

Good afternoon faculty and staff,

As you know, for the state of Maryland to balance its \$67 billion budget, the University System of Maryland had to absorb a 7% funding reduction to their appropriation. Frostburg's part of that cut is \$4.43 million, which is approximately two percent more than originally expected.

In addition to this budget reduction, the state mandated salary increases totaling \$1.57 million for FSU. Therefore, to remain consistent with FY 2026 USM salary guidelines and structures, all eligible employees will receive a 1% cost of living adjustment (COLA), and eligible FOP and AFSME employees will receive a 2.5% merit increase consistent with their respective bargaining unit's Memorandum of Understanding (MOU). FSU salary guidelines will be published soon and will be effective July 1. To help FSU cover salary increases as well as a portion of the additional 2% funding cut, the Department of Budget and Management provided FSU with \$2.7 million.

Thankfully, we did demanding work and made tough decisions last year that have left us in a much better position to withstand these additional funding cuts than most of the other institutions in USM. We transformed a \$7.7 million structural deficit into a balanced budget in FY2025.

And our Educational Market Alignment Plan (EMAP) helped to ensure our financial stability moving forward, guiding us as we took the necessary actions below:

- Restructured senior leadership by reducing five vice president positions to three.
- Reduced the athletic budget by \$883,000.
- Decreased FSU's operating budget by \$1 million.
- Eliminated 26 faculty positions due to:
 - Retirement of 17 faculty members,
 - Non-renewal of 3 full-time non-tenure track faculty,
 - Elimination of 2 vacant faculty positions, and
 - Retrenchment of 4 faculty.

While FSU will continue to capture the salary savings from last year's personnel decisions in the next two years, unfortunately we must continue to decrease costs through operational efficiencies to address the current deficit. After careful consideration and exhaustive efforts to explore every alternative, the following cost reduction strategies will be implemented to once again achieve a balanced budget and to move forward without a structural deficit in FY26:

- Reduce the operating budget by approximately \$900,000.
- Eliminate 8 vacant staff positions.
- Lay off 8 staff members.
- Restrict non-essential travel, particularly out-of-state.
- Fill vacant positions on an as-needed priority basis.

Reducing our workforce is not a decision we made lightly but was necessary to ensure Frostburg's long-term financial stability. This decision is not a reflection of anyone's value or dedication to FSU, and we will be offering support to those staff members affected as they work through this transition.

This message will undoubtedly cause additional anguish for the FSU community. There are no words to lessen the pain of cuts to our personnel and in our operating budget. It is difficult for the entire campus, and it serves as a stark reminder that individually and collectively we must do everything we can do to increase enrollments, as enrollment growth is the only viable strategy to strengthen the University and to reduce our dependency on state appropriations.

While we have implemented a pathway to stabilize enrollments, more work is needed. As a community, we must:

- Continue to develop innovative market relevant programs.
- Ensure that our programs, processes and course delivery are friendly to the returning, working adult student learner, many of whom are transfer students.
- Commit to publicly supporting the FSU brand, its value and its legacy.
- Share the great stories of FSU's accomplishments on social media and in conversations with the community.
- Tell our story with pride.

As you know, the USM Chancellor Dr. Jay Perman released a video message earlier this month intended to show his support for the work that Frostburg and our sister institutions are doing to remedy budget challenges happening across the system.

Let us continue to move forward together to make our students and their access to Frostburg's "affordable excellence" a top priority as we work to meet our continuing budget challenges.

With FSU pride,

Darlene Brannigan Smith, PhD