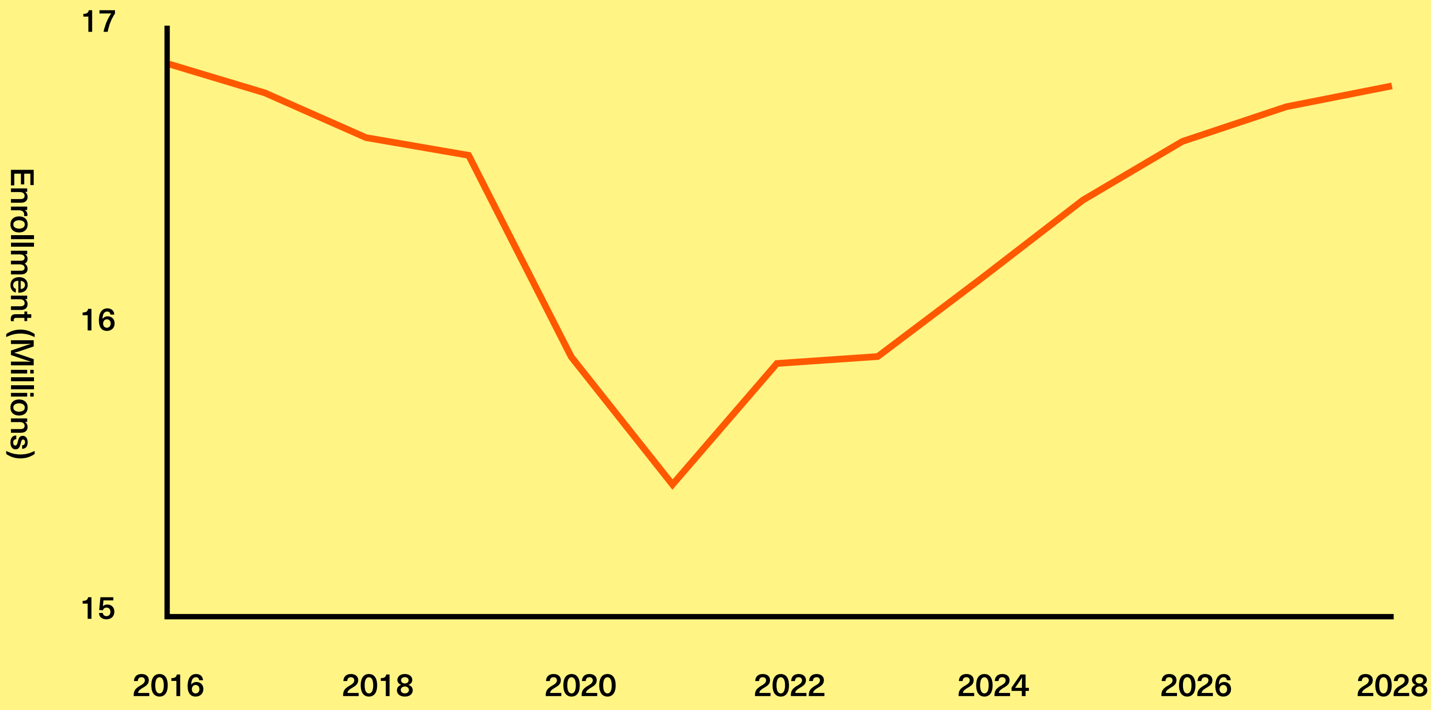
Our path forward envisions a positive feedback loop wherein more secure jobs provide the necessary foundation for higher enrollment and retention rates. As students stay and graduate in greater numbers, Temple will be well positioned to increase its workforce of educators and researchers.

The Enrollment “Crisis”

Temple administration claims they are victim to a national enrollment crisis totally beyond their control. While it is true that we have seen enrollment declines in recent years, it is a stretch to call this situation a “crisis” for multiple reasons.

According to a recent analysis by the National Center for Education Statistics, the nationwide decline in higher ed enrollment has bottomed out nationally and is projected to start increasing again after this semester. A short term trend, particularly one that is now reversing, is not a “crisis.” This supposedly unavoidable external circumstance is no longer an excuse admin can rely on to distract from their austerity agenda and institutional mismanagement.

National trends don’t explain why comparable schools like Pitt, Penn State and West Chester have not experienced the same enrollment challenges as Temple. If Temple has struggled more than these schools it is because of admin’s decisions to divest from education and neglect to spend tuition dollars in the classroom. A closer look at the enrollment numbers makes this clear.



National Enrollment Projections
(Data from: National Center for Education Statistics)

Incoming and transfer students tend to look at available majors and course offerings when choosing a school. We can't offer students a variety of necessary classes when programs are being cut down to a skeleton crew. In addition, students are more likely to remain at an institution when they have consistency and connectedness through mentorship – something that cannot happen when their instructors are hired on a semester-by-semester basis. This research challenges Temple's typical framing of enrollment. If enrollment is worsening at Temple, it is only as a *result* of admin's cuts to jobs and educational spending, not the *cause* of them. It is not surprising that the enrollment declines we've seen have largely been the result of a drastic fall in the number of transfer students and a rapid increase in the rates of freshman to sophomore year dropouts.

The number of transfer students in Fall 2023 is well below half of what it was in Fall of 2019. These students tend to come from the Philadelphia area and have more familiarity with Temple than most. As admin continues cutting budgets and jobs from its educational mission, its reputation among key constituencies like transfers is damaged to a greater and greater extent.

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Additionally, while acceptance rates increased between Fall 2018 and Fall 2022, the rate at which potential students then *choose* to come to Temple after their acceptance fell: the enrollment rate dropped from 30% in 2018 to just 17% in 2022. Studies show that when educator jobs are precarious and dwindling, students suffer and as a result, retention rates do as well.

As admin has cut more and more jobs, fewer and fewer freshmen have had the support needed to last into their sophomore years at Temple. We can track these students through Temple's enrollment data. For example, in Fall 2022, the freshman class was 6,022, which became just 4,652 sophomores by Fall 2023, a drop of 1,370. This negative rate of retention has escalated dramatically since 2019.

This rate of change corresponds directly with the falling number of educator jobs on campus. In the wake of a global pandemic that wreaked havoc on students and young people, Temple did not invest in methods proven to increase student success like increased contact time between students and faculty with stable jobs. Instead, educators disappear or take on more precarious positions, and the effect on our students is disastrous.

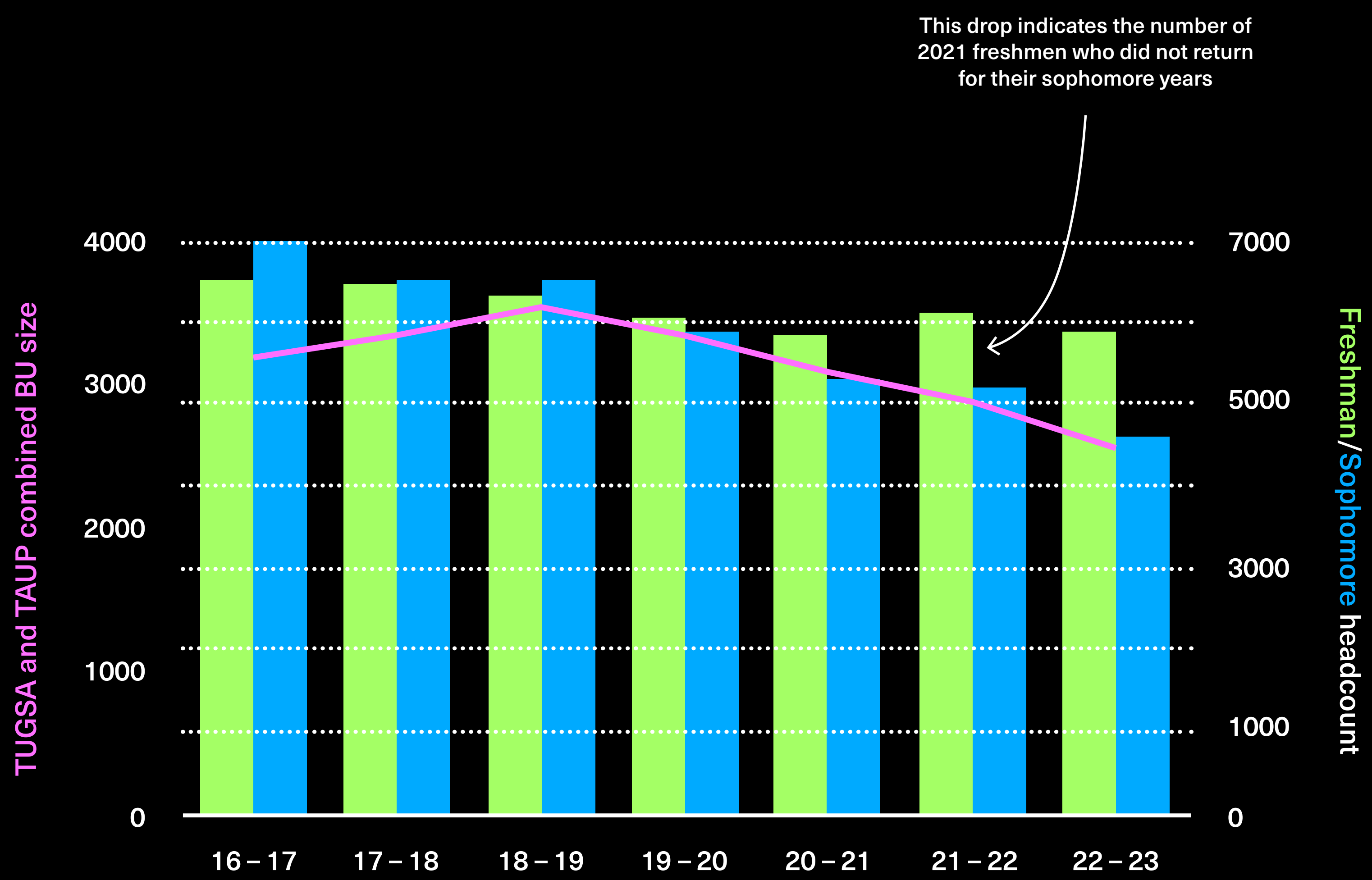
Admin's priority failures are not just in the classroom. After the previous Vice Provost for Admissions, Enrollment and Financial Aid left the role in 2022, the position was left empty for nearly a year before a new Vice Provost for Enrollment began in May 2023. Even though, by Temple's own admission, they "knew the enrollment cliff was coming, and this was something [they] spent years preparing for." Administration has also cut the budget of the Office of Institutional Advancement by over $1 million in the past year, the office responsible for fundraising, donor relations, and development communications.

If we want the students who choose Temple to complete their degrees, we must invest in the educators who provide teaching, support, and mentorship, not rely on austerity measures and a scarcity mentality that further exacerbate the decline. Temple has the opportunity to take advantage of reversing national trends by making careful management choices and investing in its educators and students. Otherwise we risk turning a short-term trend into a continuing crisis.

What if budget cuts had simply been more fair over the past four years?

We know the weight of the cuts have fallen disproportionately on schools and colleges as opposed to central administration. If cuts had been evenly distributed between admin and colleges from 2020 to 2024, it would have meant 42.3 milion more dollars for schools and colleges, the revenue-generators of the school.

Freshmen to Sophomore Retention overlaid with TUGSA/TAUP Headcount



Freshmen who continue as Sophomores the following Fall semester

Enrollment data from the past few years show that the number of Temple freshmen who leave before reaching their sophomore years has increased at an alarming rate. The issue is not one of first-year matriculation, but rather, undergrad retention. We are failing our students by not giving them the support they need to stay. This is what educators, tutors, advisors, mentors, and lab leaders provide – not administrators. It is therefore no surprise that as our jobs have been cut, the number of freshmen who make it to their sophomore years has plummeted.

Temple's Revenue

Where does Temple's revenue come from?
Who makes Temple work?

Temple justifies job cuts by claiming that the university is running a deficit, in other words, that it is spending more than it is bringing in. But again, like their claims about enrollment and layoffs, they are obscuring the truth. When we look closely at the numbers, we see more evidence of their austerity agenda while they hide behind a deliberately misleading narrative.

Admin justifies cuts by claiming that Temple ran a $27 million deficit last year. They have arrived at this number by lumping together the entire Temple University system, combining the financials of the university side with those of the Temple University Hospital System and the overseas campuses. This number deliberately misconstrues the true financial picture of the university.

When we look at the numbers for the educational side of Temple, the areas where TAUP and TUGSA members work and study, we find that there is a *surplus* of $36 million for 2022 – 2023 (according to the Temple Stairs report) . As the people who teach classes, create course offerings, and bring in millions of dollars in grant funding, it is teachers and researchers who are the revenue generators for the university. So why are these the jobs that are being cut? Why is this the only solution that admin has put forth?

TUGSA-Represented College Budgets vs Expenditures (in millions of dollars)

Year	Budget	Expenditure	Difference
2019	424.5	403.4	21.1
2020	424.1	401.6	22.6
2021	407.9	391.4	16.4
2022	384.6	368.1	16.4
2023	377.7	365.7	12.0

It doesn't stop there. The colleges where TUGSA members work have not only had decreasing budgets, they have been *under-spending* by tens of millions of dollars over the last several years.

Why are we being told by chairs and Deans that our programs can no longer afford to fund us? Where has this money gone?

Meanwhile, non-revenue generating administrative offices routinely *overspend* their budgets. For example, the Office of the President overspent by $1.1 million in both 2019 and 2023. In 2021, the COO Office overspent by $5.5 million, and University Counsel overspent by $2.6 million. In 2022, HR overspent by $1 million, and in 2023, University Counsel overspent by another $3.9 million. There are many more examples like this. The money from these isolated examples above could have funded the wages and healthcare of nearly 500 graduate TAs/RAs this year.

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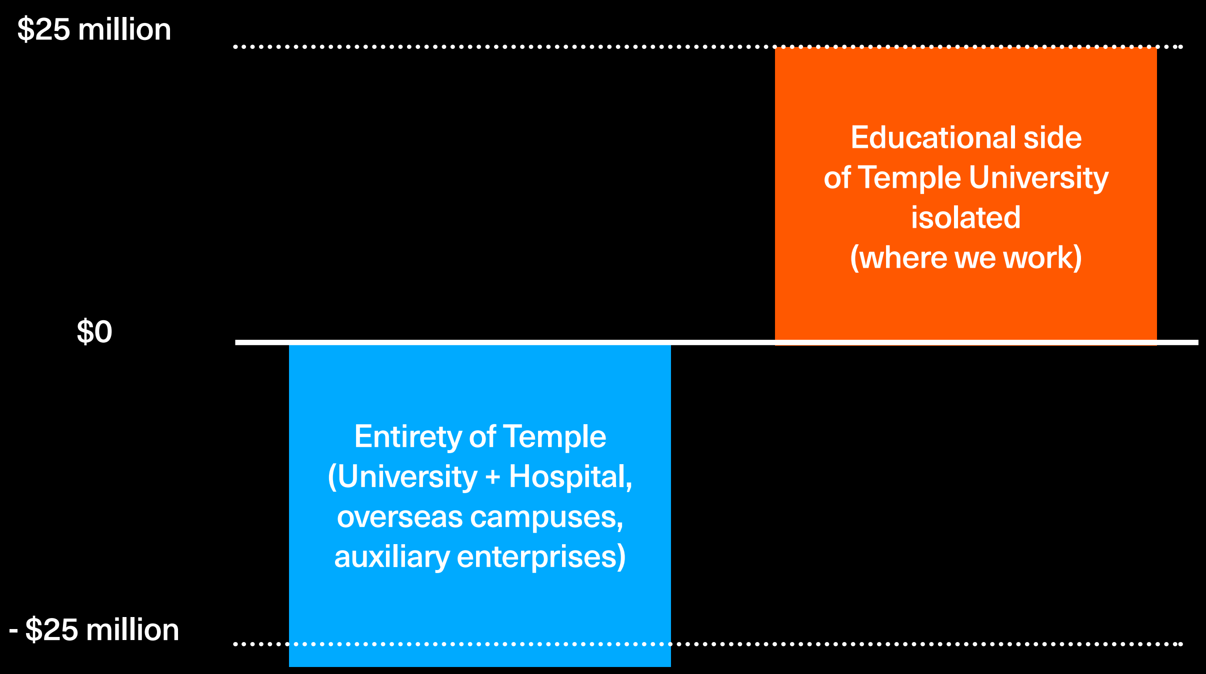
Conveniently, these supposedly inevitable solutions that admin puts forth never directly threaten their own offices, jobs, salaries, or benefits. Administrators don't teach classes, conduct research, mentor students, or win large grants. Their offices are not "revenue centers," but are rather "cost centers." Yet central administration operates with a higher budget than all Temple schools and colleges combined, spending more while bringing in no revenue themselves.

To name just one example of this backwards logic, the College of Liberal Arts has some of the highest enrollments of undergraduates, but continues to have its budget slashed as it pays a disproportionately high "tax" to central administration. This is because of a budget model known as RCM, which we dive into further below. In short, admin is funded by the work done by TUGSA and TAUP members while they tell us that we must be prepared to make sacrifices by accepting their plans of college budget cuts, job losses, and tuition increases that hurt us and our students.

Who Makes Temple Work?



Admin claims that Temple ran a $27 million deficit last year by deliberately misconstruing the true financial picture, combining the financials of the University side with those of the Hospital System and the overseas campuses. When we look at the numbers for the educational side alone, the places where TAUP and TUGSA members work and study, we find that there is a surplus of $25.3 million for 2022 – 2023 (according to Temple's municipal bond reports). We are Temple's revenue generators, we make the money. Why are we seeing the cuts?

Mass Layoffs

In an October *Temple Now* newsletter, admin claimed they haven't pursued "mass layoffs" of educators, but is this really true? Aside from the ambiguity of the word "mass" (see our job losses on page 15), admin's use of the term "layoffs" deliberately obscures the realities of contingent employment not just at Temple, but throughout higher education.

A large majority of educators and researchers at Temple work under short-term contracts, and admin has full autonomy in deciding whether or not to renew these contracts each semester/year. When admin chooses not to renew a contract, they are in effect laying someone off without going through the dirty work of labeling this as a job loss. In practice, the difference between "layoffs" and "non-renewals" is nonexistent, yet admin intentionally deploys the former term to obscure their actions and broader agenda.

A look at the number and type of different teaching and research employees over the last several years tells the real story. Since 2017, TAUP has seen a 41% decline in the number of tenure/tenure track positions, and a 23% decline in the number of non-tenure track positions. The number of librarians has fallen by 29% and academic professionals by 14%. What are these decreases if not "mass layoffs"?

Unlike all other educator positions at Temple, the number of adjunct professors has stayed fairly level. However, this hides the fact that many adjuncts are now teaching fewer classes, often for a significantly higher number of students. For instance, where adjuncts were once being paid to teach two classes of 40 students each, they might now get paid to teach one class of over 80 students.

These figures, along with admin's deliberate obfuscation of their long term cuts, show why job security is critical to TAUP's contract negotiations. Over 55% of faculty in the TAUP bargaining unit are up for renewal after this semester, meaning they have no guarantee of a job after June 30th.

How This Affects Grads

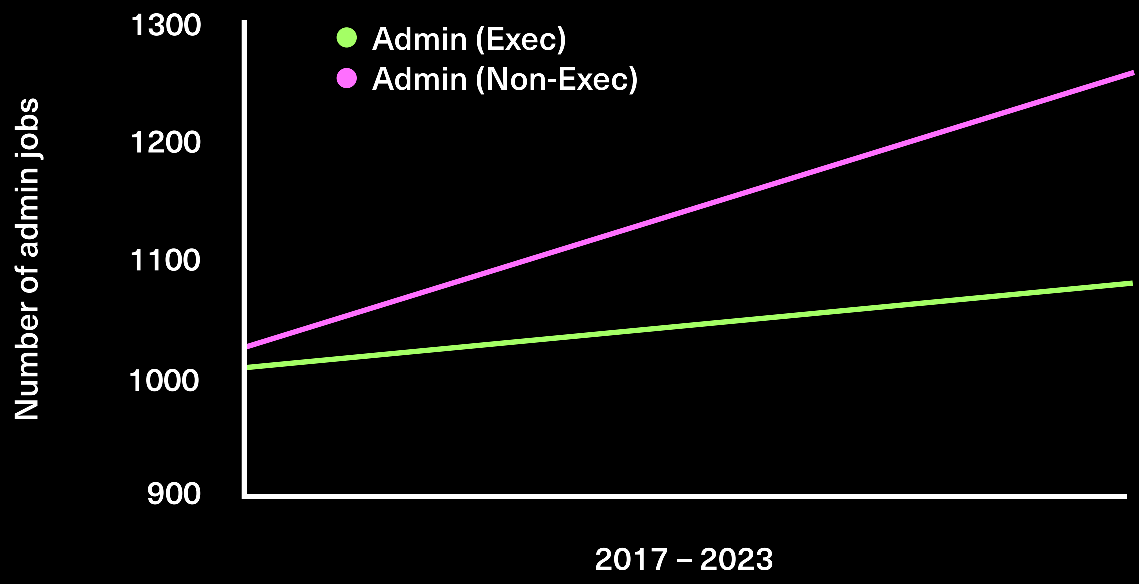
In the case of graduate workers, the term "layoffs" is again misleading. Like contingent faculty, graduate TA and RA appointments are yearly, if not semesterly. Any decline in the number of funded graduate students must be understood as a cut in jobs. TUGSA's bargaining unit currently has 30% fewer RAs and TAs than in 2019. Departments across campus are accepting fewer and fewer funded graduate students into their programs, and some have even taken TA jobs away several weeks into the semester. Some have moved to a year-to-year funding model that not only greatly increases the already precarious nature of our employment, but also forces grads to compete against each other over the dwindling supply of employment opportunities within disciplines.

When admin chooses not to renew a contract, they are in effect laying someone off without going through the dirty work of labeling this as a job loss.

Other departments, particularly in STEM fields, have forced grads into RA positions much earlier in their graduate careers, while they are still in coursework. This shifts the burden of tuition remission onto the backs of faculty members in labs, an expense covered by administration when these same grads are employed as TAs. Also, admin has already strained research grants by pushing the cost of much-needed wage increases for RAs (a key goal of large organizations like the National Science Foundation) onto PIs rather than funding these expenses from central administration (as similar institutions like Rutgers have done).

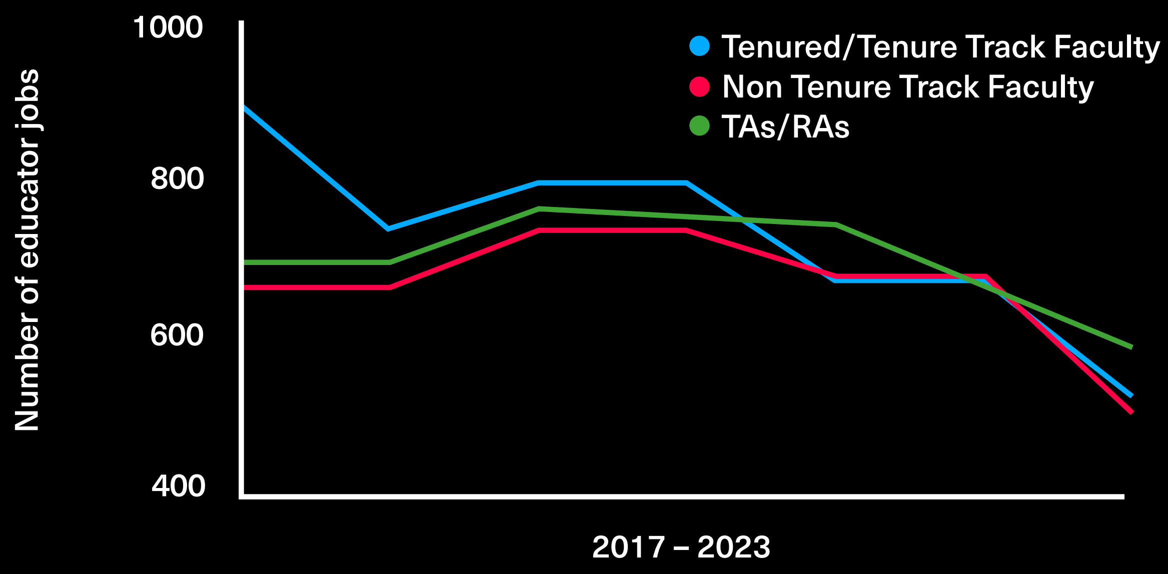
These decisions hurt grads, faculty, and our students. By refusing to adequately fund graduate programs, Temple hurts its reputation on numerous fronts. Attracting and retaining highly-qualified faculty and grads becomes much more difficult. A smaller number of educators leads to larger class sizes, which means the instructor has less time to devote to each student. Additionally, underfunded grads take longer to complete their degrees, as more are forced to juggle multiple jobs to make ends meet.

“We have eliminated administrative positions by not filling staff vacancies ...



... but through and since the pandemic, we have never considered or pursued mass layoffs across the university.”

– David Marino, Vice President of Finance and Treasurer



What is RCM?

“Responsibility Centered Management” (RCM) is a budgeting system adopted by Temple in 2015. Under RCM, colleges become independent revenue centers that must be “responsible” for their own revenue (i.e. how many students they enroll) and expenses. This includes managing the budget for their staffing, physical space, and utilities. In a traditional college budget model, a central administration oversees admissions, enrollment and revenue, then allocates funds to colleges from that central pool of money. Instead, **RCM turns colleges into separate, competing businesses** that pay a “tax” or fee towards central administration. This tax can be up to 50% of a college’s revenue.

Confusingly, the Admissions Office remains entirely controlled by central admin, so colleges are disconnected from decision-making regarding enrollment. Central admin still gets to call the shots and spend hundreds of millions of dollars on themselves while displacing the weight of “responsibility” onto college and department leaders.

> “RCM means that I don’t have to fire the professors, your Dean and Chair are responsible.”
>
> *– Zebulon Kendrick, Former Vice Provost of the Graduate School*

Despite this disconnection from upper administration’s decision-making, Deans still have the ability to stand up for the interests of their colleagues, employees, and students. When RCM was originally implemented, Deans were told that they had the power to push back against central admin’s cuts when they deemed it necessary. They still have this power, but in practice this hasn’t happened.

Temple’s administration uses vague language to make RCM sound like a beneficial system that keeps things running smoothly and efficiently when it is in fact leading to the absolute degradation of our university. By pitting colleges against each other and placing additional administrative burden on department chairs, this market-oriented approach is in direct contradiction to Temple’s core educational and research missions. RCM allows the Board of Trustees and upper administration to easily implement their corporate-centered vision at the expense of students and workers.

We know it's bad for workers, but why is RCM bad for education?

RCM incentivizes competition as opposed to collaboration between departments and offices at the university. Departments and colleges compete to attract students and this – rather than educational integrity – becomes the rationale for what courses and majors are offered at Temple. When market value is the sole metric of a program's success and students are treated like customers, less "profitable" departments are driven into the ground. Even "profitable" departments have to sacrifice quality to keep up with RCM's demands.

RCM creates immense pressure for colleges to shift to a contingent teaching model. This "adjunctification" of education means faculty can be easily hired and fired like gig workers. These unstable working conditions erode the gains made by unions like TAUP and TUGSA to secure wages, benefits and academic opportunities that allow workers to flourish. It is no surprise, then, that faculty also largely disapprove of RCM: in a 2017 TAUP survey (even while Temple was flourishing near the peak of enrollment), 400 faculty respondents found RCM "opaque, inequitable, and destructive of core academic values."

Learn More About RCM

- Temple's RCM Canvas Page
- "Beware Higher Ed's Newest Budget Twist" by retired Temple physics professor Leroy Dubeck
- "The Rutgers Budget Swindle: Everything You Need To Know About RCM" published by Rutgers AAUP-AFT

Admin’s Reckless Spending in Fiscal Year ‘23

$4,500,000 Eagles Stadium Operator	Temple paid the Eagles this sum to use Lincoln Financial Field for just seven games during the 2023 football season.
$810,206 Air Planning LLC	According to the company’s website: “Travel when you want, where you want. The way you want. Discreet, private, and on-demand private jet travel and emergency air ambulance for sports teams, heads of state, celebrities, dignitaries and the ultra-high net worth.”
$618,000 Ballard-Spahr	Ballard-Spahr is a law firm whose legal services include: “Union avoidance training and counseling, management of union organizing attempts, prevention and control of strikes and picketing, union negotiations, and decertification and withdrawal of union recognition” according to their website.
$150,000 Heidrick & Struggles	Consulting firm hired by Temple to provide leadership coaching to former President Jason Wingard
$7,230,000 Sullivan Hall infrastructure renewal	An original budget of $4,730,000 was increased to this sum in April of 2023 to pay for additional renovations to Sullivan Hall, the building on campus where the President and upper admin work and where no classes are taught.
$600,000 McKinsey Consulting	McKinsey is a notorious consulting firm that has been at the center of multiple controversies, including assisting tobacco and fossil fuel companies, Immigration and Customs Enforcement (ICE), and corrupt and authoritarian governments around the world. McKinsey recently paid a $573 million settlement to resolve claims that it fueled the opioid epidemic through its work for drug companies like Purdue Pharma.
$15,200,000 Administrative Overspending	TUGSA/TAUP-represented colleges have spent well under their allocated budgets for the past five years. Meanwhile, administrative offices have overspent by at least $15.2 million since 2019.

The Path Forward

Admin's cuts have not led to a balanced budget, rather they have exacerbated all the problems that admin has claimed they would solve and damaged both Temple's reputation and the well-being of its students and employees.

The above evidence suggests that a concerted investment in our education revenue centers can shift our current "crisis" into a long-term, sustainable system of education. Despite the challenges we've faced, Temple continues to profit in the tens of millions of dollars. It should not be radical to suggest that these profits be reinvested into the classroom. The quality of education and research at our university must be the top priority.

We are simply asking that central administration operate with the exact same careful management of funds that they expect from our colleges.

This issue is too urgent and too important for us to wait around for admin to do the right thing. Grads, faculty, librarians, academic professionals, students, and Deans must work together to demand change from this administration.

Temple's Profits vs Expenditure

Fiscal Year	Revenue	Expenses	Profit
2018	$1,173,394,024	$1,105,126,084	$68,267,940
2019	$1,207,192,447	$1,148,344,620	$58,847,827
2020	$1,206,079,833	$1,143,428,365	$62,651,468
2021	$1,157,424,271	$1,105,949,260	$51,475,011
2022	$1,140,801,219	$1,091,800,406	$49,000,813
2023	$1,132,226,972	$1,095,658,080	$36,568,892
		Total profit since 2018	**$326,811,951**

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