



## UNIVERSITY OF SOUTH CAROLINA

COLUMBIA, S.C. 29208

PRESIDENT

March 7, 1990

MEMORANDUM

TO: Provost, Chancellors, Vice Presidents, Deans,  
and Directors

FROM: James B. Holderman

SUBJECT: Hiring Freeze

You are no doubt aware of the difficult budgetary situation facing public higher education in the State of South Carolina for the coming fiscal year 1990-91. Current prospects are that funding for the Higher Education Formula may be as low as 86 percent, based on the State Appropriation Bill recently recommended by the House Ways and Means Committee. This compares to 91 percent this year and to an annual average of about 92 percent over the past decade. While the General Assembly has not yet completed its consideration of the budget, and we remain hopeful that additional revenues may be identified for the State's higher education needs, the recommended level of formula funding at 86 percent gives rise to very serious concern.

Unless additional funding for the Higher Education Formula is forthcoming, the total 1990-91 appropriation for the USC System is projected to be \$172.5 million, compared to \$171.8 million for the current year. This is essentially level funding, and it will not nearly be sufficient to meet mandated salary raise annualizations, other price increases, and anticipated enrollments. For example, USC-Columbia, for which formula funding at 86 percent would yield a net increase in State appropriations of only \$47,000, must deal next year with salary raise annualization commitments of more than \$5.6 million and minimum program needs totaling another \$9.6 million. These program needs fall overwhelmingly in the academic area, including support for core undergraduate curriculum offerings, library acquisitions, and faculty salary increases.

In the light of this situation, the most prudent approach for us now is to proceed with caution with respect to funding commitments to programs for next year, especially in the filling of vacant positions. Accordingly, after consultation with senior USC System officers and Chancellors, I have determined that a hiring freeze must be implemented immediately.

In order to protect the University's first priority, its academic programs, the freeze will not be applied to currently funded instructional positions. Recruitment for fully funded slots for teaching faculty and graduate teaching assistants may proceed normally, and offers of appointment may be extended with the approval of the Provost or appropriate Chancellor.

The freeze specifically applies to all non-faculty positions other than those funded directly from sponsored grants and contracts. No further offers of appointment to such non-faculty positions are authorized at any campus of the USC System without my explicit approval. I shall consider requests for exemptions to this hiring freeze on a case by case basis. This process will involve the Executive Vice Presidents of the USC System and the appropriate Chancellor. However, unless and until the budgetary outlook for 1990-91 improves significantly from its current level, unit heads should anticipate that exemptions will be rare and must be based on extraordinary circumstances.

I deeply regret the necessity of this action. I know that it will cause hardship and that it will impair the efficiency of administrative and academic support units throughout the USC System. However, we may be facing the most serious budgetary situation I have seen during my tenure as President. The University's budget is already extremely tight. Nearly all academic and administrative units are now operating under severe constraints, and there exist few opportunities for reallocating current resources that would not seriously harm our basic instructional, research, or service missions. Although funding has been provided annually for salary raises for faculty and staff members, there has been no real increase in the University's operating budget for non-personnel expenditures from State appropriations since 1985-86. We have been doing more with less for several years, and the strains are being felt on all of our campuses.

The projected shortfall in 1990-91 funding for the Higher Education Formula is so great that further increases in tuition and educational fees cannot solely be relied upon to close the gap. The major purpose of this hiring freeze is to help keep the University's tuition and fee levels as low as possible.

I remain hopeful that our funding for 1990-91 will improve as the General Assembly continues its deliberations. I also affirm our willingness to work closely with State policy-makers and with other college and university representatives to seek remedies that may yet help us avert a serious setback to the scope and quality of the educational services that we provide to the people of South Carolina.

A handwritten signature in dark ink, appearing to read "James B. Hunt", is written over a horizontal line. The signature is fluid and cursive.

JBH/co