ACADEMIC SENATE
Resolution 20/21-02
Response to FY21 Budget Plans

WHEREAS the Academic Senate recognizes that the University is facing a serious budget shortfall as a result of the COVID pandemic, earlier problems at USC, and the economic downturn;

WHEREAS in Senate Resolution 19/20-08, last year, the Senate urged the Administration to:

(a) engage faculty in planning its response to budgetary problems created by the COVID pandemic;
(b) provide faculty with sufficiently detailed financial data so that they would be able to understand the university’s financial plans, and
(c) ensure that the burdens of budget reductions would be shared by everyone in a progressive and equitable way, without disproportionately impacting those who are particularly vulnerable due to their employment, financial, or health status;

WHEREAS the Senate recognizes the Administration’s efforts to avoid layoffs and to use borrowed funds to pay for some of this shortfall;

WHEREAS the Administration’s FY21 budget reflects a pause in the university’s contributions to employee retirement-benefit plans and merit-pay increases;

WHEREAS the lack of merit-pay increases in the FY21 budget disproportionately affects lower-paid faculty due to the high cost of living in our region and the low salary floor for faculty at USC;

WHEREAS the financial information that the Administration has presented was not sufficiently detailed for Senators and faculty to be able to fully understand and support the Administration’s FY21 plan;

BE IT RESOLVED that the Academic Senate hereby urges the Administration to make the following commitments:

1. To greater transparency on university finances, so faculty can understand the extent of losses due to legal liabilities and COVID-19, the projected deficits, the terms of the endowment payouts, and the impact of budget cuts on faculty;
2. The Senate objects to the pauses to merit-pay increases and the university’s contributions to retirement benefits. The Senate expects that these items be restored.
3. To enable active involvement of a representative faculty committee in planning the FY22 budget and in efforts to find new sources of revenue and appropriate ways to reduce costs, with access to the relevant information, and with opportunities for feedback from the Senate before any additional cuts are imposed;
4. To work with faculty to find a way to redress, as soon as possible, the permanent salary reduction caused by the absence of merit-pay increases in FY21;

5. To provide additional financial support as soon as possible to the most financially vulnerable faculty. This could include measures such raising the salary floor (and dealing with the resulting compression and inversion issues), making any future cost-reduction measures progressive, and ensuring that cost-reduction measures only apply to faculty making above a certain minimum annual salary.

Resolution Number: 20/21-02
Motion by: Executive Board
(No second required when moved by committee)
Date: Oct 21, 2020

Action Taken: Passed Unanimously