

Budget Planning Process Response
Government, Community, and Legal Affairs
December 8, 2011

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, 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.
- Though not all UW funding is fungible, the bulk of UW’s operational funding comes from state appropriations that are, at least for now, in the form of a block grant. The second largest component of UW operational funding comes from tuition. In the event of state budget reductions, expenditures and alternative revenues including private sources should be fully and carefully considered.
- 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 five and eight percent reduction levels, 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 does not impact each unit equally.