FREQUENTLY ASKED QUESTIONS

August 27, 2010

**Question:** Early retirement was offered to employees who had at least 20 years of service and had reached the age of 62. I was wondering if a voluntary lay-off may be suggested.

**Answer:** Not at this time. The Voluntary Retirement Incentive Program was initiated by the State System to minimize layoffs while providing budget flexibility.

**Question:** I am revising a concern that I previously sent re: the Capital Campaign Video. I thought that the requisition amount of $20,000 was the ballpark figure. Communication and Marketing recently informed me that the budget for the video is a whopping $70,000. Why are we spending so much money for a 10 minute video and why did we not utilize our broadcast and marketing students instead? I think that would have made a bigger impression on the prospective donors. It would say: “Look what MU students can achieve! But we need your help to keep things going!”

**Answer:** The University is about to enter the public phase of an $85 million capital campaign. This dollar target has been revised from the original $60 million goal based on present and anticipated success. The campaign video, to be paid over two fiscal years, is being directed by the University’s Marketing and Communications staff using student interns and is being produced by a professional video company. The video is an essential and valuable tool for the success of the campaign and will be shown to an audience of prospective donors at alumni gatherings over the next two to three years. Although a 10-minute video may seem expensive given our current budget situation, a first-class quality video will assist in delivering the important message of need and pride. A professional video production will demonstrate a University of quality, worthy of investment by alumni, corporations, and friends. In the end, although your comment is understandable, we believe the video will help raise the remaining $30 million and greatly assist the University’s efforts to offer educational opportunities to students that are “second to none.”

**Question:** Stop building and making renovations that are not needed.

**Answer:** Millersville University is 150+ years old, and it will probably be here at least another 150 years. An investment in buildings is extremely important to the long-term viability of the institution. Capital funding by the state will provide outstanding facilities needed to recruit and retain the best students as well as outstanding faculty and staff. One person may not see the need for some renovations while another sees the need to upgrade and improve the teaching and working environment. The University has a responsibility to everyone to make sure we have the finest facilities possible.

**Question:** A few solar-powered facilities. Just a thought!
**Answer:** Here is some information about energy consumption and use for this very timely question. First, let me say that about 35 years ago, the University converted to a 100% electrical campus. We heated our buildings, hot water, etc., with electricity. Thirty-five years ago electricity was cheap but not today. In planning for renovations to the Student Memorial Center, the Visual and Performing Arts Center and the Library, the University reviewed all types of energy sources and solutions. The Master Plan conducted a study to determine the best energy source for the campus. In every case, it was more economical and sustainable to convert the current electrical sources wherever possible to natural gas. In order for us to move to other alternative energies, we must make sure the payback is within 15 years. Solar energy does not get us to this goal. Furthermore, Pennsylvania has one of the largest natural gas reserves in the world. By burning more gas and using less electricity, the University will lower costs and reduce our carbon footprint.

**Question:** Create revenue from offering community enrichment courses. Many faculty and staff are qualified to instruct in a wide array of fields which could introduce topics to the general population, increase community involvement and bring in dollars.

**Answer:** We are always looking at new ways to increase revenue. This is a very good suggestion and, as a matter of fact, we are working on this idea. The Dean of the School of Graduate and Professional Studies is creating a new certificate program for nonprofit managers. This program will be available for the local community by late fall or early in the spring semester. In addition, the 42 North Prince Street building (Millersville University-Lancaster) is the perfect location for serving the needs of the City of Lancaster.

**Question:** Go to a zero budget review for the previous two years to determine the true amount of the budget support that departments need. Then reallocate the funds to the departments with greater need or put the money toward one-time budget requests.

**Answer:** In the past two years we have cut $7.6 million from the budget ($4.2 million in 2009-2010 and $3.4 million in 2010-2011). Many of us believe there is not much left for the operating budgets already. Approximately 80% of all university costs is in personnel. As for one-time funds, the University routinely provides one-time funds plus it allows departments to rollover any funds not spent in the previous year.
PREVIOUSLY ASKED QUESTIONS

**Question:** What are we doing to save energy?

**Answer:** The University is working on several fronts to reduce energy costs. A firm has been hired to review energy consumption in specific areas. Phase I of this plan included a $1.9 million investment in lighting, heating and air conditioning. In the past, Millersville University heated the campus using electric power including the heating of hot water. Currently, the campus consumption of electric power has been reduced by 18 to 19%. This savings is the direct result of converting heating and hot water units to natural gas. Natural gas is less expensive and cleaner, therefore, better for the environment. Phase II of this program is under study and should be implemented in 2010. The campus community can help in this effort by turning off lights, removing space heaters, and closing windows.

**Question:** How can we increase existing or generate new revenue?

**Answer:** This question does not have an easy answer. Remember, there are two distinct budgets; Education and General, which is funded by State Appropriation and tuition revenue, and Auxiliary Services, which is funded by student fees, room and board fees, and other miscellaneous revenue. Funds from one budget area cannot be used to supplement the other. We have received numerous revenue generating suggestions; unfortunately most relate to the Auxiliary side of the budget. These suggestions do not help the Education and General budget which is the source of the problem. The two major sources of revenue in the Education and General budget are State Appropriation and tuition. We will be working with the PASSHE to advocate for additional State Appropriation from the Commonwealth, but given the current state of the economy it is unlikely for an increase in the foreseeable future. By recruiting more out-of-state students, we can increase tuition significantly. By changing the current ratio from 4% out-of-state students to 10%, we can increase revenue by more than $1.5 million.

**Question:** Should future budget reductions focus on vertical cuts rather than horizontal?

**Answer:** This question was posed by the Vice President for Finance and Administration during the open forums. Many people responded and the dialogue has really been divided. Some people feel that across the board (horizontal) reductions are fairer because everyone shares equally. Others have suggested that future cuts be more strategic (vertical), such as the elimination of certain programs (academic and non-academic). Still others suggest that both types of reductions are necessary. So you can see that we are divided on this question. Everyone agrees that any additional budget reductions will reduce morale and create resentment.