

Budget Crisis Committee Completes Final Review of Proposed 3-Year Plan

Dear Members of the Florida State University Community:

What follows is a brief summary of Florida State University's 3-Year Budget Reduction Plan, which will be submitted to the university's Board of Trustees for its consideration on Wednesday, June 17. The university's Budget Crisis Committee completed its final review of the plan yesterday, June 11. (We are distributing this letter electronically as well as posting it to the fsu.edu and campus.fsu.edu web sites.)

In brief, the goal of the plan is to put the university in a position to operate and accomplish its mission at its highest level, while reducing the budget \$56.6 million over the next 36 months. Federal stimulus funds will help us in the first two fiscal years of the plan, but by Year Three, we must be prepared to operate the university with \$56.6 million less.

We are all aware of the economic downturn nationwide and statewide that has led to this severe underfunding of higher education. Some of us will be directly affected by this downturn. Some of us are indirectly affected. But every member of our University Family -- students, faculty, staff and administrators -- will feel the impact.

Every individual involved in the budget process faced very difficult decisions with limited choices while trying to protect the mission of our university and as many of our students, staff and faculty as possible.

Because of the importance of the activities of the Budget Crisis Committee, every effort has been made to maintain a transparent process and all documents have been posted on a web site (<http://campus.fsu.edu/budget>) open to everyone on campus. The Committee met 13 times between December 8, 2008 and June 11, 2009. Suggestions for cost savings were solicited from the campus community. The Budget Crisis Committee received approximately 100 suggestions, which it carefully evaluated and implemented as appropriate.

President Wetherell and other administrators regularly presented budget information and committee updates to the Faculty Senate. Updates have been distributed to everyone on campus as new information has become available.

In addition, the President hosted a Town Hall meeting during which he presented the university's current budget as well as a "worst case scenario" that was an option with cuts then being considered by the Legislature.

Additional cost saving efforts, such as shutting down cooling and heating systems over the weekends have been made. Again, all of these measures were to avoid or reduce the numbers of individuals affected by the budget reductions.

Despite these and other efforts, the university must reduce its expenditures by \$56.6M as part of \$82.8M in mandated budget reductions since 2007.

While the university did not have to confront the “worse case scenario,” its Budget Crisis Committee faced a considerable challenge with a total reduction of \$56.6 million that is based on the January 2009 (\$12.3M) reduction as well as the reduction (\$44.3M) enacted by the legislature during the 2009 session. The committee’s proposed plan, which is summarized below, addresses our budget reductions over a three-year period and will keep the university academically and operationally strong.

The proposed plan reduces spending by \$35.7M during the 2009-10 Fiscal Year. The plan anticipates that the other \$20.9 million needed will be met by using new tuition revenues and any increase in state support in the out years rather than additional budget cuts.

Federal stimulus and “fund balance non-recurring dollars” will be used to balance the budget until 2011-12. It is hoped that the reductions will be sufficient for some time to come, but this depends on our state’s fiscal conditions. It is very important that we continue our efforts to maintain current enrollment levels to protect tuition collections.

It is not possible to reduce spending by \$35.7M without a reduction in personnel because salaries account for the majority of the budget. Currently there are more than 6,000 employees, of which about 4,500 are paid by state funds. Every effort was made to reduce the number of employees through attrition, and that is the reason positions have been frozen since October of last year.

This strategy reduced positions by more than 240, but because many of these positions were at the lower end of the pay scale, the hiring freeze was insufficient to produce the required reductions. Despite these efforts, it is necessary to recommend to our Trustees that additional faculty and staff positions be eliminated, perhaps as many as 200, including approximately 25 tenured faculty. Reducing employment by 440 positions is a bitter pill for those directly affected, for the university and for the community because nothing like this has been necessary at our university in many years.

Every effort will be made to give affected individuals maximum notice. All tenured faculty will receive a year’s notice, while all other faculty and staff will receive the maximum possible notice, which will vary with the classification of their positions.

The university will do everything possible to assist affected individuals in finding other positions either on or off campus. Human Resources has established the Office of Budget Crisis Support Services to meet individually with those affected. Individuals who need assistance, should call or email Francesca Ciaccio-Freeman, phone: (850) 644-7701, fcaccio@admin.fsu.edu.

In anticipation of questions, the following information is provided:

- Why weren't the budget reductions the same for every unit? That not all units were reduced in the same manner is consistent with the desire of our Trustees who did not want across-the-board reductions. In addition, some units could no longer function given a 10% or greater reduction while the quality of others would fall below an acceptable level.
- What happened to the 21 programs listed at the April 21, 2009 Town Hall meeting for possible suspension or reduction? These were identified as possible suspensions or reductions under one of the budget proposals being considered. Fortunately, the reductions, although large, did not reach this level; thus the majority of these programs will not be suspended.
- How were programs to be suspended or merged identified? Both prior to and following the Town Hall meeting, various aspects of each department were examined, e.g., student credit hours generated, degrees awarded, contract and grant expenditures, and tuition collected. These were compared on a per faculty member basis as well as overall. It became clear that there is no precise formula that would satisfy all parties, and the formation of the proposed plan came down to assessing each unit in consultation with the deans.
- Why are the numbers of programs and affected faculty and staff constantly changing? This is a fluid situation because attrition, retirement and mergers and consolidation of programs have continued throughout this process.