

Faculty Leader

Newsletter of the University of Detroit Mercy Professors Union
Protecting Academic Freedom and Quality Education for 27 years

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SPECIAL DISCUSSION – SPECIAL EDITION

The University Administration has come to the UDMPU to open discussions on ways to overcome a short-term budget deficit. The Union Board directed our representatives to the Institutional Resources Committee to meet with the University officials and to collect facts and data. This article is written by those representatives, based upon that meeting.

In the spirit of shared governance, and in recognition of the dramatic improvements in the methods by which financial impact is analyzed and the processes by which adverse financial results are countered, we believe that UDMPU has an obligation to enter into dialogue with the administration on this issue.”

History. The University of Detroit Mercy has made a conscious choice to survive. To do so has required substantive changes in the way the university operates. The student mix had to be changed and Michael Joseph has created an increase in the number of full-time first year students. The revenue stream has increased to the tune of over \$8 million in the last year. Within the next two years, the University expects to have a surplus as freshman-through-senior student classes become larger. Add to this increased revenue stream the efforts to control costs and we are in for a high likelihood of survival and growth. One major problem that has developed, however, is the loss of student retention from freshman to sophomore class. One major reason for this drop of almost 25% of last year’s freshman class was the inadequate dorms. This has resulted in not only a loss of students but a loss in dormitory revenue.

In the shadows of all that is improved at UDM is an

unexpected failure to reach some stretch goals that were proffered by the ALT (Academic Leadership Team). This includes fewer part-time students and new programs whose launches have been postponed. In addition, the cost of attracting these new students (i.e., scholarships) has been greater than anticipated.

Net Result. The University is faced with an unanticipated, and within the context of processes now in place, unusual budget deficit. It has reached the critical level because to overcome the causes of low student retention rates and failure to attract students to our dorms requires pressing ahead with capital improvements for the McNichols campus. This requires floating a bond issue to begin upgrading immediately. To be in a position to float the bond, however, banks have to be willing to lend the money to an institution that has historically been behind the financial eight ball. Banks are no longer willing to do that unless this University proves it can operate within a balanced budget . . . THIS YEAR.

Actions Taken. UDM has taken four actions that eliminate \$1.5 million of the \$2 million deficit. They include: 1) \$500k savings gained by a reduction from \$900k to \$400k in the maintenance funds; 2) \$100k savings from elimination of non-UDMPU travel funds; 3) \$500k savings from a hard hiring freeze in administrative and staff positions; and, 4) \$400k savings realized from academic budgets (\$100k each from Law and Dental Schools, \$200k from McNichols campus units. The remaining \$500k was proposed by the administration to come from a reduction in retirement contributions paid by the University.

If We Do Not Participate in these Discussions. The remaining area that the administration has been hesitant to consider in budget reductions is another round of layoffs. These would likely be at lower levels (and lower salaries, on average) than the positions eliminated earlier this year. Recognizing the savings to

be gained would only be for a half-year (starting January 2005), double the number of positions would have to be eliminated. Thus, another 30-35 people would have to be laid off. This could lead to a reduction in student services, which would negatively affect student retention and future enrollments. Moreover, the devastation in the lives of those laid-off and the bad will generated across campus for the UDMPU both suggest we are strongly obligated to at least discuss with the administration this very important issue for the entire university community, not just our own membership

What We Are Not Obligated to Do. We need to consider if our actions parallel our arguments that both parties should be willing and desirous of sitting at a table and discussing any and all issues that concern the university community. We need to determine if we are willing to help the University once more. We are under no obligation to accept any particular proposal. **In fact, we have already indicated that the original proposal**

put forth by the administration is not acceptable to faculty. We are under no obligation to agree to ANY reduction in contract mandated benefits. We are certainly not obligated to make permanent something that might help fix a short-term problem. And we are under no obligation to open contract negotiations at the whim of the administration, now or in the future. Are we not pleased (if not with the topic presented for discussion by the administration) at least with the process they are beginning to follow here? Are we more in favor of a unilateral process or this proactive one taken five months before we typically have been informed about this potential crisis? We don't have to like the topic, but shouldn't we like the process and the relative timing? It is after all our University!

To further discuss this situation, we are holding another special membership meeting on Thursday November 11. All Union members are urged to attend. **This is a problem that affects all our members, and it is likely that any resolution will affect all our members.**

University of Detroit Mercy Professors' Union Special Membership Meeting

Thursday 11 November 2004
12:45 PM

Mc Nichols Student Center Ballroom