

Speech, from page 1

needs which will bring new resources into the college.

Some of the 10 percent [cut] will be recycled back to the units to support the proposed reshaping plans of the college's funds to be invested in activities designed to improve quality. A portion of the funds being permanently recycled, equal to one-quarter of the total cuts, will be committed to remain at the college for reallocations to strengthen the institution.

An additional amount, up to half of the 10 percent, will be competitively available to colleges for further enhancements. So, I want you to understand that the 10 percent cut over three years is not as bad as it sounds at first blush because new money will be available for selected key new strategic planning initiatives.

That is why, although I have received the college leadership team's thoughtful suggestions for cuts and enhancements with much appreciation, I think it is important that all faculty, staff and students have the opportunity to give this serious thought and communicate to me, individually and by units, your best thinking about how we can best meet the mandates of the university future committee.

Let me now share with you the specific proposals I have received for a \$1.3 million reduction in our permanent budget, that's 10 percent over the next three years.

Let me also put into context what 10 percent of our budget means. Approximately 86 percent of the college's permanent budget is in salaries and even a static budget loses ground over time because of inflation. So although we will get back new monies for reallocation and, hopefully, for enhancements, and even though these annual cuts are relatively small in comparison with what is happening to many other universities, there will be impacts.

Roughly, the recommendations [from division heads, school directors, department heads, provost's staff and other campus leaders call for] reducing our permanent budget by \$1.3 million. This includes \$318,000 from physical plant, \$187,000 from academic support, \$176,000 from student services and the

remainder from academic areas. These three-year cuts proposed are proportional to the amount of our budget in each area--40 percent operations and 60 percent academic.

Although in year one, the cuts are heavily weighted in the non-academic areas, proposed cuts are to be approximately divided as 28 percent of the \$1.3 million coming out of the budget in year one, 41 percent in year two and 31 percent in year three.

Although the university future committee recommended that each unit

assistant in a program ending this year, the reinstatement of the annual parking fee program, a particularly painful recommendation for me to hear because faculty council and I fought very hard over a two-year period to prevent the imposition of this fee and we remain the only Penn State campus not collecting this fee because we have been subsidizing the necessary parking lot, sidewalk, and road repairs from college resources, but it appears the time has come when the college can't do this any longer.

Other items proposed are to eliminate

ations and cost saving as you might be able to propose to the strategic planning committee at the hearings and through your personal communications before we finalize any proposal.

Therefore, I look forward to your involvement in the consultation process through October, most specifically on the year-one cost saving proposals I've reviewed with you today and your own ideas on future possibilities for program reductions, costs savings, and enhancements for quality improvement.

I'm pleased to point out that year-one recommendations do not call for the layoff of any current permanent faculty or staff despite the large magnitude of the called-for cuts.

The \$935,000 in new money reallocations and enhancements recommended by the college leadership to be requested in our strategic plan include a focus on significantly strengthening the new school of science, engineering and technology, developing the school of business, establishing the school of public affairs, improving undergraduate education and classroom instruction through support of the library, instructional services and computing and information systems, staff support for focusing on adult learners, part-time students and other non-traditional student populations, integration of continuous quality improvement initiatives and establishing a facility renovation/upgrade unit within PPM&O to focus on ensuring the appropriateness of facilities for teaching and research responding to the increases in enrollments in education, improving graduate education and continuing to develop outreach and economic development initiatives.

I know this is a lot to digest in a short period, but I hope you will give me your thoughtful ideas either in writing or through your attendance at the open faculty/staff sessions to be scheduled over the next month.

We come to the beginning of this new academic year in a stronger position than we've ever been. And even though we'll be working hard this year to improve our quality in tightening budget times, I am convinced that we will not lose our momentum. We will follow our strategic plan, including the strengthening of our academic programs and our research productivity, the initiation of creative student supports and the cost effective development of our physical plant through a process of continuing quality improvement.

Penn State Harrisburg is on the move. I appreciate and applaud the advances you've made in the past few years and I look forward to working with you this year, our year of threatening opportunities.

I expect we will have one of the most exciting student classes we've ever had, we have a faculty body now that just sparkles with new ideas and energy, and a truly outstanding staff that is the envy of every other campus in Penn State.

So, I'm looking forward to this year and I hope you are as well. I can state unequivocally that I intend to continue to serve this institution at an energy level equal to my last eight years of committed loyalty to this university.

"With the need to put \$1.3 million in cuts on the table, it is important to note that limitations on our funds make it impossible to reach this target without reducing the college operations, including positions...these recommendations focus on retirement and hiring freezes, rather than major unit cuts."

consider reshaping, there were no recommendations for the consolidation or elimination of any major college unit here. Rather, much of the funds are proposed to come from retirements anticipated in the next several years and from allowing vacant lines to remain unfilled.

The recommendations for requests of new money, \$328,000 in reallocation funds and requests for enhancement funds, could return almost \$1 million to the college focus on strengthening our academic programs.

Recommendations for permanent cuts for year one of the plan total \$368,000. Let me reiterate 'possible,' because all of the recommendations from administrative council are being presented to you only for your consideration and feedback and there are no conclusions yet that these are the optimal elements for the final plan.

The items proposed for elimination include one costly graduate student recruiting activity, one vacant custodial position, scaling back of costs in Continuing Education, one full-time student-support

two half-time faculty positions (both currently vacant), a move to a four-day, 40-hour work week in the summer, a reduction of divisional allocations in a number of non-academic operations including significantly reduced maintenance and operation, day-to-day operations, the reduction of some student activities, leaving vacant positions in the service station operations and intercollegiate athletics, and reduced operations in health and wellness services and other support services.

With the need to put \$1.3 million in cuts on the table, it is important to note that limitations on our funds make it impossible to reach this target without reducing the college operations, including positions, but as I said, these recommendations focus on retirement and hiring freezes, rather than major unit cuts.

In year one, we will have to discontinue a number of our fixed-term and wage-payroll positions as well as allowing some vacant standing positions to remain unfilled and these cuts will have an impact on every activity of the college.

For example, current recommendations for the elimination of several vacant positions will mean a reduction in maintenance and operations staffing and thereby a reduction in the excellent support service to which we are all accustomed.

There will also be a very direct effect on support to students where capping of vacant positions will affect intercollegiate athletics as well as clerical support in the Student Assistance Center, and reduction of wage payroll positions will result in a scale-back of other student support operations, including health services. Elective courses are being held to a minimum. These are not easy cuts to consider but some down-sizing is necessary.

Recommendations for permanent cuts of \$945,000 proposed for the subsequent two years are more tentative at this time, and I want to get as much feedback as possible, including concerns, consider-

Jamesway

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STRATEGIC PLANNING OPEN MEETINGS

Sep. 10 Thurs. 12-2 Faculty/Staff
Sep. 14 Mon. 4-6 Students
Sep. 15 Tues. 11-1 Students

***** in the Gallery Lounge *****

Bios, from page 1

Funding Identification Service - Provides businesses with state or federal funding information.

Business Project Assistance - Assists businesses with prospective projects. BIOS counselors will help with such resources as the Pennsylvania State Data Center, Continuing Information and Managing Development Services.

Business and Marketing Plan Review Team - Critiques business and marketing plans for local businesses.

Concept Evaluation Service - Provides entrepreneurs with a written evaluation of their ideas.

Incubator Counseling Service - Aids entrepreneurs with business planning, marketing, management and financial sources.