

Fairhaven College of Interdisciplinary Studies

Open Letter to the Western Community: This letter is meant to inform you about how the Fairhaven Community has proceeded in planning for budget reductions.

Our Process for Making Budget Reduction Decisions

We must adjust our College budgeting and planning in response to sudden and significant budget shortfalls at the state level. This document describes a process for making changes in the College base budget (salaries and operating budgets) to meet University guidelines for reductions in the state-allocated (base) budget for the 2009-2011 biennium. Parts of this document are adapted from two documents prepared by University Planning and Budgeting at the request of President, Bruce Shepherd – *Principles and Guidelines for Campus Supplemental Budget Reductions* and *Campus-Level Supplemental Process for Changing the 2009-2011 Budget*. [These are available on line.]

Principles for Strategic Resource Allocation Planning

We must develop and implement a carefully sequenced plan for budget reductions that significantly saves resources while sustaining our commitment to *engaged excellence*. Therefore, a cogent and transparent set of principles guides our planning and budgeting process.

Weigh impacts on our primary mission of learning and teaching. As a College, our top priority is to continually contribute to the transformation of our world by preparing highly qualified graduates. We fulfill this mission through an engaging educational experience in the liberal arts and sciences by learning and creating across disciplines, through rich narrative feedback, and self-designed, negotiated, and contracted majors.

Consider nonemployee related savings before personnel reductions. The strength and distinctiveness of Fairhaven College rests on our sense of community and the shared commitments and talents of our faculty and staff. Protecting our faculty and staff preserves quality; it is of primary importance when planning for budget reductions. However, we understand that the size of cuts called for may require sensitive and careful analysis of all options, including voluntary faculty and staff reductions in FTE and program reductions, if necessary.

Ground budget decisions in data and analysis. Priorities and objectives within our budget reduction planning process are based on critical examination, thoughtful analysis, and shared reflection on the strengths, challenges, opportunities, and threats articulated in our Fairhaven

College SWOC Analysis. Our budget reduction decisions are shaped by careful consideration of data, projections, peer benchmarks, state requirements, union contracts, and accreditation standards as these relate to enrollments and workloads, and productivity measures.

Identify strategic savings. Our budget reduction decisions (at the 3.8% and 5.0% levels) incorporate a review of all College initiatives, programs, services, curricula, degree requirements, policies on class sizes, positions, job responsibilities, and organizational structures to assure that core priorities are protected while we seek saving at the still-important but less-central margins.

Promote operational efficiencies. We continually seek opportunities to improve our efficiency and effectiveness while preserving strategic partnerships and collaborations, and seek entrepreneurial opportunities to increase revenue (through such things as paperless/electronic publication, and improved summer session offerings).

Maintain commitments. Budget reduction targets may not be met by passing the cuts on through to other units (e.g., by increasing charge-backs to cover reductions or by dropping support for service courses critical to other units).

Use a transparent and inclusive budget decision-making process. Members of the College community – faculty and staff – are given the opportunity to share ideas, proposals, issues, and concerns as the budget reduction planning process proceeds. All ideas and proposals are considered and analyzed for impacts on students, programs, faculty, and staff. Proposed budget decisions are fully discussed with all those affected by the proposed cuts and clearly communicated to the whole College community. Discussions of budget reduction proposals include explicit connection to our College priorities and explanations of specific advantages and disadvantages.

Comply with law, statute, policies, and negotiated agreements. Decisions and processes are fully compliant with state statute, university and college policies, affirmative action commitments, state program approval and national accreditation requirements, shared governance responsibilities, faculty and staff handbooks, and contractual obligations including all bargaining union agreements.

Process for Making Budget Reduction Decisions

University Planning and Budgeting has, at the request of the President, articulated a “bottom up” process for changing the 2009 -2011 biennial budget to incorporate reductions in state-allocated funding (base budgets). Within this process, each “Planning Unit” (sixteen of them) is charged with preparing proposals for *permanent* budget reductions (at the 3.8% and 5.0% levels) focused on year one of the biennium. The reductions must be fully realized through

permanent base budget (salaries plus operating expense) reductions effective at the beginning of FY 2010-2011 (July 1st).

Consistent with the University process for changing the biennial budget, Fairhaven College will utilize a “bottom up” consultative process appropriate to our mission and culture. Our process provides opportunities for participation by all members of our community in exploration of possibilities for budget savings, revenue increases, and alternative ways of meeting responsibilities. The steps in our process are delineated as follows:

Gather Input on Potential Budget Savings

The dean and assistant to the dean (the College budget officer) will prepare materials sufficient for explaining and understanding the recent past practice of spending against revenue by the College. These will be presented for discussion at the annual Fairhaven College faculty and staff Thanksgiving Retreat in November, 2008.

An open forum follow up meeting in December, 2008 will be hosted by the dean and assistant to the dean for those who wish to deepen their understanding of the budget.

Develop College Proposals for Budget Reductions

At the request of the faculty and staff of the College, the dean and assistant to the dean will collect via email responses, suggestions for budget reductions.

Then, at a Faculty/Staff meeting in January they will present a first draft of proposed cuts for full discussion, with the goal of getting feedback that will lead to a revised version of the proposal.

These revisions will be forwarded to an ad hoc committee of faculty and staff to incorporate into the revised, second version of proposed reductions at the 3.8% level. If further cut scenarios are required (at the 5% level, for instance), additional proposals will be generated following the same process.

The proposals for cuts or shifts in spending should include comment on the consequences of these cuts or shifts in relation to university and college SWOC analyses and Strategic Plans.

Targeted completion date: March 1, 2009 (decided at the February 25th faculty/staff meeting)

Present College Proposals to Campus Community

As specified in the *Campus-Level Supplemental Process for Changing the 2009-2011 Budget*, the dean is responsible for presenting the College budget reduction proposals to the larger campus community via a budget hearing. A critical function of the hearing process is to allow all possibly affected units and campus leaders to fully understand and offer comment on proposals coming from other units. All budget hearings are open. Members of the budget panel include the President, Vice Presidents, Deans, University Planning and Budgeting Executive Director, Faculty Senate President, university Planning Council Chair, Professional Staff Organization President, Associated Student President, and a classified staff representative.

Budget Hearings are on March 17th and 18th, 2009

Participate in Development of University Budget

Drawing upon the proposals of the planning units presented at the budget hearings and upon public advice and comment from web-posting of these proposals, the Vice Presidents and college Deans, supported by the University Planning and Budgeting Executive Director, will work collegially to draft and recommend a proposed budget for the University. They will present this budget recommendation on the web and in open forums, and with campus governance groups, for advice and comment. After thorough consideration of all advice, working with the President, they will then finalize the budget proposal for consideration by the Board of Trustees.

Targeted completion date: End of 2008-2009 academic year (Board of Trustee meeting, June X, 2209.

February 20, 2009

Fairhaven College
Protecting our Core Mission
Principles and Guidelines for Resource Allocation
During Negotiations on Budget Reductions
(a SCOT Analysis)

Strategic Planning for Resource Allocation

- Identify priorities through a participatory, transparent resource planning process, guided by Fairhaven's Mission and its Framework for Strategic Planning.
- Fairhaven's budget should be readily accessible and understandable to the College community. Faculty and Staff members should have a basic understanding of how College resources are obtained or generated, and how they are used.
- All members of the Fairhaven community – faculty, staff, and students – should have opportunities to offer suggestions and report situations that could improve our budgetary condition.
- Make informed decisions through the use of data, analyses, projections, and peer benchmarks.
- Maintain flexibility through building contingency funds and reserves in good state revenue years; use reserves to fund strategic initiatives and emergency expenses, and to cushion the impact of budget reductions when state revenue declines.
- Fund activities that are required and are Fairhaven's highest priorities. Fulfilling the College's academic mission is the highest priority and requires both adequate faculty and staff.

Budget Reduction Principles

- The cause for budget reductions will be communicated clearly and systematically.
- The decision processes and criteria for choosing specific reductions will be transparent and determined through broad consultation.
- Decisions and reasons for those decisions will be communicated promptly and openly to all faculty and staff members.
- Fairhaven will remain aware that it receives its resources through Western and that the University must continue to balance its budget under reduced state funding.

- Reductions for 2008-2009 may not reflect long-term College priorities, but rather reflect the use of fund balances to meet short-term reduction mandates.
- Reductions for 2009-2011 will be considered long-term and on-going cuts that should reflect College priorities and strategic planning. We must ask:
 - What changes could increase revenue? (course fees, summer tuition, donations, etc)
 - What actions will reduce costs (on-line forms and handouts rather than paper, restricted travel, etc)
 - What activities can be terminated that would allow reallocation of resources (summer stipends for ALG and LDJ? etc)
 - How can we use resources more efficiently and effectively (electronic rather than hardcopy publication)
 - What new relationships might enhance services and provide savings or increase revenue (Outback Stage Amphitheatre for cross-college and community events, film-production and video-editing for all Western students, service-learning with local human rights organizations, program is leadership, ethics and profit, nonprofit, and technological entrepreneurship, pipeline program with state high school pre-law students and teachers, curricular and pedagogical partnerships other experimental colleges)
- Avoid arbitrary budget reduction strategies, such as hiring freezes or across-the-board cuts. Reduce the budget strategically. Ask: can the College afford not to have this activity or program? How much does this initiative contribute, in comparison to others, to the learning by students in the College?
- Consider costs with benefits; considering either alone is not a sufficient basis for decision-making.
- Some academic initiatives and some administrative initiatives may need to pause until state revenue recovers.
- Anticipate how the College will implement future cuts rather than wait for notification of the cuts.
- College reserves should be used judiciously in offsetting the impact of budget reductions on instruction and student support.
- Positions currently or soon-to-be vacant as result of retirement, resignation, or non-renewal should be reviewed and possibly be left vacant temporarily. If workforce reductions are unavoidable, they should be achieved as much as possible through attrition, not lay-offs.

- The following budget categories are ranked according to core mission and strategic plans that were developed by faculty and staff at the September and November 2008 retreats:
 - Acquire Space for classes, faculty offices, performance, and multi-purpose programming
 - Refine the academic core (process and content cores)
Enhance our signature programs (World Issues Forum; Law, Diversity and Justice Program)
 - Support Recruitment and Admission initiatives
 - Create on-line communications and effective Website
 - Create electronic narrative evaluation, transcript, and registration capabilities
 - Expand the film-making and video-editing program
 - Expand the Outback program with an Amphitheatre for environmental education and celebration

Seeking New Resources

- Raise course fees to limits
- Carefully plan our Summer Session
- Increase faculty grant writing
- Increase unrestricted gifts from donors
- Carefully target our biennial operating budget request “decision packages” to match legislative priorities

Budget Efficiency Principles

- All academic and administrative processes and initiatives should be periodically evaluated for cost reductions and increased efficiency
- Consolidation of programs or processes should be considered for cost savings
- Benchmark the College against other comparable institutions for costs of activities and programs
- Conserve energy and materials
- Consider outsourcing some activities for cost savings without loss of effectiveness
- Delay program or technological implementations

- Eliminate low demand programs
- Collaborate with other units on campus if substantial cost-savings occur without loss of effectiveness

FORM A

PROPOSED 2009-2011 REDUCTIONS

Planning Unit:

Fairhaven College of Interdisciplinary Studies - 3.8% Reduction Scenario

LINE 5 State Operating Budget -- Reduction Goal: 2009-10 2010-11
 \$ 69,014 \$ 69,014

Item #	DESCRIPTION	Reduction Amount		FTE Reduction		Position Type	Fund-Org-Program Code	CONSEQUENCES Relationship to Unit's long term vision? University's? Will reduction be covered by other funding sources so that service continues?
		2009-10	2010-11	2009-10	2010-11			
1	One-half reduction in Raquel Montoya-Lewis faculty position (salary only)	29,619	29,619	0.500	0.500	TT Faculty	10200-4110-011FAI	Ms Montoya-Lewis has chosen to reduce her position to a 0.5 tenure track position. This is a loss of four courses in The Center for Law, Diversity & Justice; a signature concentration at Fairhaven College.
2	0.3 reduction in Jungsik Kim faculty position	17,219	17,219	0.300	0.300	TT Faculty	10200-4110-011FAI	Dr. Kim has resigned his full-time tenured position. Eliminating 0.300 of this TT position is the only way we can imagine meeting our target cut: with this loss, we can hardly imagine functioning, because this position and half of the Montoya-Lewis position is 8% of our TT faculty.
3	Reduce Fairhaven Operating Budget of \$44,081 by 33%	14,682	14,682					Reduce printing for student handbooks, course descriptions and college brochures. Reduce college funded honoraria, motor pool and reduce budget for New Student Orientation: only expenses funded by the self-sustaining accounts will take place. Reduce budget for office supplies, subscriptions and standard maintenance: we will rely more on electronic back-up rather than paper which . Reduce probability of College computer/equipment replacement. This leaves Fairhaven with an annual operating budget of \$29,399, from which \$12,000 goes to the faculty travel/development pool (assuming that RSP will continue their support of \$400 per TN/TT faculty). We will eliminate College funding for Fairhaven admissions travel. Reduce College support for the art studio, the science lab and The Center for Law, Diversity & Justice. Revenue permitting, up to \$11,000 of the \$14,682 reduction may be shifted to student course fees and summer session income.
Corresponding Benefits from Pooled Benefits								
4	Benefits corresponding to reducing 2 full-time positions to part-time to be deducted from the pooled benefits budget at 16%**.	7,494	7,494					
TOTAL		69,014	69,014	0.800	0.800			
Balance (Over)/Under Reduction Goal (Line 5)		-	-					

FORM A

PROPOSED 2009-2011 REDUCTIONS

Planning Unit:

Fairhaven College of Interdisciplinary Studies - 5% Reduction Scenario

LINE 5 State Operating Budget -- Reduction Goal: 2009-10 2010-11
 \$ 90,805 \$ 90,805

Item #	DESCRIPTION	Reduction Amount		FTE Reduction		Position Type	Fund-Org-Program Code	CONSEQUENCES Relationship to Unit's long term vision? University's? Will reduction be covered by other funding sources so that service continues?
		2009-10	2010-11	2009-10	2010-11			
1	One-half reduction in Raquel Montoya-Lewis TT faculty position (salary only)	29,619	29,619	0.500	0.500	TT Faculty	10200-4110-011FAI	Ms Montoya-Lewis has chosen to reduce her position to a 0.5 tenure track position. This is a loss of four courses in The Center for Law, Diversity & Justice; a signature concentration at Fairhaven College.
2	One-half reduction in Jungsik Kim TT faculty position (salary only)	28,699	28,699	0.500	0.500	TT Faculty	10200-4110-011FAI	Dr. Kim has resigned his full-time tenured position. Eliminating half of this TT position is the only way we can imagine meeting our target cut: with this loss, we can hardly imagine functioning, because this position and half of the Montoya-Lewis position is 10% of our TT faculty.
3	Reduce Fairhaven Operating Budget of \$44,081 by 52.5%.	23,156	23,156					Reduce printing for student handbooks, course descriptions and college brochures. Reduce college funded honoraria, motor pool and reduce budget for New Student Orientation: these expenses will be shifted to self-sustaining funds. Reduce budget for office supplies, subscriptions and standard maintenance. Reduce probability of College computer/equipment replacement. This leaves Fairhaven with an annual operating budget of \$20,952, from which \$12,000 goes to the faculty travel/development pool (assuming that RSP will continue their support of \$400 per TN/TT faculty). Eliminate College funding for Fairhaven admissions travel. Reduce College support for the art studio, the science lab and The Center for Law, Diversity & Justice. Revenue permitting, up to \$11,000 of the \$14,682 reduction may be shifted to student course fees and summer session income.
Corresponding Benefits from Pooled Benefits								
4	Benefits corresponding to reducing 2 full-time positions to part-time to be deducted from the pooled benefits budget at 16%**	9,331	9,331					
TOTAL		90,805	90,805	1.000	1.000			

Balance (Over)/Under Reduction Goal (Line 5)

FORM B

**OPPORTUNITIES or NECESSITY FOR
NEW INVESTMENT
Unit:**

Planning

Fairhaven College of Interdisciplinary Studies

**STATE OPERATING BUDGET (State Appropriations &
Tuition)**

Item #	DESCRIPTION	Amount		New FTE		Position Type	Fund-Org-Program Code	IMPACT Relationship to Unit's long term vision? University's?
		2009-10	2010-11	2009-10	2010-11			
1	CLDJ Pipeline Program Operating Budget	60,000	60,000					The pipeline program for The Center for Law, Diversity and Justice targets pre-law high school students and their teachers in a summer program that is meant to integrate with other pipeline programs that the university designs. It will also sponsor high school mock trial events, coordinate pre-law mentorships and internships, and sponsor or support attendance to pre-law information events.
2	Exempt professional for CLDJ Pipeline Program	40,000	40,000	1.000	1.000	Exempt		This will create a position for an administrative coordinator and field supervisor for clinicals. Having an administrative coordinator dedicated to the program will free-up faculty time from administrative duties and put them back in the classroom.
Corresponding Benefits for all New Positions (to be paid into Pooled Benefits)								
3	Benefits corresponding to adding a full-time position (50% or greater) at 28%.	11,200	11,200					
TOTAL		111,200	111,200	1.000	1.000			