



June 10, 2011

To: All Faculty and Staff

From: UF President Bernie Machen

Re: 2011-12 Budget

Over the past few weeks, we have been examining our options to manage the state budget and pension changes that become effective July 1. I believe we have developed a sound plan going forward – one that not only limits impacts to our valued student programs but also prevents faculty and staff salaries from lagging further behind our peer universities.

I presented this plan to the Board of Trustees this morning and wish to share it with you now.

Going into this next budget year, we face a significant loss of state, financial aid and stimulus dollars. At the same time, we are committed to continuing to hire additional faculty through our “Jumpstart” initiative – and to supporting promotions for the faculty who have earned them.

We have been able to offset our state losses and extra costs through a tuition increase and by pooling various operational, administrative and one-time funds. Additionally, the UF Athletic Association has agreed to continue its \$6 million contribution to the university. These measures will allow UF to enter the new fiscal year without any layoffs or cuts to academic programs.

We also wish to lessen the blow to our faculty and staff facing a pay cut beginning July 1. That’s the date when all state employees must contribute 3 percent of their pay toward their pensions.

We would like to provide 3 percent raises to all faculty and staff, contingent on approval by the Board of Trustees and employee unions this fall. Under the proposal I outlined this morning, faculty and staff earning \$75,000 or less would receive a 3 percent raise starting in mid-September. All others would receive the increase in January.

This raise is only possible with savings from changes to other benefits. We would:

- Require the use of personal leave for the four days of winter break
- Require the use of personal leave for the Homecoming holiday
- Reduce the cap on vacation payouts from 352 hours to 240 hours for departing employees
- Phase-out accrued sick leave payouts for departing employees

We understand these are significant changes, and we want everyone to have the opportunity to consider and comment on them. For that reason, we are waiting until the fall to formally bring them before the Faculty Senate and the Board of Trustees.

In the meantime, it's important to note that this proposal will also improve our budgets after 2011-12. With the 3 percent raises included, we anticipate we will need \$65 million to cover our costs in 2012-13, and the benefits savings will help us bridge that gap.

UF has faced budget cuts for four of the past five years. Throughout this period, UF faculty and staff have kept their spirits high while showing a great deal of resilience and creativity in maintaining a high level of performance. We are committed to compensating employees to the highest degree possible for these efforts, and we believe our strategy is the best one for doing so.