

April 29, 2011

Dear Colleagues:

During the last few months, many of you have been actively engaged in advocating on Temple University's behalf for continued Commonwealth support for public higher education. I am deeply grateful for your continued public engagement in this discussion.

As I stated in my video address on March 8, we prepared for a reduction in our Commonwealth appropriation in light of past trends, the end of federal funding for stimulus dollars and the \$4 billion budget deficit facing the Commonwealth of Pennsylvania. We now must develop a budget plan for Temple for Fiscal Year 2012 even as we remain uncertain of the final outcome of the Commonwealth budget and Temple's appropriation. I am working directly with the Budget and Finance Committee of the Board of Trustees and with Chairman Patrick O'Connor on a plan of action that will also address budgeting for the next several years as pressures on state support are expected to continue. I appreciate the input many of you have already provided and will rely heavily on the Faculty Senate for consultation and advice during this process.

One thing we do know is that we cannot make up for a reduction in our Commonwealth appropriation solely through tuition increases. Our students and their families already bear a heavy burden in financing the cost of a university education and managing education debt. We will not develop a final recommendation for tuition increases until we have examined every productive avenue for expense reduction and non-tuition revenue generation.

Together, all of us at Temple have worked to make responsible financial decisions over the last several years, and I am confident we can make significant progress in facing the current challenge. You will recall that in Fiscal Year 2010, we reduced expenses to the general and education budget by 5 percent, resulting in savings of more than \$40 million. This was a difficult process, and every member of the Temple community should be proud of the changes we made to make these steps possible. We also used federal funds from the American Recovery and Reinvestment Act to invest in one-time academic improvements, spread over several years but not included in recurring expenses in the general fund. We set aside contingency funds to be used to spread whatever funding reductions we experienced over a longer time frame to avoid the double pressure of the end of federal stimulus funding and a Commonwealth appropriation reduction.

Temple has a very impressive record of operating efficiency, especially with respect to administrative staffing as Commonwealth support has declined in recent years. For example, the Goldwater Institute reported in August 2010 that, out of 198 universities and colleges the institute examined, Temple ranked 9th best in controlling administrative staffing growth, reducing our administrative staff per 100 FTE students by more than 26 percent from 1993 to 2007. Nationally, administrative staffing in higher education grew by 39 percent during this period.

During this same time, as we have become more efficient, we have become more

effective in helping our students achieve academic success. We have significantly increased our graduation rate and reduced time to degree. Currently, Temple's overall six-year graduation rate stands at 67 percent — 10 points higher than the national average and up from 44 percent 10 years ago. We have achieved much of this progress by increasing staff in academic advising by 50 percent in the last five years. Last year, a complete set of eight-semester grids was developed for each undergraduate major at Temple, an important tool in keeping students on track for graduation. Our efforts were highlighted by *The Chronicle of Higher Education* in December 2010 when Temple was named as one of the top universities in the United States in the improvement of graduation rates, and our efforts to improve graduation rates were recommended as best practices.

Temple has built upon and enhanced its mission, its excellence and its commitment to the young women and men it educates while developing its research and community outreach missions. Our overall student academic preparation on quality measures such as high school GPA and SAT/ACT scores has improved, and we have increased access to excellence and reduced educational costs for students through comprehensive dual admission and articulation agreements with regional community colleges. With broad involvement of faculty and academic leaders, we developed the Academic Strategic Compass, a comprehensive plan for continued growth in academic excellence. We also developed the Temple 20/20 framework to provide a physical setting for achieving these academic aspirations. We have committed to scholarships for our neighborhood high school graduates and contributed to the economic growth of our neighborhood, investing in job placement and business development.

This proud record of achievement sets the stage for our response to the present challenge, and I write to you today to announce some very specific actions that I will take as we move forward to develop the FY2012 Temple University budget.

- First, I will freeze all non-union salaries at the FY2011 level, the second freeze to non-union salaries in the last three years. I have directed the Office of Labor Relations to ask the leaders of all Temple University bargaining units to join in these efforts to reduce the pressure on personnel costs.
- Second, I have instituted a university-wide hiring freeze, exempting grant-funded positions, academic positions directly related to student achievement and support, such as academic advising, and positions critical to health and safety services. I also have exempted positions directly related to non-tuition revenue generation, such as fund-raising staff. I have asked Provost Richard Englert to review all currently authorized faculty searches to determine which should continue until completion and which should come under the hiring freeze. Additional exceptions to the hiring freeze will require presidential approval at the recommendation of the appropriate senior vice president.
- Third, I have implemented a university-wide restriction on travel, reinstating the oversight put in place in 2009 requiring review and approval at the senior vice president level. I have asked Provost Englert to work with the deans and appropriate Faculty Senate committees to make recommendations for future policies to ensure that travel is carefully examined to advance the mission and goals of the university and our academic success.
- Fourth, I have asked the Human Resources staff to examine changes in the

Temple University benefits package to further reduce the pressure on personnel costs.

- Fifth, I have initiated a review of the administrative structure of the university, including both academic and non-academic administration, with the goal of consolidating administrative support in all areas. We will look for opportunities wherever possible to combine responsibilities of multiple positions to reduce the total number of administrative positions across the university.
- Sixth, I have accepted the recommendation of Provost Englert to temporarily delay current dean searches pending the outcome of the review of the administrative structure of the university. The Provost will meet with each of the five affected units (the Tyler School of Art, the School of Communications and Theater, the College of Education, the College of Health Professions and Social Work, and University Libraries) to discuss next steps for the leadership of each unit.
- Seventh, we will undertake a comprehensive review of interventions to generate cost savings by working in concert with Temple affiliates and new partners. This will include all operations of the Temple University Health System, Temple University Medical School, Temple University Physicians and other affiliates. Our review will also include the exploration of new partnerships with other institutions in Philadelphia that we hope will make us more efficient and effective.
- Finally, I will continue to work with the Faculty Senate Budget Review Committee and the Steering Committee to review other suggestions for cost reductions and revenue generation.

Following these steps, we will develop a multi-year budget recommendation to present to the Board of Trustees Budget and Finance Committee for approval by the full Board in June.

Our collective commitment to Temple's current and future students remains steadfast, and the guiding principle of keeping the highest quality education within reach of middle- and working-class students and their families will continue to direct our budgeting efforts. I thank you for your continued advocacy in Harrisburg and for your help in enacting new practices to reduce our costs and keep tuition increases as low as possible. Our past success gives me every reason to believe that we can and will achieve our goals.

Warm regards,

Ann Weaver Hart