

From: Office of the President
Sent: Tuesday, July 19, 2011 1:10 PM
To: University Community
Subject: Update on Budget

Thank you faculty, staff, students and volunteer leaders for your efforts in helping to reduce the proposed budget cut for Millersville University from 52% to 18%. We understand the economic difficulties facing the Commonwealth and are grateful that the legislature did not find it necessary to reduce our appropriation as originally proposed.

The 18% budget reduction for PASSHE institutions is one of the largest decreases of state support for public higher education in the nation. This reduces Millersville University's state appropriations by \$6.34 million as compared to last year. The \$218/semester tuition increase (7.5%) set by the Board of Governors, along with the increase in the technology fee of \$58/semester, will generate \$5.06 million. The tuition and fee increases only cover 79.8% of the loss of state appropriations. Due to increased mandatory expenditures such as utilities, health care costs and the residual impact of last year's salary increases, University expenses have increased by \$967,410. The lost revenue coupled with increased costs creates a \$2.34 million budget gap.

Succinctly stated then, in the last four years Millersville has eliminated approximately \$14 million from the Educational and General budget. These reductions have resulted in the elimination of positions, deep cuts in equipment funding, a decrease of 50% of the repair and renovation budget, approximately 100 vacancies in faculty and staff positions and the elimination of sabbaticals for faculty. In order to close the \$2.34 million gap, these measures will need to stay in place with more positions being lost.

The University has consistently been a responsible steward by being prudent with taxpayer dollars and by continuing to provide a high-quality, affordable education for the citizens of the Commonwealth. Our primary objective must be to protect the academic core so that our students receive a high-quality education and are able to graduate in a timely manner. While we have successfully completed searches for six vacant faculty positions and authorized 17 searches to fill positions in 2012-13, many faculty positions will be filled with temporary appointments to ensure that our students are able to enroll in the classes they need. In ordinary times and circumstances, this is certainly not the approach we would choose to implement as we are concerned that the quality of our academic programs is in jeopardy. But these are not ordinary times or circumstances.

We are also concerned about the impact of services which support the academic core. Last year, we eliminated 27 staff positions; additional support positions will remain unfilled this year and five positions will be eliminated as part of our continuing budget-balancing strategy. While no additional furloughs are planned at this time, this, too, will jeopardize the quality of our institution.

The current situation and the political/economic environment in which we will likely find ourselves for the next several years underscore the importance of a transformation agenda. Moving forward, it is imperative that we have a longer-term budget and a tuition plan — a 3-5



year model — that would allow for better planning by the universities as well as students and parents. We also need to update our antiquated procurement and construction regulations.

In the coming months, our entire community must work together to develop an action plan for the deep changes we will need to make to meet the new realities that have emerged in recent years. We must also ensure that our University resumes command of its destiny, rather than simply reacting to the developments that swirl around us. I'll share more about what we are calling our transformation agenda in my convocation remarks in September. To move forward in these uncertain times, we must build a shared will to act boldly in order to guarantee that we continue to provide a high-quality education at an affordable cost to coming generations of students, who deserve the very best we can give.

Again, thank you for your ongoing efforts and support during this difficult budget year. Together we will help our students and Millersville University to seize every opportunity.

Francine G. McNairy
President