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New Budget Cut Expands

Winthrop University

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12/11/2008



New Budget Cut Expands

Quick Facts

- Employees will be required to take nine days unpaid leave, rather than the original six.
- Employees will lose three-quarters of day's pay from their paychecks.

ROCK HILL, S.C. – **Winthrop University** responded to an additional **seven percent cut** in its state appropriation announced in Columbia this morning by immediately expanding a furlough plan it put in place just one week ago.

The cut, approved by the **state Budget and Control Board** today, will cost Winthrop **an additional \$1.37 million** – bringing the cuts made so far this year to 25 percent of the institution's state appropriation.

President Anthony DiGiorgio immediately ordered a furlough plan put in place last week to be expanded from **six to nine days of unpaid leave** that employees will be required to take **before June 30**, when the fiscal year ends. The financial impact on employees will continue to be spread evenly over remaining paychecks for the fiscal year, however – now in increments equal to three-quarters of a day instead of a half-day.

"It is deeply troubling that I have to share the following news with you today," DiGiorgio told employees in a campus-wide e-mail, but it is infinitely better that I do so now rather than waiting."

DiGiorgio said the furlough plan announced last week anticipated a next cut equal to about \$1.1 million. When the amount cut was pushed up to \$1.6 million, it meant the furlough had to be expanded to recoup that larger amount from payroll expenses.

University officials say this cut might not be the last for this fiscal year, and the outlook for the next year is bleak, too. The state Board of Economic Advisers has predicted the state unemployment rate could reach **14 percent** by July; it is now 8 percent. Such a trend will mean fewer income tax revenues, which could cause additional cuts to be ordered.

Winthrop already has begun to absorb **internally \$3.2 million of the \$3.4 appropriation reduction** ordered in October, and the Winthrop Board of Trustees approved a **\$50 tuition increase** for Spring semester to produce revenue to meet the final increment of the October cut. As noted at that time, absorbing internally any additional cuts would be to affect the "bone" of Winthrop's programs. The later in the fiscal year any more cuts are ordered by either the Budget and Control Board or the General Assembly, the less time each agency and institution – and respective employees -- will have to absorb those cuts before the end of the fiscal year on June 30, 2009.

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