



May 22, 2012

TO: All UW Faculty and Staff

FROM: Thomas Buchanan
UW President

RE: UW's Budget Reduction Plan

Today I submitted UW's plan for an 8% budget reduction to Governor Mead. If the reduction is enacted as envisioned, it will take effect at the start of fiscal year 2014 on July 1, 2013.

The amount of UW's budget reduction is \$15.7 million, which is 8% of the Wyoming Legislature's \$196 million general fund appropriation to the university for fiscal year 2014. The general fund appropriation is the single largest source of UW's revenues, representing approximately 36% of the total university budget. Approximately 74% of UW's state-funded expenditures are for personnel, so it will be virtually impossible to accommodate an 8% reduction without reducing the payroll.

We all understand that budget reductions will unavoidably impact our ability to provide quality higher education in the state. Two principles guided the development of UW's plan. First, it preserves to the maximum extent possible our core educational mission and UW's areas of distinction. However, it is impossible to cut \$15.7 million/year without negatively affecting those aspects of the institution. Second, the plan is based on the principle that budget reductions should be taken disproportionately in non-personnel areas in preference to workforce reduction. It also takes into account the recommendations and suggestions that I received from students, faculty, staff, and administrators.

Our plan identifies budget reductions in four general areas: 1) non-personnel support budgets, where approximately \$6.1 million of the reductions will be made; 2) UW-funded scholarships for undergraduate and graduate students, which will be reduced by approximately \$2.3 million; 3) the School of Energy Resources, which will reduce its budget by 8% by cutting \$800,000 from its matching funds program and graduate assistantships; and 4) budgets for non-academic and academic personnel, which together will be reduced by approximately \$6.5 million. This proposed approach would reduce UW's non-personnel expenditures by about 14.0% of the total amount budgeted in Section I for non-personnel uses. It would reduce our personnel expenditures (salary and benefits) by about 3.5% of the total amount budgeted in Section I for personnel. In other words, it would hit non-personnel budgets about four times as hard as personnel budgets. The vice presidents and I agree that this strategy is appropriate for an organization having such a people-intensive mission.

The full text of the plan that UW submitted to the Governor is available at the following URL: <http://www.uwyo.edu/acadaffairs/plans/budget/index.html>

Even the full text leaves many details to be determined, such as the amounts by which unit-level support budgets would be reduced and the specific positions that would be lost. In some cases, it would be unnecessarily destructive of morale and reputation to make these specific decisions in advance of an actual budget reduction. In other cases, such as the loss of positions, detailed collaborations involving deans, directors, and other managers will be essential to the goal of keeping adverse impacts to a minimum.

We will make every effort to make reductions in personnel through attrition rather than by reductions in force (layoffs). On the academic side, I believe this can be accomplished through the existing faculty central position management process by reallocating only a portion of the salary dollars that become available through departures and retirements. For non-academic personnel, we will initiate a similar staff central position management process by which only some vacated positions will be refilled based upon priority rankings developed through periodic consultation among vice presidents and the administrators who report to them. Making the decision not to refill or reallocate a position is difficult, but the alternative — layoffs — is far worse in my judgment. By starting this new staff position management process immediately we hope to reduce the probability that reductions in force will be needed to accommodate whatever budget reductions UW must manage.

We all know that the 8% reductions, if enacted, will challenge all of us as we strive to make our state's sole research university one of the nation's finest. I thank each and every one of you for your role in that effort.