



# **2010-2011**

# **Budget Information Session:**

# **Responding to the Legislature's**

# **Request for Additional Reductions**

**President Schloss**

March 4, 2010

Student Union - Theatre

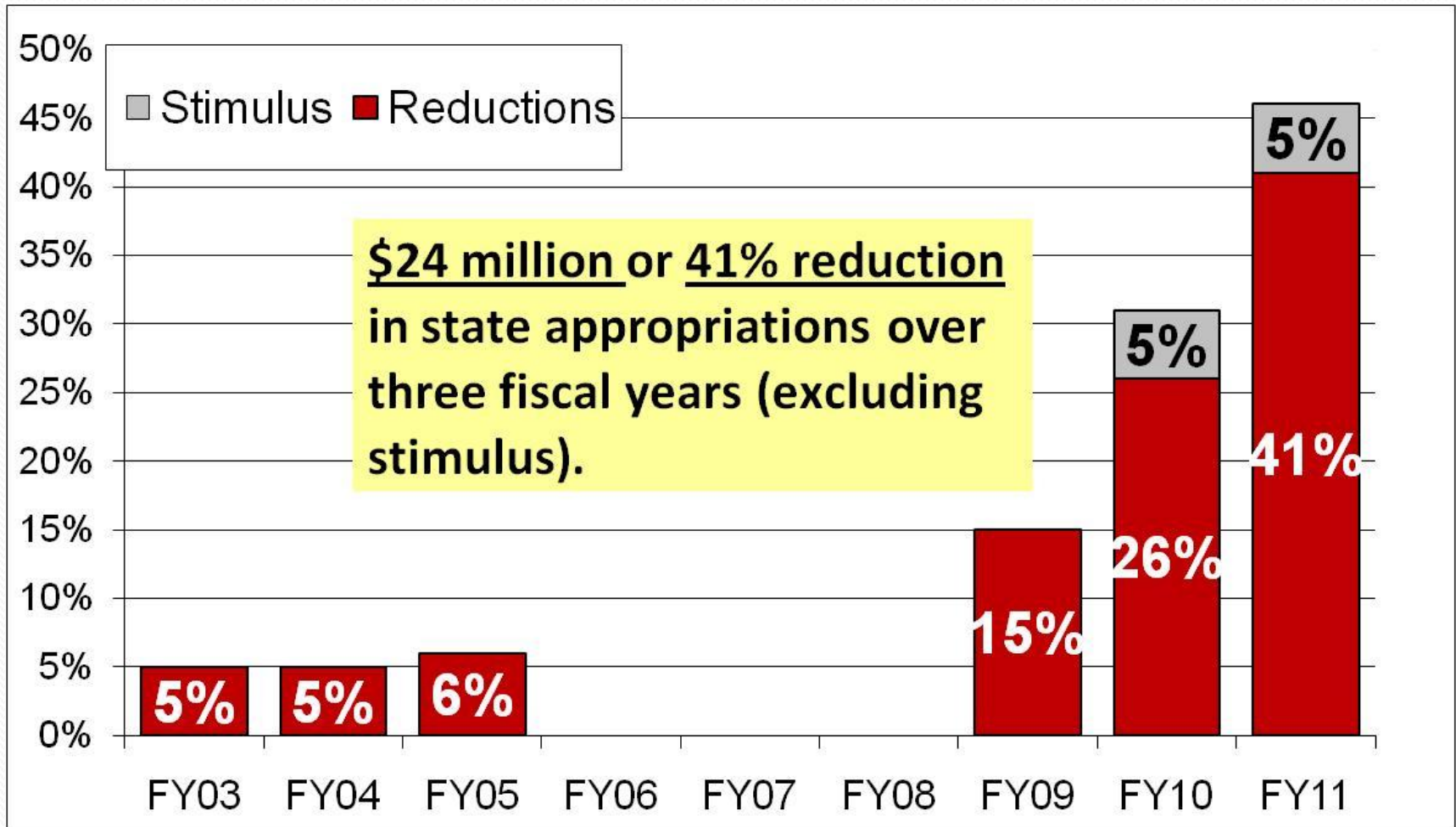
# Background

- Requests for budget reductions came from the House and Senate higher education appropriations subcommittees.
  - Required the USG to demonstrate the impact of an additional \$300 million in budget reductions.
  - The \$300 million target is based on expectations that state revenues will continue in a downward trend.



*“On Thursday, February 25, the USG requested its 35 institutions prepare a budget reduction plan for 2010-2011.”*

# Aggregate Appropriation Cuts



Source: Financial Services and SRA, March 2010.

# Effect of 41% Reduction = \$24M ... or the equivalent of...

- Two times more than the operating budget of all divisions on campus.
- Nearly one-third of the salaries for faculty.
- More than half of current tuition revenue from all VSU students.



*All reductions are permanent;  
they are not one-time reductions.*

# Information from the Legislature

- Year-to-date state revenues are down 15%.
  - Revenue projections for next year are expected to be revised downward.
- A \$300 million target has been set by the Legislature and is only slightly more conservative than the Governor's FY2010 \$265 million reduction plan.



# Assignment from the USG

- The System's requirements are based on a provocative scenario that includes the following assumptions:
  1. No formula fund increase
  2. No tuition rate increase
  3. Proportional reductions for all USG institutions
  4. 30% cut to the USG, though we account for only 12% of the State Budget
  5. No new State revenue sources such as targeted taxes



University System of Georgia  
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# The Entire Campus Will Be Impacted

- The impact of previous reductions has been severe.
- The additional \$9 million will be debilitating to our operations.
- We continue to maintain our focus on preserving the integrity of academic programs, student life services, and the campus environment.
- We will not be able to maintain the level of service and quality of programs for which VSU is known.

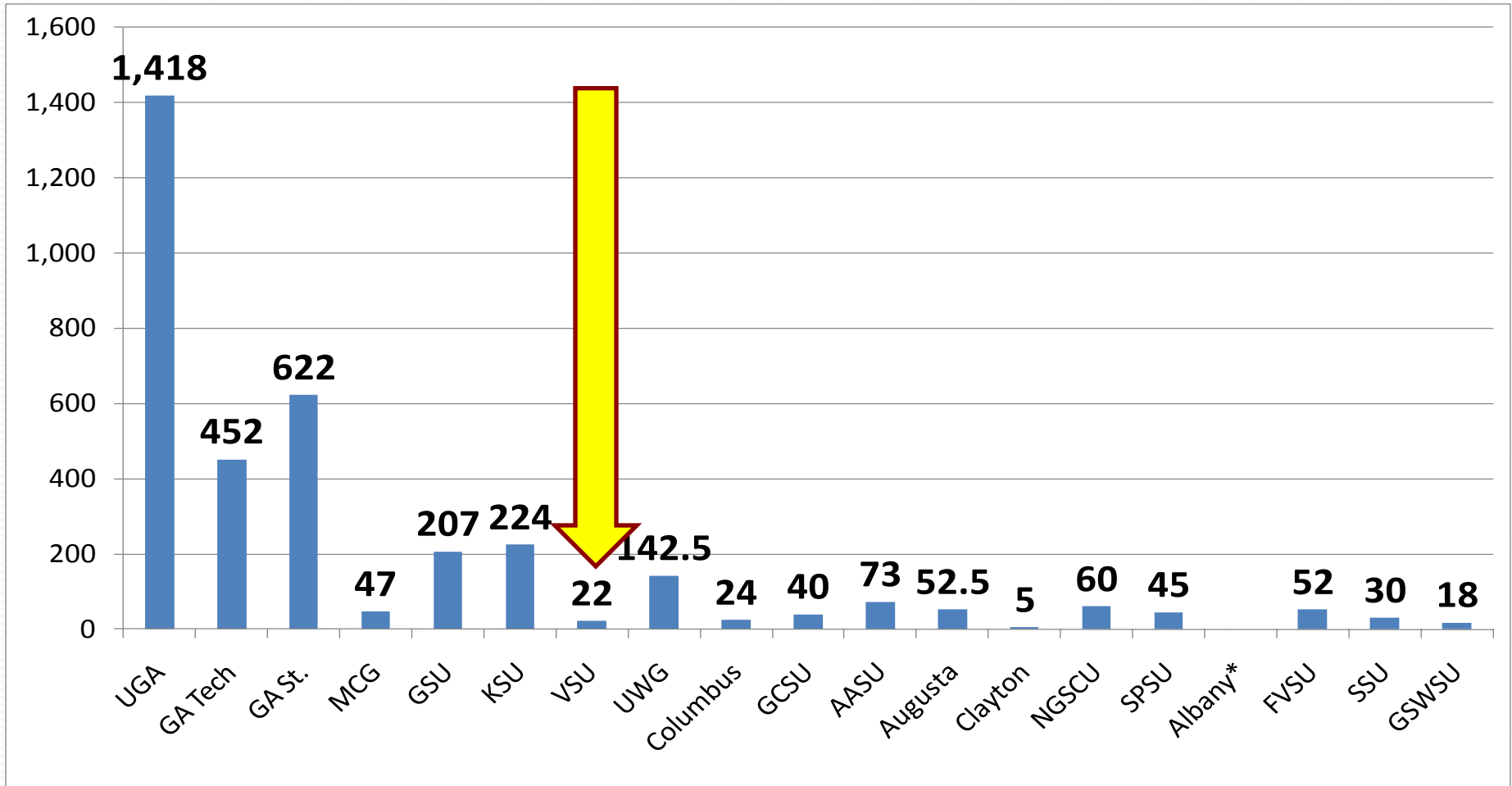


# Personnel Issues

- We will continue working to preserve employment opportunities for all our faculty and staff.
  - However, reassignments for some are likely.

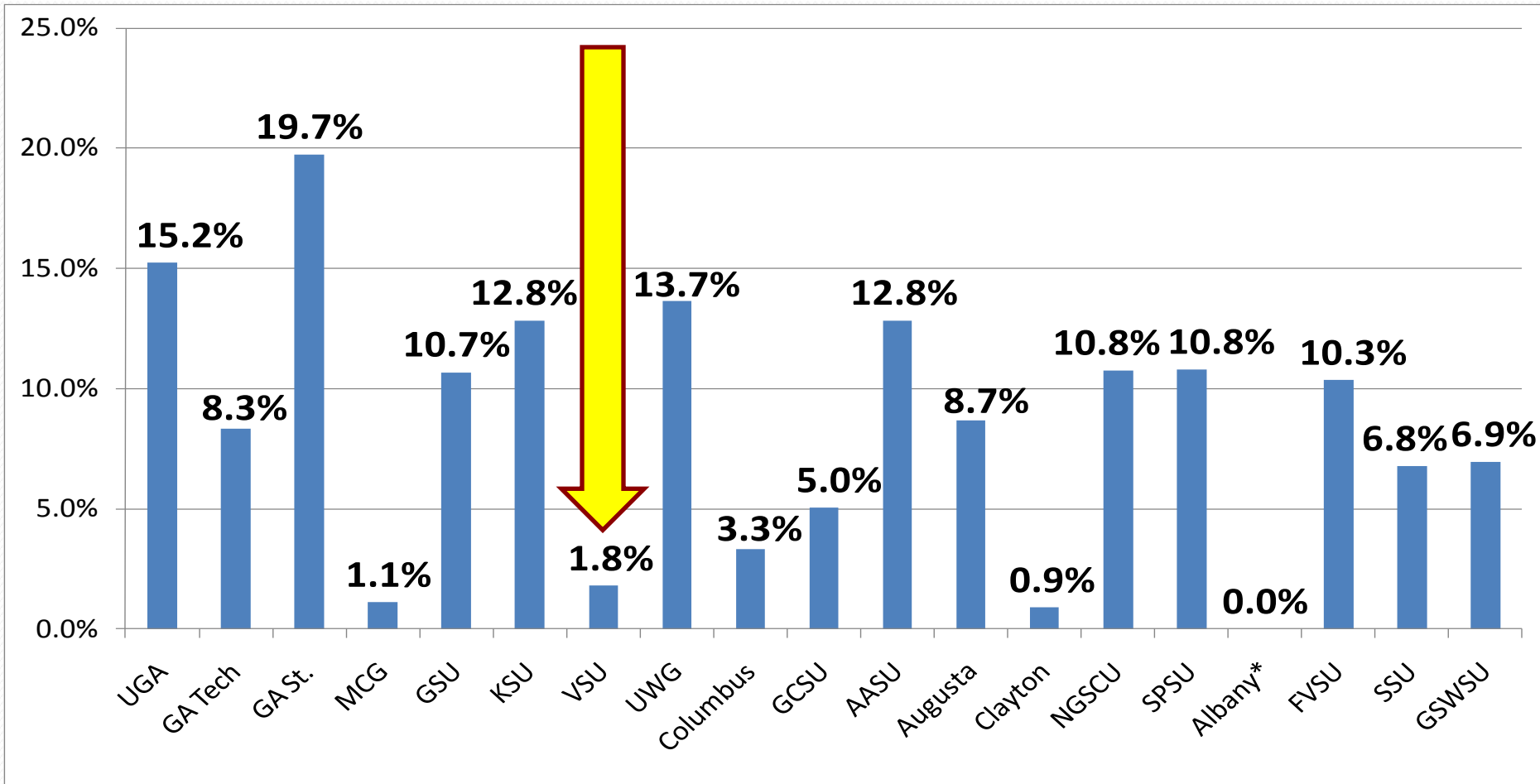


# Proposed Number of Layoffs/ Positions Eliminated at Selected USG Institutions Due to Additional Budget Reductions – February 2010



Source: USG [Reduction Plans for Additional \$300M (over and above \$265M reduction in Governor's Recommendation)], February 2010.

## Proposed Layoffs/ Positions Eliminated as a % of FT Employees at Selected USG Institutions Due to Additional Budget Reductions – February 2010



Source: USG [Reduction Plans for Additional \$300M (over and above \$265M reduction in Governor's Recommendation)], February 2010.

# Worst Case Scenario

- Stay calm.
- The System requires us to plan against a worst case scenario.
  - The assumptions are as bleak as one can imagine.
  - The actual budget is likely to be more favorable.



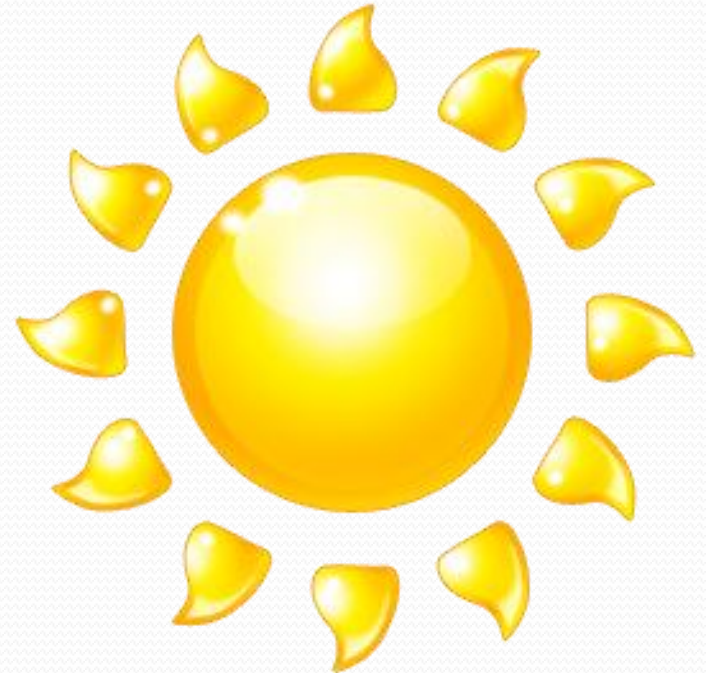
# Productive Ways to Channel Anxiety

- The circumstances are likely to cause stress for all.
- Find productive ways to channel our anxiety.
  - Talk to anyone that will listen; especially to anyone who can make a difference.
- We urge the General Assembly to find a way to balance the state's budget without catastrophic effects on Georgia's most important asset — its young people and the institutions that serve them.
- We also urge our leaders to recognize that our state appropriation to higher education is among the lowest in the Southeastern region of the country. Also, other options exist for balancing the budget.



# Open Meetings

- Deliberations will be public and all viewpoints will be considered.
- The 2010-11 budget will be developed and approved through the university's Planning and Budget Council.
- The Provost and Vice President for Finance and Administration will present the proposed budget information to the Faculty Senate and COSA.
- The Dean of Students and the President will work with student leaders.
- All meetings are open and the agendas will be announced in advance.



# Open Meetings

- Emergency meeting of the Planning and Budget Council at 10 a.m. on Monday, March 1.
- President and VPs will host two open budget information sessions for faculty and staff.
  - The two sessions will be held at **10 a.m. and 4 p.m., on Wednesday, March 3, in the Student Union Theater.**
  - Each session will include a brief presentation, followed by a period of time for questions and answers.



# Excellent Planning at VSU

- We have received information to suggest that a number of USG institutions will declare fiscal exigency and schedule large scale layoffs.
- Others are evaluating the possibility of extensive reductions in individual work schedules.
- We are fortunate to have planned well over the last two years and the result allows us to be far more optimistic in our ability to avoid layoffs or other dire measures.



# We Represent a Remarkable Community

- While previous plans have put us in the position as good as any university in the state, our work is not finished.
- Please join with me in continuing to craft the finest university possible in the most difficult economic times imaginable.



# Questions and Comments



**Valdosta State University**

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