

Eben O. McNair

From: OAA <oaa@uakron.edu>
Sent: Wednesday, May 6, 2020 5:24 PM
To: Reed, Marc
Subject: Proposed Plan for Redesigning UA



Dear Colleagues,

Life has changed substantially for all of us. The COVID-19 pandemic brings the need to mitigate infection spread, improve detection and tracing, as well as find ways to carry out our work. Beyond the virus itself, the economic impacts are substantial and will require us all to substantially change and evolve in response to this significant event. Our response is underway, as outlined below. This current challenge will require us to be flexible and open to new ways of fulfilling our promises. Let us review what has already been done and what remains to be done.

Why do we need to move so quickly? When I interviewed in early March, the draw on our reserves was moderate, allowing several years for planning and targeted growth which could bring expenses into alignment with revenue from enrollment and state subsidy. COVID-19 has dramatically changed the situation for all universities in the nation. Our draw on reserves for the next fiscal year is estimated to be 5-7 times of what it would have been if COVID-19 had not happened. This draw rate will place the financial health of the University in jeopardy by the end of next fiscal year if we do not take immediate action. It is our shared responsibility to take action now for the sake of our students and for the Akron community.

What do we need to accomplish? The total general fund expenditures for The University of Akron, including transfers for Athletics, debt service, the physical plant and other areas, has been approximately \$325 million per year for the last few years. Our Interim Chief Financial Officer, Steve Storck, estimates that we need to immediately reduce the general fund expenditures and transfers by at least \$65 million per year, which would imply a 20% reduction across the campus. In addition, there will be other follow-on effects if students do not occupy residence halls or purchase goods and services on campus. For this reason, we are nominally discussing reduction of the ongoing general fund in the 20-25% range.

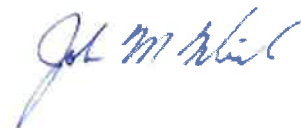
Where are we now? The Deans, under the able leadership of Interim Provost Urgo, were working on this challenge prior to my arrival. I believe they have a good start to a plan that should be brought forward as our launching point. The plan reduces administrative overhead while enhancing the student and faculty experience and academic/scholarly excellence (including research and graduate programs) by seeking opportunities for collaboration. This plan, or one augmented by your suggestions and after review by Faculty Senate and University Council, will yield savings by bringing programs together that can share resources, stimulate new areas of growth and reduce the inherent overhead costs of maintaining administrative offices.

Our work will be guided by discussions that are not aimed at individuals or groups of people as targets for cuts or reductions. Rather, we will benchmark our expenditures to our national and regional sister institutions and invest appropriately in instruction, student services, academic support and institutional support. Our expenditures are reported annually to our Board and governmental entities within these functional areas of activity which support our mission. Our financial approach for rebuilding our budget will be to allocate that budget along these functional areas in a manner that brings us closer to peer-institutional norms (as a percentage of expenditures in functional areas), while appreciating our unique difference as The University of Akron. This approach will be applied to all areas, including Athletics and administrative overhead. We must also look for our opportunities for growth in subsequent years such as the 11 new online undergraduate programs, two graduate programs and three certificates that our faculty and colleges have established as part of the Akron Online initiative. We will begin working with University Council this week to set these relative expenditure allocations, which will in turn provide a realistic resource allocation (i.e. new budget) to all units throughout the University. The current and evolving draft plan will be [posted on the provost's website](#).

Next steps. We will frequently post updates to the plan as well as respond to your feedback on the Office of Academic Affairs website. We need your input and advice and have provided some options on the website, including a Brightspace discussion board and a more private feedback form. Please get involved; we need your feedback, advice and ideas.

In closing, I want to thank you in advance for helping us through this difficult transformation. I believe moments like this one will define the excellence of the University. We are on the rise and we will rise above this moment.

Sincerely,



John Wienček
Executive Vice President and Provost
The University of Akron