



MEMORANDUM

TO: UAHuntsville Academic Deans, Department Chairs, and Faculty

FROM: Dave Williams and Vistasp Karbhari

RE: The Future

DATE: February 2, 2009

Despite the budget cuts that were mandated through an 11% reduction in the State allocation to UAHuntsville earlier this year, we have continued to offer an extremely high level of education to our students. This has been made possible by the dedication of our faculty and staff, and we'd like you thank you for your tremendous efforts in these extremely difficult times.

We had hoped that those budget cuts would be a single event. But as announced on December 17, a 9% proration occurred and we anticipate further cuts to the 2009-2010 budgets.

We are well aware of the uncertainty and apprehension regarding prorationing and the State budget for next year. We are not immune from the financial crises facing the nation, and must plan for a long period of restricted budgets. However, UAHuntsville has tremendous opportunities due to the strong local economy, BRAC, and the close interactions between our faculty, NASA, Cummings Research Park and Redstone Arsenal. In addition, our student numbers are up: spring enrollments by 3.4%, spring credit hours by 5.1%. Applications and admits for fall 2009 are up by 4% and 8%, respectively. There is much to look forward to and build on as we move to strengthen UAHuntsville and position it for a much better future.

We have been working with Ray Pinner, Chih Loo, Bill Killingsworth, the Deans and others to reconstruct our budget for next year and institute one-time cuts to satisfy prorationing. Simultaneously, we are anticipating recurring cuts in our budgets for forthcoming years and exploring mechanisms through which the effects of these cuts can be minimized. We will soon send out our first estimates of the 2009-2010 budgets to the Vice Presidents, Deans and other unit leaders. In this process we are considering opportunities to increase revenue and operate more efficiently. Prorationing and mandated cuts in the budget force us all to focus on our priorities and to assess what aspects of our university are core to our academic mission and thus cannot be reduced.

Before coming to any conclusions, we would like to reassure you that **the solutions to this crisis must be accomplished in a shared manner and must involve open and free discussions concerning the options that are open to us.**

As you know, we have been seeking input through College, Department and Research Center meetings throughout the fall and into the spring semester. We are reading responses to the President's blogs, reading direct email to each of us, listening to the Faculty and Staff Senate representatives and engaging in individual and group conversations in the Charger Café, Jazzman's Coffee Shop and at other meetings (arranged and random) across the campus.

From these discussions, we believe that solutions to the immediate fiscal crisis must be accomplished, as much as possible, with the following three criteria in mind:

- 1) **There will be no lay offs of tenured and tenure-track faculty. We cannot afford to cut the heart of our long-term academic mission in the face of a short-term financial crisis.**
- 2) **There will be no cutting of faculty salaries. Cutting salaries and benefits is highly counterproductive to retaining our best faculty and attracting new faculty who are essential for our future success. Even the loss of a short term contribution to a retirement plan for a young professor results in the loss of thousands of dollars in retirement income 30-40 years hence. This is unacceptable.**
- 3) **There will be no loss of degree programs. We cannot tell our current and future students that the degrees that they have chosen, or that they are considering, are in jeopardy.**

We stress that we are only able to plan through 2009-2010 based on currently available information. Further prorationing and budget cuts may occur during or after next year, in which case we may have to modify these criteria.

While creating budget models for each College to enable year-round planning and assessment, the Provost is encouraging the Deans to explore new ways of structuring academic affairs. These include possible realignments of Colleges and Departments to create budget savings **while meeting the three criteria above.** At the same time, we must **improve our opportunities** to increase our income when the fiscal crisis has passed, and to build on **current and future opportunities** to enhance our academic reputation and increase enrollment and research, so we can be more immune to the oscillations of State appropriations in future years.

As we consider the future academic structure of the University, we need to ask this key question:

If we were to construct UAHuntsville from scratch today, and align ourselves with Huntsville, Madison County and the greater Tennessee Valley of today and tomorrow rather than the northern Alabama of yesterday, how might we do it?

We challenge all our faculty and administrative colleagues to come up with ideas that will:

- 1) Answer this key question.
- 2) Produce sufficient cost savings to retain our fiscal solvency while satisfying the three criteria listed above.
- 3) Create opportunities to generate significant, new income for the university.

In a normal situation, any such realignment would only occur after significant discussions over 1-2 years. However, we do not have this luxury, given the rapid onset of the national fiscal crisis. We are delighted that the Faculty Senate has responded positively by creating a committee to develop creative ideas to advise the University on how to address the major financial challenges before us. We intend to continue our productive discussions to ensure the continued improvement of our academic reputation. We will welcome all positive contributions to the discussion of possible changes and will include any ideas that **retain the necessary fiscal savings, and are commensurate with the three criteria and the one key question given above.**

Please continue to email any comments directly to either or both of us.

Thank you for your dedication to UAHuntsville. We have no doubt that together we can not only meet the challenges of the current crisis, but that we will also make our University even stronger.