



Seton Hall University Advocacy Chapter of the AAUP

<https://shuaup.wixsite.com/my-site>

Contacts:

shuaup@gmail.com

Benjamin Goldfrank (benjamin.goldfrank@shu.edu)

For Immediate Release

External Audit Reveals Warped SHU Budgeting Priorities

South Orange, NJ, March 15, 2022: The Seton Hall University Advocacy Chapter of the American Association of University Professors arranged an external accounting of Seton Hall's finances after the administration adopted austerity measures during the pandemic, including reducing faculty salaries and retirement contributions and laying off scores of staff members. The audit's findings revealed that the university has unusually large reserves that could have been used during the COVID-19 crisis, is investing disproportionately in risky hedge funds, and is last among peer institutions for spending on instruction and research but first in spending on upper administration salaries ("institutional support" in IPEDS language). Moreover, SHU faculty salaries languish toward the bottom compared to those at peer institutions.

The SHU chapter hired an expert in university finances, Dr. Howard Bunsis, Professor of Accounting at Eastern Michigan University, to conduct a review of the university's finances using publicly available financial reports. This request came after upper administration at Seton Hall used the COVID-19 pandemic to make drastic cuts to salaries, staff, and programs in response to potential budget shortfalls resulting from COVID-19. The administration made many of these decisions behind closed doors in committees where all participating – including members of the faculty - were required to sign Non-Disclosure Agreements. As a result of these meetings, Seton Hall reduced the administrative and staff workforce by 10% and furloughed many others, reduced salaries by 3% for all non-union employees, reduced employer contributions to retirement funds from 8% to 4%, and increased tuition by 3.5% and room and board by 3%.

The review by Dr. Bunsis found that the university did not need to make these cuts in 2020 as it had unusually large reserves to bring the university through the crisis without such extensive cuts to staff, faculty salaries, and retirement benefits. The review also showed that our endowment is disproportionately invested in risky hedge funds and would have earned more money in safe investments, like the S&P 500. Further, the university was granted \$30 million, including nearly \$17

million of discretionary funds, from the federal government's Higher Education Emergency Relief Funds in fiscal years 2020 and 2021, with more to come in 2022.

Professor Bunsis also confirmed what many professors at Seton Hall already knew. That is, while spending on salaries for upper administration ranks first among peer institutions, the amount spent on instructional salaries and research is last among these same peers. Even though Seton Hall is located in one of the most expensive regions of the country, faculty salaries are "well below that of most peer institutions." Indeed, according to the report, average SHU salaries are 11% less than the peer average. Many academic programs rely on non-tenure track instructors whose salaries are well below a living wage, and the number of tenured and tenure-track professors declined by 9% between 2015 and 2021 while the number of non-tenure track full-time instructors increased by 26% in the same period. At the same time, the number of non-instructional employees grew, especially in management, who are the highest paid employees, with compensation packages of several hundred thousand dollars.

Dr. Bunsis' analysis shows that Seton Hall spends too little on instruction and research and too much on upper management. While the university recently restored salaries and benefits to the levels before the cuts in 2020 and has promised a small cost-of-living increase for next year, recent inflation spikes without corresponding salary bumps mean that the real wages of SHU faculty are shrinking even as the administration calls on professors to teach larger classes. Moving forward, Seton Hall needs to shift priorities towards what is the heart of the university – instruction and research.

The Seton Hall University Advocacy Chapter of the AAUP seeks to promote faculty participation in decision-making and advocate on behalf of faculty across the University. The American Association of University Professors (AAUP), with over 50,000 members and 500 local chapters, champions academic freedom; advances shared governance; and organizes to promote economic security for all academic professionals. Since 1915, the AAUP has shaped American higher education by developing standards and procedures that uphold quality education.

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