Results of Collaborative Budget Process

Last fall we initiated a participatory budget process with the goal of encouraging widespread input and involvement. At first we anticipated that dramatic budget reductions would be needed, but as time went on we found that our challenge was to realign our budget (rather than reduce it) in order to cover a variety of mandatory cost increases.

Faculty/staff members, students and other interested parties were asked to generate ideas and collaborate along organizational reporting lines or the shared governance structure. These ideas were brought forward to the SPRC or to Cabinet members. Ideas ranged from broad principles to specific suggestions. A spreadsheet was developed that allowed evaluation of various proposals and their impact on meeting the targeted mandatory reallocation, and this was shared for discussion and review purposes with the Strategic Planning and Resource Council. I had the opportunity to share the plans with the Board of Governors, and was appreciative of their support. The result of this process has been the development of a thoughtful, balanced approach to the current budget challenge. I appreciate the candor, input and support the campus community has given to our collaborative approach.

We have been able to realign our base budget for FY 2010 through a reallocation model that protects our core academic mission and allows us the flexibility to prepare for future budget years. This model is built on three assumptions: a flat appropriation from the state, no tuition increase, and stable enrollment. A change in any of these assumptions will require an adjustment on our part.

Our budget model maintains the current number of faculty positions and allows us to support our core academic mission. The Cabinet followed the SPRC recommendation of no salary increases except for faculty promotions and salary adjustments for faculty and staff minimums. The reallocation will be accomplished through a combination of approaches: use of institutional one-time funds to pay off a debt thereby freeing base budget funds, savings from early retirees transitioning off the early retirement program, elimination of some vacant staff positions (including the vice president for University Advancement) and a strategic realignment of financial aid (including transferring funds into student wages and reducing general-fund-supported athletic scholarships, that will hopefully be replaced with private dollars). We are pleased that the overall effect on our operations will be much less than what we anticipated last December.

As we discussed with the SPRC, modestly more dollars were reallocated than were necessary to cover the minimum mandatory cost increases. These funds will populate a “bucket” to be designated as the first “down payment” on the future. We are all concerned about the long term, and by making a “down payment” now we
will ensure a better ability to meet the next crisis. If the future is strong, we will still be well served by having this in place to create a strategic initiative pool.

As we look forward, I would encourage us to challenge our assumptions about conducting business as usual. Current forecasts indicate there may be further shortfalls in state revenues if the economic conditions do not improve. There were many fine suggestions for efficiencies that can be implemented in all areas, and I encourage all departments to act on them. As employee vacancies occur, each position and its functions should be thoughtfully and thoroughly evaluated to ensure we are being strategic in our decisions and our planning. We should carefully review the function of every area and reallocate and reorganize as prudent. The past few months have shown that, by working together, we can conduct the university’s business more effectively and efficiently.

Thank you for your good work.