



June 22, 2012

TO: All UW Faculty and Staff

FROM: Thomas Buchanan
President

RE: Management of Faculty and Staff Budgets in Preparation for Possible Budget Reductions

As you know, on May 22 I submitted UW's plan for an 8% budget reduction to Governor Mead. Should the state enact these budget reductions, UW's general fund appropriation will be reduced by \$15.7 million effective at the start of the fiscal year 2014 on July 1, 2013.

UW's plan¹ preserves to the maximum extent possible our core educational mission and UW's areas of distinction. The plan also outlines budget reductions that will be taken disproportionately in non-personnel areas in preference to workforce reduction: UW's non-personnel budget will be reduced by about 14% of the amount budgeted in Section I for non-personnel uses, and personnel expenditures (salary and benefits) will be reduced by about 3.5% of the total amount budgeted in Section 1 for personnel. A 3.5% reduction in non-academic and academic personnel corresponds to approximately \$6.5 million.

We will make every effort to make reductions in personnel through attrition rather than by reductions in force (layoffs). I have directed my vice presidents to act immediately to reserve a portion of the salary and benefits vacated by retiring and resigning faculty, staff, and administrators and to hold these funds to accommodate possible reductions in UW's legislative appropriation. By starting this process immediately we decrease the probability that reductions in force will be needed to accommodate a reduced state appropriation.

On the academic side, the Office of Academic Affairs has used the existing faculty central position management process to hold in reserve \$1 million of the \$3.57 million available this year for reallocation.

Management of non-academic employee vacancies will be accomplished through a new mechanism. Effective July 1, 2012, all non-academic employee vacancies, both Section I and Section II, will be held open. The vice presidents responsible for each division will meet quarterly to determine which vacancies will be refilled. Those decisions will be based upon

¹ See http://www.uwyo.edu/acadaffairs/plans/budget/067_uw_8_percent_reduction_plan_2012.pdf

university and division staffing priorities, as established by university plans and the joint evaluation of the vice presidents. I have directed that over the course of the coming year a total of \$1.45 million in non-academic salaries be reserved in case of state-mandated reductions.

If UW has to manage significant budget reductions, it will be necessary to withhold salary dollars from vacated academic and non-academic positions for more than one year, although the magnitude of the withholdings will depend upon the size of the state-mandated reductions.

If, on the other hand, no budget reductions occur for fiscal year 2014, UW will redistribute all of the funds held in reserve for academic and non-academic positions as soon as possible. If budget reductions occur, but are less severe than 8%, UW will allocate as much of the reserved salary funds as the actual budget reductions will allow.

Institutions of higher education are people-centered enterprises, where faculty and students engage in teaching and learning supported by staff and administrators. The prospect of reducing UW's budget for its employees is a distressing one. By spreading the reductions in our workforce over multiple years we can both minimize the need for layoffs and retain some capacity to make decisions based on institutional needs and priorities. Nevertheless, it will not be an easy task. I ask each of you for your help in making the best decisions possible as we prepare in advance for a possible reduced state appropriation that we all hope will not become necessary.