

Budget Planning Process Response
Government, Community, and Legal Affairs
May 8, 2012

UW Governmental and Community Affairs Division and the Legal Division jointly submit the below “Budget Planning Process Response.” In 2009, when the original budget reduction whitepapers were prepared, the two functions were combined in one division. Continuing that spirit, updated in December 2011, the divisions’ responses are made collaboratively.

First and foremost, the principles contained within the whitepaper prepared by this division in 2009 remain relevant and have the continued support of these divisions. The 2009 whitepaper can be found here: http://www.uwyo.edu/acadaffairs/plans/gcla_white_paper.pdf

A few principles and observations from 2009 bear repeating and additional points merit consideration in the current environment:

- The majority of budget reductions made in 2009 have been sustained, with the exception of legislatively appropriated funding for additional library acquisitions and tuition revenue to further support libraries and academic support budgets. Furthermore, as a result of the budget reductions sustained in 2009, additional reductions will likely result in even greater consequences to student services, academic operations, as well as non-academic units. There will not be consequence free reductions, and it will be important to communicate those clearly to the affected unit providers and recipients of these reduced services in the event of reductions.
- Consistent with the review process and recommendations in 2009, there should be a renewed effort to ensure that the Section II budgets are fully covering the costs incurred by the Section I budget.
- During the 2009 budget reduction effort, UW made a concerted effort to identify programs where alternative revenue could supplant state funding, e.g. UW Foundation and UW Alumni Association programs. Though most, if not all, of those opportunities have been identified, there should be an additional review to determine if there remain any opportunities to supplant state appropriations with non-state revenues.
- Given UW’s block grant budget status, the institution is expected to regularly evaluate and reprioritize programs within existing resources. Over the last 2 to 4 years, UW has undoubtedly instituted new programs or provided additional support for existing programs through reprioritization, as distinct from using resources provided by increases in state appropriations/tuition revenue. Those new programs and additional support for existing programs should be evaluated to determine whether those resources should be diverted and used to address possible budget reductions.
- The 2009 budget reduction effort contained a three-tiered approach to evaluating UW programs, the lowest priority for programs being referred to as “enhancements”. A

supplemental approach would be to evaluate programs and their components to determine the extent to which they are core to the UW mission.

In addition to the above observations, the Government and Community Affairs and Legal Divisions recommend five guiding principles in any budget reduction exercise or implementation: (i) special consideration should be given to protect UW's core academic enterprise, especially the areas of distinction identified in the most recent strategic plan, UP3; (ii) non-personnel activities should be evaluated with a level of strict scrutiny prior to considering personnel reductions; (iii) especially at the eight percent reduction level, proportionality of budget reductions between academic and support activities should be weighed carefully since at some point each academic unit cannot effectively operate in the absence of student, fiscal, institutional and facility support; (iv) particularly at the eight percent reduction level, elimination of entire services or units may be preferred to across-the-board reductions, e.g., vertical, rather than horizontal budget reductions; and (v) within divisions, flexibility to reduce specific percentage (or dollar) amounts is preferred to prescribed, across-the-board reductions, e.g., reduction in part-time staff or sweep all vacancies does not impact each unit equally. It appears several of these principles were adopted, in the December submission to JAC. We believe they remain relevant.

Finally, we deduce that given the structure and magnitude of UW's budget, it seems unlikely that the full 8 percent budget reductions will be able to be addressed through non-personnel expenditures. As a result, and as small units, our preference for reductions beyond the institution-wide non-personnel areas be addressed in the following manner:

- Reductions on the personnel portion of the budget begin early in order to collect vacant positions judged to be appropriate for elimination rather than through reductions in force, to the extent possible.
- Even with a squeeze on vacancies, we believe that not all positions are equally critical to the university's mission. Especially in small units, a system that provides opportunity to rigorously assess vacancies as they arise is important.
- There should also be consideration of a "tax" on various units based upon factors such as contribution to the mission, proportionality, cost of doing business, etc. In such an allocation of budget reduction mechanisms across the institution, we believe units should be allowed to identify the most appropriate methods to reduce the budget within their unit. For example, reduction of part-time employees may work in one area, where reduction in support budgets including travel or elimination of vacancies may be better suited for other areas.
- Finally, there may be opportunity for service consolidation and improvements in delivery that could also result in cost savings. One example is a more centralized marketing approach for the university. By investigation, it is clear many units are not using the most aggressive methods to insure competitive bids and still others are not taking advantage of internal expertise and branding templates or even cooperative advertising agreements.