

**Introduction**

Provost Myron Allen requested that the Deans’ and Directors’ Council of the University of Wyoming review the 2009 *Budget Planning White Paper* and update the principles and guidelines for budget decisions that will guide the university in meeting the requests of Governor Mead and the Joint Appropriations Committee to develop budget reduction scenarios of 2%, 5%, and 8% of state funds for the 2013-14 biennium. In doing so, we reaffirm our guiding principles from the Deans’ and Directors’ Council 2009 *Budget Planning White Paper*:

- (a) emphasis on preserving and advancing UW’s academic quality and stature and (b) budgetary measures consistent with the University’s mission statement, vision, and university plan. The academic units represented here are at the core of "our mission to explore, create, and share knowledge, in areas that are meaningful to our constituencies and at a level of accomplishment that garners international recognition...."

While the 2009 10% budget reductions were difficult and resulted in reducing classified staff as well as a limited number of faculty positions, this rescission was managed at the fringes of the instructional budget. Eighty-four percent (84%) of academic units’ legislatively appropriated budgets go directly to cover the salaries of the faculty and staff providing instruction and support at the undergraduate and graduate level. Thus, further reductions in the university budget will of necessity have consequences for the academic enterprise: specifically, a reduction in faculty and staff resulting in larger class sizes, fewer course offerings (increasing time to graduation), program elimination, diminished library collections, decreased scholarly output, decreased support for students, and/or reduced service to Wyoming citizens and state government. Additionally, reductions to the academic core of the university make it less likely that the university will achieve the goals of excellence set forth in *University Plan 3*; the strategic plan will need to be modified. Before undertaking further major budget cuts, the university must re-define its priorities regarding the academic programs it offers and the major research areas it chooses to pursue.

As one of the few states with a budget surplus, Wyoming has an unprecedented opportunity to support the university as it continues to pursue *University Plan 3*, which guides its efforts to provide excellence in undergraduate and graduate education, research, and service. Especially in economically difficult times, investments in higher education are key drivers of economic development and diversity. However, as we noted in 2009 and as we still agree today, “an incisive consideration of the University’s academic enterprise is essential.” We provide the following perspectives on budget planning that include both revenue enhancements and budget reductions.

**Revenue Enhancements**

Any discussion of budget-cutting scenarios must comprise multiple options and combinations to enhance revenues, leverage existing opportunities, and reduce expenditures. Increased Section 2 funds and private contributions would directly reduce dependence on the Section 1 budget. The table below indicates several means to enhance revenues and leverage opportunities.

Alternatives	Comments
Tuition increase	A 5% increase = \$2 million; Consider alternative forms of tuition increase in order to meet the costs of offering more expensive curricula (e.g., lab intensive curricula)
Course and lab fees	Vary fees per course so as to partially compensate for possible support budget reductions
Indirect cost recovery	Reduce IC waivers; Require IC component for internal grants including work for the state where the normal fee of 20% is often waived.
Center integration	Require broader university participation and support by units funded with non-Section 1 state funds (e.g., faculty and staff funding and support budgets)
Foster entrepreneurship	Encourage units to be more entrepreneurial in raising the funds necessary to support their operation; e.g., assign greater fiscal autonomy and expectations to unit leaders. Integrate development staff into general unit operations.

## Expense Reductions

At the 5 or 8% level, these reductions will deeply damage the university’s reputation and integrity. These reductions would negatively impact key quality metrics influencing our university’s national and international standing as a Carnegie Research University/High Research Activity institution<sup>1</sup>.

Alternatives	Comments/Consequences
Reduce support budgets	<ul style="list-style-type: none"> <li>• Decreased student support/decrease student success initiatives</li> <li>• Decreased statewide outreach and service/decreased access to higher education</li> <li>• Inability to sustain library collections at a level necessary for research</li> </ul>
Reduce faculty positions	<ul style="list-style-type: none"> <li>• Class size increases/decreased student-faculty interaction</li> <li>• Fewer course options; less course availability; reduced frequency of course offerings; parallel staff reductions; increased time to graduation</li> <li>• Reduced opportunity to recruit talented faculty</li> <li>• Decreased research and grant activity</li> <li>• Reduced services, support, outreach/extension to the state</li> <li>• Greater dependence on part-time instructors</li> </ul>
Reduce graduate assistantships	<ul style="list-style-type: none"> <li>• Slowed growth in graduate programs</li> <li>• Decreased research output</li> </ul>
Reduce degree programs and/or merge departments	<ul style="list-style-type: none"> <li>• Reduced operational costs</li> <li>• Reduced range of education and research opportunities</li> <li>• A “smaller” university</li> <li>• Morale issues</li> </ul>
Explore additional reductions to university-wide units not essential to academic core	<ul style="list-style-type: none"> <li>• Overall readiness and functionality of facilities would further suffer given custodial and student services reductions in 2009</li> <li>• Reduce or postpone minor maintenance to major maintenance (facilities and grounds)</li> <li>• Reduce or eliminate Fleet Services</li> </ul>
Eliminate broad service commitments that are not central to mission	<ul style="list-style-type: none"> <li>• Decreased ability for the university to provide expertise and service to the state</li> </ul>
Reduce Athletics Section 1 budgets	<ul style="list-style-type: none"> <li>• Replenish funds from Section 2 and/or reduce budget</li> <li>• At 5 and 8% reductions, review the level of NCAA competition (i.e., I(AA))</li> </ul>
Reduce Student Services	<ul style="list-style-type: none"> <li>• Lengthen time to degree and reduce academic support programs (e.g., Synergy, LeaRN)</li> </ul>

<sup>1</sup> The university aspires to be at this Carnegie classification, the highest category for a university of our size and advertised mission. The Carnegie classification is the principal U.S. framework describing the mission and level of activities of U.S. universities; <http://classifications.carnegiefoundation.org/>.

In summary, any reduction at this time would be detrimental to the mission of the university. Even a 2% reduction, compounding the cuts from 2009, will harm the university, but such harm might be ameliorated in 3 to 5 years. Reductions above the 2% level will result in long-term damage to the character, integrity, and capacity of the university. In the event that any budget reduction is required in the next biennium, we recommend that:

1. Deans and directors be directly involved in final decisions related to any staff or faculty reductions. It is important to perpetuate our institutional culture of transparency regarding issues of personnel management and communication.
2. Major decisions regarding the staffing of faculty and support positions be made at the college or school/program level to maximize program delivery capacity.
3. The university be given at least two years to develop revenue sources to offset lost Section 1 funds.