

July 17, 2020

Good afternoon,

In an effort to keep you updated about our progress in developing a balanced budget for this fiscal year, I'd like to share some of the decisions that have been made and plans that are in the works. Like almost all higher education institutions, we are facing a budget challenge. The original deficit was projected to be over \$11 million, but we have been able to reduce that deficit considerably because of actions taken by the University System of Maryland and those of our Vice Presidents in reducing their operating budgets. Unfortunately, along with the majority of USM schools, we are going to need to reduce our personnel budget as well.

We have already cancelled or delayed searches for many open positions. We have also decided against layoffs for any permanent, full-time employees. Our meetings with leadership from the Faculty and Staff Senates as well as Collective Bargaining Agreement (union) representatives have been extremely helpful in this process, and we will continue to seek their counsel. We have forwarded an outline of our plan to the USM Chancellor, who must review and approve it. While many of the specific details are yet to be defined, I want to share the basics of the plan:

- The plan is based on furloughs for full-time employees, similar to those enacted at FSU in previous budget crises.
- We are recommending that the number of furlough days be related to an employee's salary, with those with higher salaries being required to take more furlough days than those with lower salaries. We are committed to reducing the impact of these actions on our employees at the lower ends of the pay range.
- Given the change in our fall semester schedule, we have the opportunity to extend our winter break by an additional 5 to 7 days prior to the scheduled break, which currently starts on Dec. 23. We are proposing to use that extended time for furloughs, which will also save on campus operations costs. (Arrangements would be made for those employees whose duties must continue when campus is shut down.)
- For those employees who are required to take fewer furlough days than the campus will be closed, the remaining days can be taken as personal leave, annual leave or leave without pay if other leave is exhausted, per the System guidelines. For those employees who may be required to take additional furlough days, those days can be scheduled at other times during the remainder of the fiscal year after consulting with the appropriate supervisor.
- For those employees at the upper end of the salary scale, there may need to be an upper limit to the number of furlough days required. The needed cost savings may come from an added temporary salary reduction for those employees, on top of the furlough days.
- It is our intent that the financial impact of the furloughs be spread out across as many pay periods as possible.
- Administration and Finance staff will finalize a plan for my review *once we receive guidance and approval from the USM Chancellor.*

I wish we didn't have to take these actions, but the economy resulting from the COVID-19 crisis has taken a significant portion of the budget out of our control. I am committed to reviewing the budget in mid-year and, if conditions improve, we will restore as much as we can back into salaries.

I thank each of you for your commitment to our students and the FSU community and for the sacrifice you will be making this year to keep Frostburg State University functioning. I am committed to keeping the campus community informed and involved as we work together this upcoming year. I hope everyone continues to be safe and that we have as successful a year as possible given the unusual environment we face today.

Thank you,

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