

**From:** [University of Wyoming Communications](#)  
**To:** [All Employees](#); [All Students](#); [All Retirees](#)  
**Subject:** A Message from the President: Declaration of a Financial Crisis  
**Date:** Thursday, June 16, 2016 11:55:38 AM  
**Importance:** High



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**June 16, 2016**

**To: Members of the University of Wyoming community**

**From: Laurie Nichols, President**

**Re: Declaration of a Financial Crisis, UW Regulation 6-41, Paragraph IV.A**

During the recent town meetings, I explained the strategy I propose to pursue in addressing the reduction in state appropriations to the University of Wyoming. The components of the strategy are intended to ensure UW can operate in FY 2017 with a substantially reduced budget, and to position UW to deal with reduced state revenues in FY 2018 and beyond.

However, I believe additional steps are necessary to address UW's financial situation. In accordance with UW Regulation 6-41 IV.A, I am declaring the existence of a financial crisis. To view UW Regulation 6-41, click [here](#).

This action is taken so that UW can act in the coming months to reduce or eliminate University programs following the process specified in University regulations. It is also taken to facilitate the review of University structure and organization so as to streamline and reduce administrative overhead. The ability to do both is essential to the well-being of the University, as I will explain.

I want the University community to first understand the process specified in the regulation, and why I believe it is essential to proceed in this fashion. UW has substantial flexibility in making modifications to the organization of and financial support for non-academic units on campus. However, that flexibility is very limited as regards the organization of and programs offered by academic units. UW's academic units have been reviewing programmatic offerings and organizational structures. There is an expectation that changes will occur as a result of that review. During FY 2017, those changes must be identified and initial steps must be undertaken so as to provide for full implementation of those changes in FY 2018 to the greatest extent possible. In short, to address this financial situation, UW must act quickly to be prepared for FY

2018.

Before explaining the process, let me comment on UW Regulation 6-43, which provides a process for the elimination of academic programs. That regulation is not intended to be used as a means of addressing a substantial reduction in University revenues. Rather, it is intended as a methodology to evaluate the wisdom of continuing an academic program in a financial climate that is far different than the one the University now faces.

Turning back to UW Regulation 6-41:

UW Regulation 6-41, paragraph IV.C -- Having declared the existence of a financial crisis, I am required to issue a written statement to the University community explaining why a financial crisis has been determined to exist. That statement is [here](#).

UW Regulation 6-41, paragraph IV.D -- I am required to specify the anticipated financial deficiency expected during the current fiscal year and the University's financial prospects for the two succeeding fiscal years. The description of the financial deficiency is [here](#).

UW Regulation 6-41, paragraph IV.E -- I am required to call a general University meeting to explain the declaration of a financial crisis and solicit questions and comments. The notice to the University calling that meeting is [here](#).

UW Regulation 6-41, paragraph IV.B; paragraph IV.F, and paragraph V -- I am required to convene the Financial Crisis Advisory Committee (FCAC) and consult with them in the preparation of a Financial Crisis Plan which I will submit to the University's Board of Trustees. The membership of the FCAC is specified in the regulation. I will communicate with ASUW, the Faculty Senate, the Staff Senate, and the Dean's Council and ask them to select Committee members as provided in the regulation.

An outline of the schedule I envision following in preparing the Financial Crisis Plan is [here](#).

In anticipation of pursuing an aggressive schedule, I did rescind Presidential Directive 6-1993-2. Issued some 23 years ago, the Presidential Directive did not reflect the approach I intend to take. Rather than issue another Presidential Directive, I intend to simply follow UW Regulation 6-41 as written.

Lastly, UW Regulation 6-41 is entitled "financial exigency." That is a term of art in higher education. If the financial crisis is so severe that the termination of positions held by tenured faculty members is required, the President requests the Board of Trustees to

declare a financial exigency. Before submitting such a request, the President must inform the FCAC of the intention to do so. The FCAC may submit its own recommendation to the Board of Trustees regarding financial exigency.

It is my intention at the present time to avoid a recommendation of financial exigency. I believe there are actions UW can take when reducing or eliminating programs to accomplish that. I urge the UW community to understand that the declaration of a financial crisis is different than a recommendation to declare financial exigency. The declaration of the former does not mean that the latter is a foregone conclusion -- far from it.

During the town meetings and in conversations across campus, I have heard faculty and staff repeatedly express concerns about low morale. Declaring a financial crisis is a step that, by its nature, is unlikely to improve morale. The University must deal decisively with the reductions in revenues that affect both FY 2017 and FY 2018. But as I will continue to emphasize, refocusing our efforts over the next two years will place UW in a far more favorable position for the future. As I have said several times in the past month, while we must deal with the financial situation at hand, it is my intent to look beyond this budget and position the University of Wyoming for a positive future. I accepted the position of President based on this intent, and I remain committed to it as we move forward.

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