



protecting academic quality

UNITED ACADEMICS NEWS RELEASE

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Contact:

David Shiman

Professor of Education, United Academics President

802-881-4583; dshiman@uvm.edu

UVM faculty union responds to the administration's budget update

Burlington, VT--Earlier today, the Executive Council of the faculty union at the University of Vermont sent the memo below to the University community, in response to the Administration's recent budget update. United Academics (AAUP/AFT) represents more than 800 full- and part-time faculty at the University of Vermont.

To: The University Community
From: Executive Council of United Academics
Re: FY 2012 Budget Update: United Academics' Response
Date: March 23, 2011

It is dismaying that, once again, the Administration is placing a heavy burden on faculty, staff, and the core academic mission to absorb cuts to close the projected FY 12 budget gap. With this memo, United Academics, the union representing UVM's full- and part-time faculty, seeks to (1) remind the community that the budget shortfall UVM faces is largely of our own administrators' doing, and (2) outline an approach to closing the budget gap that protects the University's core academic mission already jeopardized by the 2009-2010 budget reductions.

Unlike many public universities whose state appropriations have been drastically cut in recent years, the University of Vermont's shortfall has been modest. In fact, little of this shortfall can be attributed to the economic downturn or reduction in State support. Instead, responsibility rests with the decisions of the Administration. The Administration has a long history of financial mishaps, including not only the PeopleSoft debacle--which involved some \$10 million in overpayments to a consulting firm--but also the retrofitting of McAuley Hall to dorms after an expensive renovation had first converted them to modern offices as well as the need to redo a brand-new multi-million-dollar steam pipe project when the Davis Center was built. In addition, administrative decisions have resulted in a tripling of the debt service since 2002; a lavish renovation of the graduate college offices; an exorbitant package for the new

business school dean, including an annual salary far above that of deans at the country's top business schools; and employment contracts for administrators whose terms have included the retention of high salaries when they return to the faculty and, in the past, corporate-style bonuses.

Such are the priorities that have drained resources from other University functions including, most notably, academics. The proportion of the University budget that goes directly to academics has dropped, from 51.4% in FY05 to 47.8% in the current year. The continuing underfunding of academic activities threatens our ability to deliver an excellent education.

United Academics' overarching goal, then, is to put money into academics where it is most needed. With this in mind, we have formulated the following guiding principles for the budgeting process:

(1) Increase investment in academics relative to other areas of the budget. Such investment must not be focused exclusively on administrative projects such as the Transdisciplinary Research Initiative, in which many faculty have had little confidence and less voice, but must prioritize the core academic mission, starting with those programs struggling under the budget cuts, personnel reductions, and student body increases of the past two years;

(2) Establish mechanisms for strategic and reasonable long-term planning that reduce waste and "conspicuous consumption," and that minimize debt expansion until our financial situation has stabilized. Such planning starts with campus leadership taking seriously the widespread perception and abundant evidence that UVM is indulging in "administrative bloat," especially relative to our small size. Sustainable budgeting also includes a commitment to drawing on expertise that exists within UVM, rather than repeatedly turning to outside consultants (e.g., the Student Success and Satisfaction Initiative or the performance reporting system developed by Digital Measures) and contractors and thereby incurring substantial and unnecessary expense.

It's important to keep in mind that UVM is in relatively healthy financial shape. A winter 2011 study by Wright State University economist Dr. Rudy Fichtenbaum, commissioned by United Academics, found that the University's assets grew substantially between 2002 and 2010. While the stock market crash in 2008 and 2009 diminished the value of UVM's investments, UVM's liquid assets rebounded in 2010 and should increase again this year. The tripling of the debt service and what appears to most reasonable people as excessive growth in the size and expense of upper administration are indeed cause for concern--but this is all the more reason for the Administration to refrain from nonstrategic, piecemeal cuts and to address the long-term sustainability of the University and the underfunding of its academic mission.

For more information, contact David Shiman, President, United Academics, 802-656-1428, david.shiman@uvm.edu

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