February 25, 2010

MEMORANDUM

TO: Campus Community

SUBJECT: Budgets, Merit and Evaluations

I understand there has been some confusion and/or consternation with regard to the plans we have been asked to submit for budget reductions to the State, budget instructions, evaluations, and plans for merit in FY 2011. Information and instructions about these topics were recently distributed in a series of memos. I’d like to clarify the information that has been distributed and make sure that everyone is as informed as possible.

Three of the memos were related to the requested plan for budget reductions. The memos and their distribution include:

- Blue Memo on the budget reduction plan requested by State leadership for the current fiscal year (FY 2010) and next fiscal year (FY 2011) (posted Feb. 16 on the university’s homepage and distributed Feb. 17 to the entire campus in hard copy as a “blue memo”); and
- M&O Budget Reduction Share for FY 2010 (dated Feb. 15 and sent to vice presidents for further distribution); and
- M&O Budget Reduction Share for FY 2011 (dated Feb. 18 and sent to vice presidents for further distribution).

We were required to turn in our budget reduction plan to the Legislative Budget Board by Feb. 15 and post it to the Internet by Feb. 16. Instructions from the A&M System and the Legislative Budget Board kept the decision process on this in play through the weekend before the plan was due. Although wider consultation on the plan would have been my preference, the timeline we were required to work under did not permit this. Every effort was made to minimize the impact on instruction and on employees. We are very lucky, indeed, that we have been able to devise a plan that does not require furloughs or reductions in force at this time.

Other memos with regard to budget instructions and evaluation instructions also have been distributed. These include:

- Budget instructions for FY 2011 distributed on Feb. 17 to budget coordinators, deans, directors and above, and
- Evaluation instructions distributed on Feb. 1 to deans, directors and above, with additional instructions distributed Feb. 24 regarding extension in the due date.
MEMORANDUM
February 25, 2010
Page 2

The budget instructions do not request recommendations with regard to merit. Current uncertainty about state resources and whether we will be allowed to have a tuition increase means that we are delaying a decision about having a merit pool until fall. I am hopeful that circumstances will allow merit awards that will be effective January 1, 2011, rather than in September, as is usually the case. Unfortunately, we will not know for some time yet whether this will be possible. I will, however, keep you informed of any decision in as timely a manner as possible.

I would also like to remind everyone that evaluation of all employees is required every year, regardless of the availability of a merit pool. We have extended the due date for evaluations to provide you some relief due to the convergence of many deadlines, including the SACS site visit and preparation for it, as well as the fact that merit decisions will not be made during the usual budget cycle. Evaluations are now due April 30 for staff and May 14 for faculty.

These are challenging economic times, and I understand that it is disconcerting to everyone to be dealing with these issues. I do continue to be thankful that Texas higher education has not experienced the drastic cuts that have affected higher education in other states. I also pledge to involve campus leaders in decision making as much as possible and to continue to communicate openly about the situation as information is available.

Sincerely,

[Signature]
Flavius C. Killebrew
President/CEO

/icc