

Below are combined questions and answers from the August UPAC forums and September budget forums related to Miami's fall budget decisions.

### **RELATIVE TO JOBS AND LAYOFFS**

#### **How many more jobs do you expect to cut this year and next?**

This fall we cut 32 full-time, 2 part-time and 13 intermittent filled positions. Miami also eliminated 23 vacant positions this fall and we will continue to make every effort to reduce layoffs. There is no way to tell yet how cuts will be made in the future. We do know that we need to cut \$5 million again in fiscal year 2011. How much of that might result in position eliminations is yet to be determined.

#### **Have faculty positions been affected?**

Faculty positions have been affected by the financial cuts but not to the extent of staff positions because of their importance to the educational experience of our students. About 40 faculty searches are on hold for this year and for 2010-11.

#### **How long will you offer the \$10,000 retirement incentive?**

Employees who put their name in for consideration have until October 30 to accept the retirement incentive. If you have questions about the incentive please call Carol Hauser at 9-3131.

#### **During the position elimination process do things like performance evaluations, work ethic, attendance, initiative, disciplinary problems, etc. have an effect?**

Positions are selected for elimination based on the work that must be done vs. work that we would like to do but may have to reduce due to resource limitations. Many departments have reorganized to address the work load in a different way. Classified staff position eliminations are based on seniority.

#### **Do supervisors in each department have input into which positions are eliminated?**

Different management teams approached their budget reduction targets in ways that best worked for their areas. All plans, including position eliminations went through a series of reviews by administrators to aim for balance and to assure impartiality.

#### **Do you have any sense about when the next round of layoffs will occur?**

At this time there are too many variables to determine when other actions will be necessary.

#### **Are there alternatives to layoffs?**

The Retirement Incentive Program is available again as an alternative to layoffs. If position eliminations are necessary, vacant positions would be eliminated first. Attrition is also a means to reducing staff.

**Will the university consider reducing the 5 months prior notification of position elimination for an employee with at least five years service and provide a larger severance payment instead?**

The general thinking is it is better to be gainfully employed while searching for a new position. The university also provides extensive career counseling services to staff whose positions have been eliminated and makes these services available to those staff while they are working.

**How will furloughs affect our retirement; will we have to work longer?**

Please note that the University has no plans to actually furlough employees. Your service credit will not be affected by a furlough but retirement contributions are based on actual earnings, and a furlough would affect contributions to the various retirement plans. If a furlough is implemented during your final years it could impact your final average salary. We are working with the state retirement programs to reduce or eliminate the impact of a furlough and see if the normal rate of pay can be figured for the purpose of retirement calculations.

**Will grant-funded positions be eliminated?**

As long as the University continues to receive the grant money, the positions associated with the grant will be maintained. Classified staff in grant-funded positions may be affected by the displacement (bumping) process. It has always been the case for positions funded with external money that if funding is discontinued, the position is eliminated.

**Why is IT services asked to take a disproportionate share of the cuts?**

The percentage of budget cut in IT was nearly identical to other departmental reductions, as all departments shared in the responsibility to address the deficit. Only student affairs and academic affairs – departments with direct student contact – assumed responsibility for a lower percentage of the deficit than those further removed from the students.

**Is athletics 100% self-supporting and if not, are they facing position eliminations?**

A substantial portion of funding for athletics is from student fees. Like all areas of the university, ICA has participated in budget reductions.

**Is there a plan to outsource all of PFD within the next two years?**

No, there is no plan to outsource the work done by PFD.

**RELATIVE TO RETIREMENT AND BENEFITS**

**When an employee is laid off what are the rules regarding fee waiver?**

Fee waivers for employees suffering layoff are continued for one year from the date of the notice of layoff.

**How many have taken the second round of the retirement incentive?**

Fifty-six people have applied for the retirement incentive this fall. These employees have until October 30 to sign the forms indicating that they actually will accept the retirement incentive.

**Will Miami enforce a mandatory retirement age?**

No. The law forbids a mandatory retirement age for employees except in one case – the CEO of an organization.

**Will fee waiver and job enrichment programs be eliminated?**

There are no plans to eliminate either the fee waiver or the Job Enrichment Program. The university is always looking to update or improve the Job Enrichment Program.

**Is there a planned reduction for tuition fee waiver? How much does it cost?**

There are no planned changes to tuition fee waiver for eligible employees and dependents. The cumulative value of the fee waiver for Fiscal Year 2009 was \$5,161,000.

**RELATIVE TO MIAMI'S OVERALL BUDGET**

**What factors are reviewed to determine the financial shortfall?**

The university looks at multiple factors to determine its budget. Enrollment is especially important because it is the largest source of revenue for the University. Actual enrollments will need to be monitored against the budget estimate. There is also the possibility that changes in state support could occur during the year, depending on the performance of the Ohio economy. Information will be provided at key points during the year so the community is aware of any changes, positive or negative, that occur in the budget.

**Are other areas being cut such as travel, seminar costs, and utilities?**

Departments are looking at all expenses and being asked to cut them appropriately.

**Does each campus have a separate budget or are they all together?**

Each campus operates under its own budget and may be required to take differing actions based on its own situation. State government separately appropriates funding to each of the three campuses.

**How has the stock market affected Miami's investments?**

Many of Miami's investments were in stocks and alternative investments that suffered significant losses last year just as the investments did at many other universities. Our investments have shown considerable improvement this year, but we still have not recovered all of the earlier losses and we cannot predict when a full recovery will occur.

### **What about increasing revenues?**

The university is exploring a number of ideas for increasing revenue. Some may be as basic as seeking students in more states and countries or as complex as the creation of a new programs designed to reach new student audiences. We also must be more efficient in how we operate the university and not depend exclusively on new revenue sources. While new revenue sources are important, they must fit the mission of the university. Some things that other universities are doing may not be appropriate for Miami or we could lose the students that seek us out today. These changes will take time and likely will not immediately improve our situation.

### **Has the university considered across-the-board pay reductions?**

We have considered other options (for instance, we did not offer raises), but implementing a payroll reduction for every employee is not an option at this time. You may also know that the president and vice presidents voluntarily are working 10 days without pay this fiscal year.

### **Is it true President Hodge's wife is on payroll?**

President Hodge's wife receives a small salary similar to the compensation practice at other universities. Mrs. Hodge has considerable experience in higher education administration and at Miami does an enormous amount of fund raising and committee work and represents the University at numerous functions.

## **RELATIVE TO THE STATE BUDGET**

### **We've heard that construction projects continue because the money comes from a different pool of state funds. Can you explain this?**

The State of Ohio provides various restricted funds to the University. Regarding specific appropriations for construction or renovation, the only projects proceeding are those with state funds designated to Miami about 18 months ago for Laws and Upham halls renovations. All other projects are suspended until a budget plan is approved for them by the board of trustees.

### **Why does Miami get less state funding than other schools of comparable size?**

This has to do with a factor in a new state formula that rewards growing enrollments. Our Oxford enrollment is not growing.

### **Can the University apply for federal TARP (Troubled Asset Relief Program) funds?**

No, the University cannot directly apply for these funds, but has in fact, received some of the funds through the State of Ohio. The TARP funds minimized the cuts in state funding.

## **RELATIVE TO OVERALL UNIVERSITY FUNCTION**

### **How do you expect to do business and get things done with so few employees?**

We will need to determine ways we can be more efficient. We will need to determine what has to be done regularly, what can be done less often than we currently do and which non-essential duties can be eliminated. There is a point at which we will not be able to do or expect things to be as they are now.

### **Will there be raises in 2010?**

The University is doing everything possible to allow raises in 2010, however, we really won't know what is possible until after we get more information on our funding, enrollment and investments. We remain committed to our goal of offering competitive wages.

### **Are the questions and concerns relayed to Dr. Hodge?**

Yes, Dr. Hodge is aware of the questions being raised by faculty and staff. He, with the leadership team, reviews the responses to ensure that the responses are accurate.

### **Are the positions of those who have returned to work after retirement (sometimes called "double dippers") being eliminated?**

There is no law that prevents a public organization from hiring people back after they retire. Sometimes it is a decision that actually saves the University time and money. For example, if someone goes out on a long-term medical leave and we need coverage it may make sense to temporarily bring back a retiree. Likewise, there may be times when we need to hire a retiree to train new staff on complex equipment. Over the last few years Miami's practice has changed to only bring retirees back in temporary or part-time positions.

### **What can employees do to assist the university during this time?**

The university's highest priority is to protect the quality of its educational programs and services. We have tried to re-enforce this in the way the cuts have been allocated. As the president has addressed these issues in his communications throughout this process, each of us must do what we can to ensure the quality of the educational experience that each student receives.

### **Why were Building Repair Workers put in the same class as the Maintenance Group in PFD?**

These job families are consistent with AFSCME's agreement with Miami.

### **How does the University justify hiring consultants to examine admissions and financial aid practices? Can't this work be done in-house?**

Many universities frequently utilize consultants. Miami is more conservative in its use of consultants, but hires them when the University does not have the expertise nor staffing needed to address a particular issue.

### **Did requiring sophomores to live on campus affect the incoming class size?**

We have no evidence to suggest that.

### **Miami is a business. Can we lower fees or our entrance requirement to attract more students?**

Miami has a unique niche in higher education and is noted for its high academic standards. Lowering those standards would jeopardize our student base and compromise the very attribute that attracts students to Miami.

### **Since student enrollment pays for 70% of the operating budget, what does the University need to do to increase enrollment?**

While there are no plans to grow the overall enrollment of undergraduate students on the Oxford campus, much is being done to examine why a general decline in yield (percentage of admitted students who accepted our offer of admission) has taken place, and in this year, why the drop was more precipitous than anticipated. Simultaneously, many steps are being taken to try and turn this long-term trend in declining yield around. These include, but are not limited to, the following:

Miami is contracting with a highly regarded enrollment management consulting firm to review our cost and competitiveness in the marketplace, financial aid budget, and awarding strategies, and then to develop statistical models to maximize aid awarding and strengthen yield;

Research indicates that the campus visit is one of the top two most influential factors in students' college choice, so we are working with consultants to examine and strengthen our campus visit program, involving offices across campus whose work impacts our visitors' experiences;

Given the declining high school populations in Ohio and in many of our key feeder states, we are working with an enrollment management research collaborative as well as utilizing new data tools to help identify opportunities for continuing to strategically grow our applicant pool with outstanding and diverse students;

We are raising visibility within Ohio, across the nation, and internationally through aggressive communications with students, parents, high school counselors, and community-based organizations, using print, electronic, web-based, and social networking media, while also conducting targeted, cost-effective recruitment travel;

We are finalizing work on a new University Web site, as well as working with marketing faculty and with current Miami students through the HighWire project to research and make recommendations for more effective branding and marketing of Miami;

We have established a new Admission Advisory Committee to examine best practices and make recommendations for the future;