

Guiding Principles for Future Budget Cuts

From the Faculty Senate Budget Council:

November 12, 2008 revised after Steering Committee Meeting November 6, 2008

Charge:

President Machen has requested input from the Faculty Senate Budget Council on principles for potential future budget cuts from decreased state appropriations. In light of the almost 10% cuts over the past 2 years, Dr. Machen has noted that further cuts would be difficult and potentially threaten the quality of the UF education. Despite the past and potential future cuts, we must at a minimum, maintaining our current high quality of education and ideally move forward with excellence.

Principles

1. Allow units flexibility to engage in revenue generating activities.
 - a. Off-book offerings
 - b. Distance education
 - c. Incentives for faculty to generate additional revenue
 - d. Graduate tuition to meet market pricing
 - e. Use revenue generated by a Unit to “buy down” debt
 - f. Evaluate using adjunct professors to help reduce the cost of delivering a curriculum
2. Seek permission/advocate at all opportunities to increase undergraduate tuition
 - a. Numerous legislative constraints (inability to raise undergrad tuition, etc) How vigorous should we be in advocating for a change in philosophy on the part of the legislature; e.g., As the sole AAU institution of higher education in the State of Florida, UF is a resource that can be used to attract businesses, research institutions, and skilled workers to the state; however, it cannot reach its potential to benefit the state unless it joins the ranks of the best public universities, including the University of Michigan, UVA, UNC-CH, and Cal-Berkeley. To do that, tuition caps resulting from Bright Futures should be lifted, and the University should be encouraged to recruit nationally and internationally.
3. Cuts within college units should be planned following principles of shared governance and agreed upon by college administrators and faculty council/budget council; if agreement cannot be reached, the President should mediate the final decision on cuts. President needs to assume final authority for all budget cuts within the University
4. Vertical cuts preferred over horizontal cuts
 - a) Eliminate duplicative programs within UF
 - b) Eliminate duplicative programs that exist at other state schools
 - c) Merge units where synergy exists and cost savings can be achieved; mergers are appropriate when the new combined unit is better than the sum of the separate units.
 - d) Cost/Value; while cost can be readily measured, value is quite difficult to assess. Various indicators of value include demand for graduates, State of Florida educational needs, ranking of programs with respect to peers, national and international recognition of programs, impact on state and community.
 - e) Cuts should align with strategic direction of the university

Other issues:

- 1) Look closely at PECO funds
 - a. Is building for new programs appropriate?
 - b. Re-building or renovating for lower overhead cost
- 2) Capital Campaign
 - a. Charitable giving directed to cover “temporary” budget cuts