Dear Colleagues,

We are nearing the end of an important phase in the process to realign the University’s workforce and base budget with our current enrollment. As you know, in mid-November I announced a series of steps to adjust our workforce beginning with the next Fiscal Year. I requested feedback from you and put into motion the detailed analysis necessary to identify specific adjustments. This memorandum summarizes the personnel adjustments we are making.

Before sharing the details, I want to express my deep thanks to everyone who played a role in this challenging exercise. We have been through a difficult time together. I also want to let you know I have kept in mind several fundamentals. We want to ensure that:

- Students continue to receive an exceptional and transformative education at UM,
- We maintain fiscal responsibility and serve as good stewards of our students’ and state’s investments in UM,
- We fulfill our mission as the liberal arts and sciences university for the state of Montana, and
- We position UM for growth in the future.

Throughout December and into the New Year, I reviewed the extensive feedback, in the form of summaries prepared by shared governance leadership, letters and emails sent directly to me or other administrators, and from dozens of conversations and meetings. I appreciate your heartfelt concern for, and your dedication to, the University and our students. As a result of the feedback, we made several important changes in our approach to personnel adjustments. One was to keep a higher number of graduate assistantships; one was to reinforce the core intellectual capital of our tenure/tenure-track faculty; a third was to uphold the core liberal arts and sciences foundation of the University; and a fourth was to respect the contributions of long-term staff members who might be affected by these changes.

**Position Reductions.** You can see the FTE reductions table on the Budget Communications page. For the most part, the proposed and actual numbers are similar, but I will point out several significant changes:

- The total number of FTE reductions is lower – 192 rather than 201. That’s because we kept a higher number of graduate assistantships in response to your feedback.
- The total number of faculty FTE is greater than proposed, 58 versus 52. No current tenure/tenure-track faculty members will see their positions eliminated. The numbers reflect capture of open lines and decreases in the adjunct, instructor, and lecturer faculty pools. Many non-tenure-track faculty members will continue to teach on a semester-by-semester basis. The details of how faculty FTE reductions are distributed across our colleges and schools can be found on the Budget Communications page.
- Our foundation in the liberal arts and sciences is protected. Of particular concern has been the humanities. If you add up the FTE reduction associated with programs in the humanities in the College of Humanities and Sciences, it totals 5.5 out of the 58 faculty
• Actual numbers in the non-faculty categories are similar to those we proposed, with the exception of the graduate assistant number, which I explained earlier. Again, the distribution of those positions by sector is provided on the Budget Communications page.

• Of the 192 FTE reductions from the general fund, 46 FTE are from open lines (unfilled positions). Almost 90 FTE are from layoffs, non-renewal of contracts, adjunct pool reductions or resignation/retirements. More information is on the Budget Communications page.

• Academic program and support program consolidation, reorganization or elimination involved five changes: consolidating International Programs and Foreign Student and Scholar Services; consolidating Academic Enrichment, Civic Engagement, Career Services, and Internship Services; moving Alumni Relations to Integrated Communications; moving the School of Extended and Lifelong Learning entirely to a self-support model; and reorganizing the budgeting and data analysis offices in the Administration and Finance sector.

An overall summary of where we stand relative to our employee base is warranted. On the Budget Communications page, you will find a graph showing the number of employees by category in four different years: FY04, when we had somewhat similar overall enrollment; FY13, when we had our peak employee numbers; FY15; and the projected number for FY17 taking into account the above adjustments. In total, we will have approximately 129 more full-time equivalent employees for a similar enrollment next year. Of that 129, 30 are faculty FTE. Overall, we are building a budget for next year assuming 1,463 FTE positions in the general fund.

FTE and People. We are all concerned about the people affected during the next five months by the above changes. I assure you that we worked as hard as possible to minimize the number of those who will actually be laid off or have their hours significantly reduced. We are putting into effect 27 layoffs, which take effect on or before June 30. Of those, 23 are FTE in the general fund and four are from funds other than the general fund. Another 14 general fund employees will have their hours reduced by June 30.

This week and next, Human Resource Services and supervisors are conducting notification meetings with employees who are being affected by a layoff, FTE reduction, or non-renewal. I don’t plan to offer additional details on these decisions out of respect for the privacy of the impacted individuals. These reductions are not a reflection on the individuals’ performance or the service they have provided to UM and our students, but rather a need to adjust our overall workforce. I ask that you show compassion and support to those colleagues whose positions are eliminated or reduced.

HRS has partnered with the Missoula Job Service through the Montana Department of Labor and Industry to help employees transition during this time. Of course, we are following all applicable regulations and guidelines regarding any benefits required by state law or collective bargaining agreements. Workshops will be provided by the Missoula Job Service with a representative from the Unemployment Insurance Division the week of Jan. 25 for affected employees. The workshops will provide information about Job Service resources such as job search help and referrals, resume and cover letter assistance, career guidance, employment workshops, and training programs.
**Effect on the Budget.** The 192 FTE reduction accounts for about $7.5 million of the at least $12 million in total reductions needed for next year’s, FY17, budget. Our next steps are to balance the current year’s budget to account for the fall enrollment decline and the expected decline in spring enrollment. For the current year, we will need to reduce non-personnel general fund expenses. The spring budget adjustments will be replicated in the FY17 budget to meet the projected reduction we need to make.

**Future Directions.** In November, I announced five strategic areas that position UM for growth: healthcare & human development, data & computational science, business & entrepreneurship, ecology & the environment, and workforce specific programs. In addition, your feedback has made it abundantly clear that we must continue to strengthen the foundational role that liberal arts and sciences have always played at UM. I will talk more about those areas and others in my Mid-Year Update, which is scheduled for Wednesday, Feb. 3, at 4 p.m. in the UC Theater. I encourage you to attend.

I want to end by assuring you that UM is strong. Every day and every week, the achievements of our students, faculty and staff show that. We take on challenges, we are resilient, and we have made UM the institution in this great state that embraces collaboration, community and creativity. These are the values that carry us forward.

Sincerely,
Royce C. Engstrom, President

*This message was sent by the Office of the President to all University of Montana employees. To contact President Engstrom, please write to prestalk@umontana.edu.*