



**UNIVERSITY OF GUAM
UNIBETSEDAT GUAHAN
BOARD OF REGENTS**

RESOLUTION NO. 11-22

**RELATIVE TO IMPLEMENTING THE UNIVERSITY'S REVISED FY12 FINANCIAL
MANAGEMENT PLAN TO INCLUDE SALARY INCREMENT FREEZES**

WHEREAS, the University of Guam is the primary U.S. Land Grant institution accredited by the Western Association of Schools and Colleges (WASC) serving the post-secondary needs of the people of Guam and the region; and

WHEREAS, the governance and well-being of the University is vested in the Board of Regents; and

WHEREAS, the Governor has issued Executive Order No. 2011-14, mandating a freeze on salary step increases for all classified employees and raises for unclassified employees of the Executive Branch of the Government of Guam effective October 10, 2011, in light of an anticipated deficit for Fiscal Year 2012 and in response to current economic conditions; and

WHEREAS, FY12 budget law PL31-77 reduced expected University appropriations by a \$3.2 million (M), offset in part by PL31-126 appropriating an additional \$1.3M in lieu of a proposed tuition increase affecting Spring and Fall 2012; and

WHEREAS, the government of Guam owes the University \$5.2M from FY11 allotment payments, forecasts cash shortfalls through FY12 and has issued BBMR Circular 12-01 imposing a 15% allotment reserve on all General Fund appropriations across the government, which means \$4.3M less in allotments to the University; and

WHEREAS, the University has acted to reapportion budgets, implement austerity controls, increase revenues, cutback expenditures and manage working capital, based upon its financial management plan and academic and institutional priorities; and, given the conditions above, the University must take further steps to sustain its mission and protect its highest priority of sustaining academic quality and student learning within its current and forecasted cash position and budget; and

WHEREAS, following consultation with the Faculty Union, who presented the concerns of the Faculty opposing an increment freeze, the Administration has revised the University's FY12 Financial Management Plan to include salary increment freezes for all its employees in response to these conditions; and

WHEREAS, the Board's Academic, Personnel and Tenure (AP&T) Committee and Budget, Finance, Investments and Audit (BFIA) Committee have reviewed the above and the University's revised FY12 Financial Management Plan to include salary increment freezes for all its employees in response to these conditions and recommends it to the Board.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Regents hereby authorizes the President to act on the following measures: a) proceed with the University's revised FY12 Financial Management Plan to include salary increment freezes for all its employees in response to appropriation, allotment and cash shortfalls and further to Executive Order 2011-14; b) update the AP&T and BFIA committees on this matter at their meetings; and c) when conditions allow, lift the salary increment freeze in consultation with the AP&T and BFIA committees.

BE IT FURTHER RESOLVED, that salary step increases for academic personnel, which shall not include promotional increases, shall be frozen effective November 17, 2011, and remain in effect until lifted.

BE IT FURTHER RESOLVED, that salary step increases and raises for all other employees shall be frozen effective October 10, 2011, and remain in effect until lifted.

BE IT FURTHER RESOLVED, that annual performance evaluations for employees shall continue to be performed in accordance with appropriate personnel rules and regulations.

Adopted this 17th day of November 2011.



P. Sonny Ada, Chairman

ATTESTED:



Robert A. Underwood, Executive Secretary