


MEMORANDUM

TO: Dr. J. Glover, Provost and Senior Vice-President  
FROM: Pramod P. Khargonekar   
SUBJECT: Budget cut plan  
DATE: 3/31/09

The purpose of this document is to describe the College of Engineering plan to absorb a potential 10% reduction in our FY 2009-2010 E&G budget.

We recognize the fact that the University of Florida is facing a potentially severe budget reduction due to the slumping Florida economy and corresponding reduction of state support. In preparing this plan, I consulted broadly with faculty, students, staff, department chairs, center directors, and associate deans. This consultation took place through faculty meetings (at the college level as well individual departments), an open forum with students, an open forum with staff, and meetings with (shared governance) budget cut advisory committee consisting of elected faculty, staff, department chairs, and student and staff representatives. In addition, there were several meetings with department chairs including representation by leaders of the Faculty Council. While I did consult all of these stakeholders, I bear the ultimate responsibility for the proposed plan.

There was a large consensus in the College community that the following principles and objectives should be the fundamental basis for making the very difficult decisions in dealing with the potential budget cut:

- Ensure the health of the core academic and research missions of the College of Engineering
- Be prepared for continued aggressive pursuit of national pre-eminence, especially after economic growth resumes
- Minimize impact on students' educational experience
- Minimize impact on faculty productivity in research and teaching
- Minimize lay-offs

Proposed cuts achieve these objectives through a variety of measures:

- Where possible, we have retained unfilled faculty positions so that we can hire new faculty in the future. Hiring new faculty is absolutely critical to maintaining and enhancing our education and research programs.
- We have decided to shield the Nanoscience Institute for Medical and Engineering Technologies, a major strategic initiative, from budget cuts. This is to assure the fastest possible ramp-up of this state-of-the-art research facility. NIMET has a plan to increase revenue from research and service activities which should reduce the need for E&G support in future years.
- We have reduced the budget cuts for Biomedical Engineering and Mechanical and Aerospace Engineering to 5%. BME is a major strategic initiative and is planning an undergraduate major. MAE has the highest student enrollment pressure in the College. Budget cuts to the remaining academic departments are 9.6%.
- We have reduced E&G support for our distance education program UF-EDGE (Electronic Delivery of Graduate Education) to zero and made it self supporting. New revenue generation and growth in off-campus graduate education will continue to be a major goal for this program.
- We have reduced E&G support for the Particle Engineering and Research Center (PERC) very significantly. PERC (Particle Engineering and Research Center) was started as an NSF Engineering Research Center and received full 11 year support from NSF which ended in 2003. PERC is executing a plan to become self-supporting. With this cut, this plan is being accelerated.

The distribution of the budget cut is delineated below:

Order of Cuts	Budget Category	Personnel Count	FTE Count	Category Amount	Percent of Total Cut	Cumulative Percent of Cut
1	Administrative Retirements			\$259,154	5%	5%
2	Expense Reductions			\$507,238	9%	14%
3	UF EDGE Conversion to Full Self Support			\$476,451	9%	23%
4	PERC Conversion to Partial Self Support			\$359,169	7%	30%
5	Redistribute Personnel to OH/C&G/Other			\$1,066,650	20%	50%
6	OPS Reductions	15	7.7	\$252,632	5%	55%
7	Staff Layoff (USPS & TEAMS)	11	10.5	\$630,271	12%	66%
7	Lecturers - Non Renewal	7	7.0	\$472,224	9%	75%
7	Graduate Assistant Reductions	23	11.0	\$469,720	9%	84%
7	Vacant Faculty Line Loss	8	8.0	\$862,491	16%	100%
	Total (10% Budget Cut Target)			<b>\$5,356,000</b>	100%	

It is expected that the savings date for some of these cuts will not become effective until sometime after the beginning of the new fiscal year. Upon approval of a final plan and the implementation process, we will determine the impact of the lagging cuts on the FY 2009-2010 budget and request one time support to bridge the shortfall.

These cuts will have the following immediate negative impacts:

1. Increased work load for faculty and staff leading to potential loss in research productivity and teaching quality
2. Reduction in support for teaching and research

3. Reduction in frequency of course offerings, increased class sizes
4. Decrease in faculty size with corresponding increase in student to faculty ratio

We used the opportunity cost approach to quantify the long term impact of the budget cuts. The College spent approximately 66% of its E&G budget last year in faculty salaries (and fringe). Using average salary and fringe for an associate professor, 66% of the budget cut corresponds to 33 faculty positions. The resulting opportunity cost is as follows:

Research grants and contracts	\$10M
PhD Graduates per year	28
Graduate student enrollment	300
Student credit hours	15,000

I believe that the College of Engineering is a critically important contributor to the University of Florida in its quest of excellence as a pre-eminent public research university. The following salient facts are noteworthy:

- College of Engineering ranks 24<sup>th</sup>, among public and private, and 14<sup>th</sup>, among public universities according to US News and World Report 2009 graduate program rankings. In 2001, these rankings were 35<sup>th</sup> and 20<sup>th</sup>, respectively.
- College of Engineering faculty attracted \$67M in 2007-08 in new external research grants from federal, state, and private sources. Research expenditures from external sources in 2007-08 were \$63M. As measured by research expenditures from federal sources, the College ranks 21<sup>st</sup> among public and private, and 18<sup>th</sup> among public universities in 2006-07, the latest year for which data are available.
- College of Engineering had a record graduate student enrollment of 2,750 in Fall 08. Our graduate student enrollment has grown from a low of 2091 in Fall 2003 (in the aftermath of 9/11 attacks) to 2750, representing 32% increase.
- College of Engineering faculty graduated 191 Ph. D. degree recipients in 2007-08. We ranked 9<sup>th</sup> in the nation among public and private universities as measured by the number of Ph.D. degrees granted in 2006-07, the latest year for which comparable data are available. Our faculty produce 28% of all Ph.D.'s granted at the University of Florida in 2007-08.
- College of Engineering has increased the number of female faculty from 20 to 30 and the number of Hispanic faculty from 4 to 10 in the last 8 years. The number of African-American faculty has increased only modestly.

As you know, we are going through a severe global economic downturn. At the same time, we face enormous challenges: job creation, economic competitiveness, health care, energy and sustainability, environment and infrastructure, security, etc. The College of Engineering is educating technically proficient professionals and well rounded leaders and creating new research knowledge to address these challenges and develop new opportunities for a brighter future for all of our citizens.

In closing, the College of Engineering is proud to be a part of the University of Florida. We greatly appreciate the support of the UF leadership in these difficult financial circumstances. We are eager to work collaboratively with other academic and research units to propel UF towards its goal of national and international pre-eminence as a public research university.