

THE UNIVERSITY OF WYOMING
FINANCIAL CRISIS ADVISORY COMMITTEE
MINUTES OF THE COMMITTEE
Friday, September 30, 2016

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**Friday, September 30, 2016
12:00 - 2:00 p.m.
Coe Library 506; University of Wyoming Campus**

AGENDA

Call to Order	1
Roll Call and Approval of Minutes.....	1
Public Session	
I. Report on Budget Reduction Target – Academic Affairs – Provost Kate Miller	1
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Call to Order

Chair Steve Bieber called the meeting to order at 12:04 p.m.

Roll Call and Approval of Minutes

Committee members present included: University President Laurie Nichols, Provost Kate Miller, Vice President for Administration Bill Mai, Dean of the College of Law Klint Alexander, Dean of the Outreach School Susan Frye, Dr. Frederic Sterbenz, Dr. Robert Sprague, Dr. Donal O'Toole, Dr. R. McGreggor Cawley, Committee Chair Steve Bieber, Ms. Molly Marcusse, Mr. Kevin Colman, Ms. Rachel Stevens, and Mr. Joel Defebaugh.

Dr. Sprague suggested a change to the minutes from Friday, September 23, 2016. He asked that the first full sentence on page 4 read as "It was added that faculty felt there had not been adequate exceptions to the workload policy", which added the word adequate. This correction was approved by all members of the committee. Mr. Defebaugh motioned to approve the minutes as amended, Dr. Cawley seconded. All members were in favor and the minutes were approved unanimously.

Public Session

Report on Budget Reduction Target – Academic Affairs – Provost Kate Miller

Provost Miller noted that all members of the committee had received a two-page document outlining the target budget reduction of \$9.5 million for the division of Academic Affairs. She stated that during the month of August the unit heads from across campus were asked to provide Provost Miller with how they would reduce their budgets based on a certain percentage that was distributed by Academic Affairs, taking into consideration potential student fee revenue enhancement. Provost Miller explained that once all of these materials had been collected she began to analyze the overall impact on Academic Affairs while taking into consideration the guiding principles that University President Nichols has implemented for the overall budget reduction. She added that priorities from the Trustees and the Wyoming Legislature, including the Science Initiative, Education Initiative, and other were taken into consideration to minimize the impact on those areas. Provost Miller noted that she had received preliminary data from the Revenue Enhancement Committee that was also taken into consideration as this plan was put together for Academic Affairs.

Provost Miller stated that currently there were a number of functions that were funded through Section I monies that through the implementation of a fee structure could be funded through these monies instead. She noted that preliminary information from the Huron Consulting Group was also integrated into this plan. Provost Miller stated that there were 16 programs that were under consideration for elimination and an additional eight programs that were suggested for reconfiguration or consolidation. She stated that no assumptions had been made about the eliminations of these programs as the budget reduction plan was created, adding that the review process had been created under a different exercise separate from the budget reductions. Provost Miller stated that the program reviews were being conducted under UW Regulation 6-43 and it would be difficult to place a reduction savings on the FTE, adding that it would be the hope to redirect faculty and staff efforts to other programs that were not as small following this process. She added that this process would not be completed until late in the spring semester.

Provost Miller explained that there was a summary of where the reductions would be made across the division of Academic Affairs. She stated that these areas included normal attrition of faculty and staff, moving APL to a different revenue sources, reduction of positions that cause overlap, and a reduction in operating costs. Provost Miller explained that these figures were based on typical turnover rates and the recommendations that were provided by the division heads and deans. She noted that not all recommendations were taken as a result of the projected implementation of the student fee component. Provost Miller added that many colleges across campus were taking a closer look at their organizational structure and working to reorganize based on creating efficiencies. She added that component would not be implemented until much later in the process to work with the implementation of the new fiscal system. Provost Miller stated that based on the work that the Revenue Enhancement Committee had completed it was projected that there would be a \$5 million target that could be reached by the implementation of a program fee. She noted that these fees would go directly to the units for their specific application, which would allow for Section 1 funding to be opened up.

A member of the FCAC stated that they were unsure how it was possible for a reduction of this nature to be condensed to two pages and was unsure if the full impact that would be made on Academic Affairs was present. He added that it seemed difficult to understand how student fees could account for such a large portion of the overall reduction. Provost Miller explained that a portion of the budget reduction process was an increase in student fees, adding that the information being presented to the FCAC was only a small portion of a large report from the Revenue Enhancement Committee that should be reported to the FCAC by the Revenue Enhancement committee. A member of the FCAC asked for a clarification regarding the set 65% cuts and 35% revenue enhancement that had been specified in the committee division presentation guidelines and what approach would be taken if the student program fee was not approved by the ASUW Student Government or the Trustees. Provost Miller explained that based on the information from the Revenue Enhancement Committee she felt comfortable moving forward based on the information they had given her for revenue to be collect through this student program fee and that if these fees were not approved there would be a shift of the burden to a further reduction in faculty. The committee further discussed the guidelines that were given to the different division heads regarding their target reductions.

A member of the FCAC asked what revenue source would be used for the APL salaries if they were moved to Section II funding. Provost Miller explained that these funds would come from Section II outreach funds. The committee discussed the shift of Section I employees to Section II funding sources, partially from online courses. It was noted that many Section II monies were not being used for an everyday purpose which allowed for these monies to accumulate, though shifting these employees to Section II funding allowed for these monies to be utilized in an appropriate way. A member of the committee asked if it would be possible to receive a list of impacts of moving Section I employees to Section II funding based on Section II dollars that were strictly going to a reserve account. Provost Miller stated that these lists would be maintained by the deans of each college. She added that these funds had been underutilized in the past and it did not seem fair to ask for additional cuts and not allow for these Section II funds to be utilized. Provost Miller added that this process presented a large challenge knowing that many departments would undergo reorganizations or revamps to make estimates based on that fact. She stated that she believed that

there would be a number of efficiencies discovered through this process and the implementation of the new fiscal system.

Members of the committee noted that staff positions across campus had been hit the hardest and it was difficult to see how the university could function with any additional loss of staff. Provost Miller stated that it would be important to redeploy staff to assist in supporting multiple departments based on their different skill sets. The members of the committee discussed the Huron Consulting Group report and when that information would be made available to the campus community, noting that the information provided in this report would allow the FCAC to make a recommendation based on facts. It was stated that this report had just been received by the president and the vice presidents for their review. Members of the committee discussed that through the review process the vice presidents could provide comments and suggestions and following that period it was University President Nichols' decision as to when that document would be made public. It was noted that the Huron Consulting Group was providing suggestions, none of which had to be implemented by the vice presidents; it was up to the judgment of each vice president which suggestions would be implemented and their final plan would be reviewed by President Nichols to be incorporated in to the finalized plan.

Provost Miller noted that the committee chair of the Revenue Enhancement Committee needed to report to the FCAC in addition to the Huron Consulting Group. She added that the Revenue Enhancement Committee had the different college units submit student fee proposals based on the costs to teach specific courses, noting that not all courses would be weighted the same based on this fact. Provost Miller explained that through the implementation of student fees for high cost programs additional Section I funding could be utilized to fund lower cost programs that would not have a need to implement a student fee for their program. She added that all proposals submitted to the Revenue Enhancement Committee needed to provide clear justification for the implementation of their student program fee.

A member of the FCAC who also served as a member of the Revenue Enhancement Committee stated that the final report had not yet been completed by the committee but would be in the coming week. She added that this committee was generally asked to tie any fee back to student success or services. It was noted that these program fees would be used to purchase materials for laboratories among other operating costs. The committee also discussed that even though operating funds would be reduced in some of the colleges this did not mean that there were fewer cuts that needed to be made in other aspects of the department, it became a mixture of cuts and revenue enhancement as was the case across campus. Members of the committee asked how these decisions were being made from college to college. Provost Miller explained that the deans were working closely with the members of their colleges to identify the best ways to maximize their services based on these reductions. The committee discussed the option of tuition increases across campus to assist with revenue production for the colleges. It was noted that tuition dollars are spread across campus and would not specifically affect the budget reduction to the division of Academic Affairs.

University President Nichols explained that currently the Revenue Enhancement Committee was looking at program fees not tuition. Tuition was a separate issue that had not had any changes approved for. She added that the student program fees would be implemented upon approval for

high cost programs that required laboratories, computer labs, etc., which drive up operating costs. University President Nichols noted that these fees also included maintenance the facilities where these labs are housed. She explained that as the state disinvests in UW some of that cost must be shifted to the students to make up these lost funds, noting that this would not be across the board, but for students who were enrolled in the high cost programs. University President Nichols stated that in addition to enhancing the laboratories many programs would work to enhance advising and providing newer equipment for these facilities to allow for UW to deliver a higher quality education and shift what was previously being funded by the state.

The committee discussed the benefits of implementing a student program fee including better advising which would allow students to complete their degrees in a timely manner. It was noted that this completion component was critical for the strategic planning process. Members of the committee noted that the work done by the Revenue Enhancement Committee utilized the comparator institution data that had been compiled for the Board of Trustees. It was noted that many comparator institutions were already charging fees for high cost programs and was very uncommon to not charge program fees. The committee discussed that it would be beneficial to hold the cost of room and board at UW at its current rate until a new housing plan could be put into action and use to program fees to provide support to the academic programs.

Report on Budget Reduction Target – Administration – Vice President Bill Mai

Vice President for Administration Bill Mai thanked the committee for allowing his to present his target reduction plan for the division of Administration. He explained that the division of operations was made up of a \$19 million budget, excluding the cost of utilities. Vice President Mai noted that he would strictly be talking about Section I funding. He explained the different departments that made up the division of Administration including fiscal administration, shared business services, payroll, budget office, bonding and taxing, institutional analysis, procurement services, golf operations, facilities engineering, utilities management, UW Police Department, and auxiliary services to name a few. Vice President Mai noted that the largest part of the division of Administration budget was used for operations through the fiscal administration office run by Associate Vice President Janet Lowe. He explained that recently the division of Administration underwent a reorganization to assist with efficiencies within the division. Vice President Mai noted that there were only about 100 people in the division of Administration that were administrative staff, adding that the majority of staff in the Division of Administration were the custodial staff, physical plant staff, electricians, plumbers to name a few. He stated that these individuals are incredibly important to the campus community and are the folks that make the university function. Vice President Mai noted that the Huron Consulting Group Report provided a great deal of insight into the division of Administration and this report had provided suggestions that could allow for more efficiency. He added that a large aspect that this report had shed light on was the department of Human Resources, noting that more efficiency would be realized through the implementation of the new fiscal system which incorporated operations of the Human Resources department.

Vice President Mai stated that the division of Administration had been asked to reach the target of \$1.5 million for their reduction. He explained that the division of Administration was the only division on campus that would not be able to offset any of their reductions through revenue enhancement, adding that the best way to handle these reductions would be through increasing

efficiency and eliminating all of the non-essential or nice to have features that were currently in place. Vice President Mai explained that he had worked hard previously to be budget conscious and save funds whenever possible to allow for larger projects such as the AMK Ranch in Jackson, Wyoming that UW often takes care of. He noted that as a division without the ability for revenue enhancement there had been a number of position lost, that would not be refilled or were eliminated through the reorganization. Vice President Mai explained that with the positions that will be hired back, those in charge have been tasked with make sure each candidate is the correct person for the job they will be tasked with and will provide the correct mix for the division. He noted that currently 10% of the overall administration workforce had been lost. Vice President Mai explained that the second area of cost savings would be through moving Section I employees to Section II funding. He explained that the intent would be to have those folks who service the utilities on that funding source through the indirect costs funds as these are the individuals that assist in making sure that research can take place. He noted the third cost saving measure for the division of administration would be a position that would be vacated in January. Vice President Mai stated that the majority of the changes made to the division of Administration would consist of streamlining processes to make them more efficient. He added that any other positions that would need to be reduced to meet these reductions would hopefully be achieved through attrition.

Vice President Mai explained that additional cost savings would be realized through students who pay for their tuition through the online credit card format pay a small fee to a third party vendor to use this service. He explained that this was a service that the division of Administration had paid for previously. Vice President Mai added that there would be additional cost savings realized through auxiliary services assisting with the postal services of the university. He added that one area of reduction would be for the department of Transit and Parking Services. Vice President Mai explained that it was his suggestion to implement an increase in parking fees for faculty, staff and administrators to purchase an A permit and a decrease in transit services provided. He noted that in comparison to comparator institutions UW had a very low parking fee. Vice President Mai stated that there were a number of transit operations that should be considered for a reduction of service based on a lack of use by students. He explained that these services tend to be very expensive, but do not have the ridership necessary to justify full continuation. Vice President Mai concluded his remarks by noting a final reduction to a contract held by the department of Human Recourses for personnel leadership courses.

A member of the FCAC asked how the funds in the general expense account were used previously. Associate Vice President Janet Lowe stated that previously these funds had been used for numerous odd and ends in the operations sector of the University including subscriptions and things of that nature. She added that this practice was being reviewed to see what items that were currently funded could be transferred or no longer funded. Members of the FCAC asked for clarification regarding the services provided by Transit and Parking Services and how their funds were distributed. Vice President Mai explained that a large majority of their funding was provided through student fees that paid to run the University Bus routes. He explained that services that would be reduced were currently paid for through revenue from parking. A member of the FCAC asked if parking on the UW campus was subsidized through transit services. Vice President Main explained that there were numerous free parking lots available across campus where anyone coming to campus could park and utilize the transit services for free. A member of the committee suggested that for members of the campus community who needed access to their vehicles for the

jobs would need a parking space closer to campus and wondered if it would be possible to offer the parking permits on a price scale based on the salary of each individual university employee. Vice President Mai noted that he was unsure if this was a possibility but would work with Transit and Parking Services to look into their options. A member of the FCAC asked how the reduction of the leadership courses would affect the campus community. Vice President Mai stated that the new HR Director coming on board would work on the reimplementation of such a program.

Public Comment

There was no public comment.

Adjournment

The committee entered into Executive Session at 1:48. Following Executive Session, Dr. Cawley moved that the committee adjourn the meeting. Mr. Coleman seconded. The committee adjourned at 2:24 p.m.