

Subject: Setting the record straight about our finances
Date: Tuesday, September 8, 2020 at 4:48:06 PM Eastern Daylight Time
From: President Gary L. Miller
To: ua-mail@lists.uakron.edu



Colleagues,

I want to raise an issue with you that is very important to the future of our University. Universities are evidence-based communities. Facts are important to us because they are foundational to all real learning. Unfortunately, a communication sent last week by our colleagues in the Akron-AAUP to their members and to the Arbitrator considering whether we appropriately invoked Section 12 of Article 15 of the Collective Bargaining Agreement dangerously distorts our financial condition and the actions that we have taken to manage that situation.

In their communications, the Akron-AAUP contends that the previously projected \$65 million deficit is now just \$7.8 million and that, therefore, there should be no faculty layoffs. This claim ignores the basic facts of which Akron-AAUP is aware and dismisses the many sacrifices others in the University are making at this critical time. Akron-AAUP's false narrative about our current situation omits how we have worked to resolve the FY21 deficit and will create additional catastrophic hardship to our University if believed.

Here are the facts:

- Because of the COVID pandemic, in March the University faced an immediate \$65 million dollar deficit that had to be resolved in the FY21 budget. It was necessary that these be permanent reductions because all projections indicated

(and still indicate) significant reductions in revenue.

- Some improvements in enrollment projections and State Share of Instruction funding reduced the problem to around \$50 million to be resolved in FY21 with permanent reductions.
- Through uncommon collaboration with deans and department chairs and all of the staff unions on campus, we presented the Board of Trustees a FY21 budget with \$44 million in permanent expenditure reductions compared to the approved budget for the previous year. These reductions covered concessions by all non-AAUP employees, including a large number of layoffs.
- A portion of that \$44 million FY21 deficit savings also included the faculty layoffs which the Akron-AAUP now contests. So, AAUP falsely states that the University could have avoided faculty layoffs because the deficit is only \$7.8 million. In fact, the faculty layoffs were necessary to help reduce the budget deficit.
- The FY21 budget projects a potential \$7.8 million draw on reserves which represents the amount of the FY21 deficit we have yet to solve, assuming that the University prevails in the arbitration that the AAUP pursued to block layoffs of any faculty. If the faculty layoffs are reversed, the cost of reinstating those faculty would be added to the remaining FY21 deficit and require additional measures be taken in FY21.
- To be clear, Akron-AAUP's only contribution to the FY21 deficit reduction is through the layoffs. If the Arbitrator overturns these layoffs, the FY21 budget deficit will increase to over \$15 million and Akron-AAUP will be the only stakeholder not to have contributed in solving the FY21 budget deficit.
- Please also note that every employee group except Akron-AAUP took temporary salary reductions beginning July 1, 2020. This is for FY21 only, and totals \$3.3 million in one-time, temporary savings.

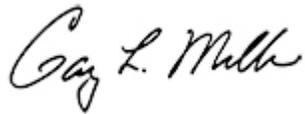
As a university, we faced an unprecedented challenge in March. Nearly the entire University worked together and sacrificed to meet the challenge. The \$65 million challenge was adjusted to a \$7.8 million challenge through hard work and sacrifice by many on campus. To suggest the challenge simply resolved itself – as

Akron-AAUP does in its arbitration brief and in its communications to its members – overlooks what occurred, mischaracterizes our current reality, propagates a false narrative at a time when we are all struggling with difficult truths and, most disturbingly, directly dismisses the sacrifices our staff and contract professionals already made.

In the spirit of our evidence-based community, I strongly encourage everyone to [read the comments](#) I made to the Board of Trustees at their August 12, 2020 meeting regarding the FY21 budget development and the [initial](#) and [reply briefs](#) the University provided to the Arbitrator. Those documents represent the accurate facts we have dealt with and continue to deal with since last March.

I deeply appreciate the great work you are all doing under incredibly difficult circumstances.

Cordially,

A handwritten signature in black ink that reads "Gary L. Miller". The signature is written in a cursive, flowing style.

Gary L. Miller
President
The University of Akron