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A plan to position UMass Dartmouth to deliver high quality education, scholarship, and service to the region and Commonwealth during a period of financial challenge and emerging opportunities

I. Context

The resource constraints that the University of Massachusetts Dartmouth currently faces are neither short-term or confined to our community. They are generated by a world-wide and structural economic crisis that will likely continue for an extended period of time and has affected public and private institutions, businesses, non-profit organizations, and families all across our country. Private institutions have seen their endowments collapse; non-profits have seen philanthropic giving dramatically shrink; and families have been hit hard by layoffs and declining investment returns.

Yet, higher education is more valuable than ever. Increasingly, a four-year college degree is a pre-requisite for a strong quality of life, especially in Massachusetts, where the economy is driven by knowledge and innovation. Here on the SouthCoast, our university is looked upon as the engine of socio-economic development -- a powerful source of energy and talent that drives the creative economy, sustains our coastal resources, and catalyzes the renewable energy and life science business sectors. The education programs we offer are seen as the ultimate solution to the chronic problem of low educational attainment. Therefore, even as various forms of financial support are declining, the expectations for us to contribute to society are growing.

This requires that we take bold and strategic action to position UMass Dartmouth to sustain high quality education, scholarship and service to the region and Commonwealth for decades to come. It requires us to maintain our commitment to access and affordability, and continue to move forward with our most critical goals during a period of financial challenge and emerging opportunities. We must streamline, innovate and invest as never before to be less dependent on state funds and grow non-state funding.

The reality is that state funding of public higher education in Massachusetts and nearly every other state has been declining for nearly a quarter century. The Land Grant compact that gave rise to a low tuition / high public subsidy / high public return on investment has eroded. This has occurred because states have been forced to meet new mandates even as the public simultaneously insists on

tax cuts. UMass Dartmouth and its sister UMass campuses have reluctantly, but gradually, been forced to embrace a financial model more like private institutions - higher tuition/fees and higher aid. In many ways as less of our funding has come from the public, we have had to compete more and more for private funding from all sources.

Over the past year, UMass Dartmouth has seen severe cuts in state allocations, requiring that we once again examine what our revenue streams must be and from where they must come. Further, we must determine the most effective and efficient way to deliver our core academic, student and administrative services. Ultimately, a larger public debate about the future of public higher education and the way it will be publicly supported must take place, and UMass Dartmouth must play an important role in leading that debate. Still, our budget and expenditure decision-making for FY10 must take place now.

II. FY2009 Budget

Faced with multiple mid-year state budget cuts, increased fringe benefit costs resulting from employees being moved from state to non-state funding sources, and lower than expected enrollment, the campus had to make \$5.4 million in budget reductions from its core operating budget over the last 7 months. We made the decision early on that we would avoid layoffs, mid-year student charge increases, and mid-year reductions in financial aid during FY09, and succeeded in these goals.

We achieved \$5.2 million of our goal by enacting a mixture of permanent and one-time cuts including: aggressive energy savings, winter holiday recess, non-union leave without pay and pay freeze, and a critical needs hiring process that eliminated many positions or delayed the hiring of the most needed. Many people offered savings ideas and participated in shaping solutions and for that we are all grateful. As quickly as we can, these ideas have been implemented. More will be done in FY 10.

III. FY2010 Budget Challenge

We must now plan for a fiscal year 2010 that promises to be even more challenging. The Commonwealth's economy continues to spiral downward. Recent analyses indicate that there is an additional \$1 billion state revenue shortfall for this fiscal year (FY09) and an additional \$1.5 billion shortfall for next year (FY10) – beyond projections used by the House of Representatives to craft its recent version of the budget just a few weeks ago. The Senate Ways and Means Committee proposal unveiled Wednesday indicates additional deterioration of the state's financial position and additional potential cuts for the University.

Our current best estimate of the scope of our FY 2010 challenge is \$9,754,980. This number comes from direct revenue losses and the necessity of meeting some ongoing and new mandatory spending obligations. These detailed items are listed on the attached **Anticipated Available New Revenue Spreadsheet**.

To meet this challenge we will be required to make significant operating budget cuts and personnel reductions; raise student fees; and focus available federal stimulus funds on one-time investments that will enhance our ability to raise future revenue.

IV. Closing the gap for FY10 and beyond

There are really only two ways to close a budget gap – increase available revenue and/or cut expense. The scope of this crisis will absolutely require both. What is included in this plan is a series of thoughtful actions, shaped by many people. The actions proposed focus on sustaining our core mission and, wherever possible, creating opportunities to innovate.

New Revenue

We will have two new sources of revenue– student fees and federal Stimulus money.

Fee Revenue

On February 27, 2009 the UMass Board of Trustees agreed to a \$1,500 fee increase with related commitments on the part of the campus to meet 100 percent of the costs of tuition and mandatory fees from grant funds for those students with financial need and whose family income is at or below the median family income in Massachusetts (\$78,500).

In addition, the campus agreed to find additional aid for those students and their families with need and with a family income of \$78,500 to \$100,000. The University also agreed to modulate the rate if Federal Stimulus funds became available. The current plan keeps the rate at \$1500 but anticipates a \$200 rebate to each student for each semester.

The American Recovery and Reinvestment Act (ARRA), meanwhile, provides additional Pell grant aid and a \$2,500 tax credit for enrolled students. We feel confident that this fee/aid combination will help us to meet our access and affordability commitments.

The revenue from student fees (\$9,551,236) is also included on the **Available Revenue Spreadsheet**.

Federal Stimulus funds

Both the Governor and the House of Representatives have proposed that the UMass system receive \$79 million in ARRA funds for FY10. It appears increasingly likely that there will be no additional ARRA funds for FY11.

About \$8.5 million of UMass ARRA funds would flow to UMass Dartmouth in FY10. This money is meant to serve as a bridge to more stable times, and give campuses the ability to streamline and realign services, as well as develop other sources of non-state revenue .

It is critical that we act responsibly as we use federal stimulus money. Because ARRA is temporary, we will need to focus these funds on the following expense categories:

1. Accounts that have suffered temporary losses and have a high likelihood of rebounding over the next two years. These include invested endowments and investment income that fund scholarships, debt service and general operating expenses.
2. Initiatives that will ignite future revenue growth, such as enrollment growth and retention (undergraduate, graduate, and online), fundraising, grant development, faculty start-up packages, etc.
3. Facility improvements already underway critical to enhancing the safety of students, teaching, and research. By making these investments we position the university to meet the expectations of students and their parents as well as capture additional federal stimulus funds.,
4. Operations that need to be transformed into self-sustaining units. At most institutions of higher learning, creative services and in-house printing are run as fee-for-service units. Campus radio stations are structured to attract external underwriting.

The proposed use of Federal Stimulus funds is outlined on the **FY10 Solutions Spreadsheet**

Budget Reductions and Reduction in Force

Substantial expense cuts are also required. None of these cuts are easy. They will require everyone to respond to unexpected changes, require patience in the

implementation process, and demand that we sustain our sense of community and purpose by being respectful in the ways we talk with each other about these hard choices.

Several months ago, when the depth of the global financial crisis became apparent, we estimated that the university would be forced to eliminate at least 100 full-time staff jobs in FY10. While more than 150 people will be affected in various ways by the actions that are proposed, this plan offers an alternative strategy that will significantly reduce the number of direct position eliminations.

The proposed budget and personnel reductions of \$9,832,678 are outlined on the **FY 10 Solutions Spreadsheet**.

V. Proposed actions

Non-personnel operating budget reductions – We have identified approximately \$1,292,881. in operating budget reductions related to energy, PeopleSoft, copying, postage, bottled water and other ideas submitted by students, staff, and faculty over the last six months.

Maintaining strict critical needs hiring process -- We cannot sustain a total hiring freeze because some positions are essential to our functioning and with some vacancies we find there is not a qualified individual on campus to fill the position. We will also continue to strategically invest in full-time faculty hires.

However, through the critical needs hiring review process, we have been able to permanently eliminate 10 positions to save \$828,836. We have also identified other positions that we can keep vacant for at least another year to save approximately \$2,104,742 in temporary salary and fringe benefits.

Alternative fund sources – We have identified approximately \$193,254 worth of positions that can be appropriately shifted from the state appropriation to auxiliary funding.

All of the above steps will save approximately \$4.5 million.

Streamlining Administrative Services Phase I – We have a responsibility to look first at the administrative structures we use to deliver our core services and to make them as effective and efficient as possible.

We recognize that, by any measure, UMass Dartmouth has a lean administrative structure (the lowest student:administrative staff ratio in the UMass System) and lower than the average of our peer institutions. (John Minter Associates 2008 Data).

However, in FY10, we will eliminate the positions of Vice Chancellor for Student Affairs and Vice Chancellor for Library Services/ Information Resources Technology (LSIRT). We will consolidate academic, student, technology, and administrative support services into a more integrated decision-making structure within the divisions of Academic Affairs and Administrative/Fiscal Services.

As we grew and expanded our instructional and administrative technology services, made plans for significant changes in our library, and become more of a residential campus with a larger student population, we needed experienced executive leadership to ensure that these critical changes could receive focus and be aggressively and simultaneously advanced. Much good work has taken place and we have been served very well by those who have been in these roles over the last six years.

Now, we believe that our needs must be served in a more streamlined administrative services structure that embraces integrated goals with fewer vice chancellors but strongly supported by experienced programmatic and service leadership.

Under this plan, Academic Affairs will be assigned responsibility for the following:

- Claire T. Carney Library (LSIRT)
- Center for Teaching Excellence (LSIRT)
- Academic Support (LSIRT)
- Career Resources (SA)
- Counseling Services (SA)
- Health Services (SA)
- Community Service and Partnerships (SA)
- Housing Life (SA)
- Student Conduct (SA)
- Student Activities (SA)
- Children's Center (SA)
- Frederick Douglas Unity House (SA)
- Center for Access and Success (SA)
- International Students (SA)
- Women's Resource Center (SA)
- Religious Resource Center (SA)

By moving many student service functions under the umbrella of academic affairs, we are institutionalizing the integration of student life with our students' academic experience. Although there will be some initial adjustments to be made, we believe that this coordination will allow us to be more fully responsive to the holistic needs of our student body. Student issues will be front and center in how we provide both academic programs and co-curricular services and support activities.

In addition, moving the library back into academic affairs does not signal a change in direction about the key role the library will play in fostering information literacy and being at the heart of the broader learning enterprise. The major renovation of the library which is about to take place will continue to move us closer to a technology enabled learning resources environment and having the library back in academic affairs will simply reaffirm the close links the library has to academic program growth

Administration and Fiscal Affairs will assume responsibility for the following:

Information and Technology (LSIRT)

Athletics (SA)

Campus Services (SA)

Auxiliary Services (SA)

Housing Facilities (SA)

These are all functions that are heavily dependent on facilities and infrastructure (IT, Athletics, Housing, and Auxiliary Services) and/or represent significant revenue-generating opportunities (Campus Services, Auxiliary Services, and Housing). By directly linking these areas to operations that already fall under Fiscal Affairs (Facilities, Planning and Construction, Purchasing, etc.) we can build a more efficient and entrepreneurial organization that is better prepared to respond to internal needs and position us to compete with our peers.

The campus is most grateful for the service of both Dr. Jean Kim and Dr. Robert Green. They have set a proactive, forward-thinking agenda for their respective areas and we will continue to move in those important directions. Dr. Kim is pursuing other opportunities. Dr. Green, after many years of dedicated service to the university, has been planning to retire this year.

In this programmatic consolidation 10 non-unit positions have also been eliminated, including two vacant positions. This executive level realignment will save approximately \$1,160,547 in salary and fringe benefit savings for filled positions and \$200K for vacant positions. We acknowledge that for the individuals affected this choice presents an unexpected disruption and change in their lives.

Streamlining Administrative Services Phase II -- Administrative streamlining affects every level of every division. Many people administer key services that support the core mission. UMass Dartmouth has too often drawn an artificial distinction between non-unit and unit administrators. There are many program and area directors with administrative functions. In this phase of change, positions are being focused more on direct services and administrative functions are being assigned to cluster leaders. A critical area will be enrollment services where we must re-align our functions to form a 21st century operation.

Functional reductions in force

Regrettably, the University must begin to implement a careful reduction in force that is designed to minimize the impact on our core mission services. These will be above and beyond the 10 non-unit positions that are being eliminated.

The plan includes the elimination of 64 currently filled staff positions. These include:

- 3 Faculty Federation technicians.
- 31 ESU positions
- 22 AFSCME positions
- 8 AFT Maintainer positions

The plan calls for the creation of 32 new staff positions with reduced schedules. The schedules for these positions are aligned to service needs. These include:

- 1 Faculty Federation technician
- 20 ESU
- 11 AFSCME

In addition, we plan to fill approximately 11 staff positions that are currently vacant. These include:

- 4 ESU
- 7 AFSCME

In implementing these changes, we will obviously meet all our collective bargaining obligations. Our goal is minimize job loss, but again we anticipate that about 30 individuals (including the non-unit employees) will ultimately not continue their employment at UMass Dartmouth.

The net result of the functional reductions in force will be approximately \$1,324,336 in savings.

Reduction in part-time faculty

Approximately 99 part-time lecturers will either not have their contracts renewed or will be teaching a reduced load. We project that this will increase the current student/faculty ratio from 16.4:1 to 17.4:1, which is still a highly favorable ratio and compares well with our peer institutions.

The reduction in part-time faculty will not significantly affect the number of class seats or course offerings. We are managing this issue by eliminating low-enrollment electives, asking some full-time faculty who have been teaching

reduced loads to teach additional sections, and increasing some section sizes in subject areas where this is appropriate.

These efforts will have the benefit of exposing our undergraduate students to more class time with our outstanding research faculty at a time when we are working to expand undergraduate research experiences.

The deans have worked closely with department chairs to manage these changes to assure academic quality. For instance, the College of Arts and Sciences is maintaining current maximum of 25 students per section in first-year English Composition and keeping other section size increases to 5-10 students. In the Charlton College of Business, the increase in section size has been minimized by some full-time faculty picking up additional sections.

Part-time faculty reductions in the College of Engineering are being managed by the consolidation of selected courses, and the College of Nursing is incorporating a greater use of technology through patient simulations and the development of new seminars to revamp the teaching of clinical decision-making.

While these changes may reduce some students scheduling flexibility, the deans have made a commitment that the ability of students to graduate on time will not be adversely affected.

This will save approximately \$400,000.

The most valuable resources we have at our university are the talent, energy and ingenuity of our people. We make these reductions in force only as a last resort, knowing that they will disrupt the lives of people. That is why we have crafted a plan that minimizes job loss this year, next and beyond.

The most valuable resources we have at our university are the talent, energy and ingenuity of our people. We make these reductions in force only as a last resort, knowing that they will disrupt the lives of people. While we have crafted a plan that limits job loss, we know that implementing this plan will be painful for many.

Strategic investments for future revenue

In addition, there are \$8.5 million in critical investments that need to be made to ensure future revenue growth from non-state sources to sustain our workforce and mission in FY10 and beyond. The targets of these investments include enrollment, student retention, grant development, fundraising, intellectual property licensing, classroom and lab upgrades.

VI. Conclusion

There needs to be urgency in our actions in response to this unprecedented fiscal challenge. Although the above actions represent our initial steps toward the goal of streamlining our administrative service delivery structure, doing business differently is essential to maintain quality and access. We have made these decisions after careful and thoughtful consideration of all practical alternatives. In each case, we feel confident that they constitute the best available alternatives.

The choices were difficult but essential to position this campus for long-term excellence. Throughout this process, the campus community has been asked for input and ideas that could improve service and reduce costs. Thanks to your participation, many excellent suggestions have already been adopted and more are in progress.

We have also asked the campus community to consider an approach based on shared burden and shared sacrifice. Although many have responded to meet that challenge, more is required in order for UMass Dartmouth to meet its mission of teaching, research and service to the Commonwealth.