



Memorandum

To: Ronald M. Berkman, President
From: Geoffrey S. Mearns, Provost and Senior Vice President for Academic Affairs
Date: March 1, 2011
Re: Possible Furloughs

G. Mearns

I submit this memorandum on behalf of the budget advisory task force as part of the task force's ongoing responsibility to provide recommendations as to how the University should prepare for the possible reduction in state support for higher education.

The task force is aware that every academic college and support unit has prepared proposed plans in response to this anticipated financial challenge. Because the possible reduction in state support is likely to persist for the foreseeable future, all of those plans must include permanent expense cuts and sustainable revenue enhancements. Depending on the severity of the reduction in state subsidy, it is possible that certain aspects of those plans will not be able to reach the necessary target in the first year. Therefore, the University will have to resort to a variety of temporary measures to balance the FY12 budget. One such possible measure is furloughs.

The task force is aware that the current collective bargaining agreements with the SEIU and the CWA provide that the administration can ask the members of those unions to take a five-day, unpaid furlough during calendar year 2011. The budget office has estimated that the total savings from such furloughs would be approximately \$700,000. If all University staff and faculty were to take a five-day, unpaid furlough in 2011, the budget office has estimated that the total savings would exceed \$2.6M. (I have attached a summary chart prepared by the budget office.)

The task force recognizes that, depending on the severity of the reduction in state support, it may be strategically prudent for University employees to be furloughed for a brief period of time in order to generate one-time expense savings. The task force does not believe, however, that the costs of such a measure should be incurred only by the members of the SEIU and the CWA. To the contrary, the task force recommends that, if furloughs are fiscally warranted, then all University employees – faculty and staff – should be furloughed for the same period of time.