

Institutional Overview:
Proposals for Further Reductions to Western's Current Year Operating Budget
September 27, 2010
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Background

On September 16th the Governor informed Western that it must reduce its budget for FY 2010-11 by \$3 million. This is a reduction of 6.3% of our state support. This new reduction comes on top of a series of cuts for this fiscal year that, prior to this news, totaled \$14.2 million. The total cut for this fiscal year – bottom line net cut after all add-backs like federal stimulus dollars and major tuition increases – now becomes \$17.2 million annually.

The Governor's Office of Financial Management (OFM) has given us just three weeks to submit our reduction plan. So this directive not only further reduces our budget, it also disrupts our new open and transparent budgeting process.

Anticipating the latest cuts earlier this summer, I [advised campus](#) that we would need to develop extraordinary – some called them “emergency” – processes. [Those processes](#) were developed in consultation with governance leadership and shared with campus in late August. As much as possible within the time limit that OFM has imposed on us, the extraordinary processes maintain our commitment to collaboration, openness and transparency.

With the processes in place, we did not wait for the cut number to be set in Olympia in order to engage planning units in exploring options. When that \$3 million figure arrived on September 16th, we were able to announce significant steps we believed would be required. [That announcement](#) also noted that further steps would be necessary to reach the level or reduction required by Olympia. This report to campus covers the proposals for fully meeting the need to cut by the additional \$3 million.

Priorities and Approach: The University Level

Our basic priorities are those that always and explicitly guide our budgeting processes:

1. Protect our core mission.
2. Protect the quality of the education we provide to our students.
3. Within the constraints of protecting core mission and protecting quality, protect people (occupied positions).

During the course of the deliberations and as was explained in the [earlier announcement to campus](#), that first priority was further refined to be: serve *current* students who have every right to expect that they will get the outstanding education for which Western is now widely known.

Our deliberations also led us to retain our commitment to the tough-to-achieve budget additions made through last spring's open, transparent, bottom up process. This includes, primarily and to the tune of about a million-dollar reallocation, our commitment to sustain current class access and to clear bottlenecks so that students may graduate in a timely fashion. Also included were smaller amounts reallocated to support faculty and staff diversity initiatives, sustainability, and support for the rapidly growing number of veterans enriching our student body.

Most of Western's excellence resides in our colleges, departments, programs, and service units. With that in mind, the vice presidents and I set out to find all the savings we could at the central university level. The steps we settled upon were:

1. Bring units in leased space to buildings we own. These include our off campus dance facility and all units in the space we currently lease at 32nd Street. There will be one-time costs associated with moving and carrying the leases to their conclusion. There will be remodeling costs; they will receive priority consideration in our budget for minor capital projects. There will be inconvenience and significant crowding but the annual savings are estimated to be \$506,000. The savings will be reallocated directly to protecting core mission excellence.
2. Reduce tuition remissions for Winter and Spring quarters by \$250,000. Current commitments to students are not reduced. But, this is a form of institutional financial aid, and this step affects the mix of financial aid that will be available to some new students. This step does, again, allow us to reduce cuts that, otherwise, would be made to the quality of the education students at Western receive.
3. We identified \$96,000 in additional revenue through our Administrative Services Fee. This is a 4% charge that auxiliary enterprises pay for overhead services. It is not an increase in the percentage but, rather, an adjustment to our estimate, last spring, of what last spring's widely discussed increase would generate.

We are proposing to proceed as follows with those additional revenues, savings and institution-level cuts. First, initial division-level reduction targets were lowered by a total of \$346,043. That leaves \$500,000 in eventual base savings achieved at the institutional level and not allocated.

We propose that the \$500,000 of institutional savings be added to the base budget of Academic Affairs to permanently fund phase 1 of a multi-year plan to reinvest in tenure lines.

Last spring we realized that our greatest short-term threat to excellence was constricted access to classes and added time to degree. We acted last spring to address bottlenecks and our new proposals protect those commitments. But this short-term strategy has caused us to dramatically reduce our hiring of tenure track faculty, which is a very real, longer-term risk to our excellence.

Western's reputation has been built on the lasting relationships that our students develop with their professors, the access that our students have to internationally recognized faculty, and the opportunities that our students have to work with their professors on research projects. Western's future depends on our ability to replenish the ranks of our tenured and tenure-track faculty.

In our proposal, the Provost, Deans, and faculty governance leadership will develop a long-term plan to use the initial \$500,000 to hire new tenure track faculty in 2011 and beyond. Additional funding would be considered as part of our established, bottom up, three-biennium budgeting and planning process. That process begins this winter.

After identifying the central university savings, each vice presidential division was given an **initial** target. Within each vice presidential area and with much discussion among deans and directors, further and differential targets were set for the units that comprise each vice presidential division. [Table 1](#) reports starting and ending points by vice presidential division. There, you will find obvious evidence of the efforts to protect core mission. As you look more deeply into proposals within vice presidential divisions, you will see additional evidence.

The Proposed Reductions: Overview

We have been cutting budgets for two years now. We have been able to largely protect programs of high quality and that help establish Western as a premier institution. The most pernicious consequence of the accumulation of budget reductions at Western is this: *we are now at a point where the only way to protect the high quality of the programs that remain is to make very serious cuts to programs that are also high quality but not quite as central to core mission.*

Examples of this current reality abound:

Within Academic Affairs, the proposals include substantial reductions for the internationally recognized Border Policy Institute and Canadian American Studies Program, as well as reductions in graduate and research program administration and also in our outstanding Shannon Point Marine Science Center

We are also suspending admission to the graduate Student Affairs Administration program. This suspension is in addition to the 14 low enrollment academic programs we earlier announced were being recommended for elimination. The Student Affairs Administration graduate program is a high quality program that provides important educational services statewide as well as to community college partners and to our own campus, allowing us to attract, retain, and advance young professionals in Western's student and academic support service programs. Yet, the suspension is being made in order to support the continuing and nationally recognized quality of the core undergraduate programs for which Woodring is so justifiably esteemed.

These are steps with very serious consequences but do permit us to mostly protect the academic learning opportunities that Western is so well known for and that occur, primarily, through our colleges.

And, as was explained earlier, to plan for reversing the greatest long-term threat to our excellence: the pause in filling tenure lines.

These examples come from the area of Academic Affairs where net base budget changes, in percentage terms, were the smallest, that having been done to protect core mission. Proposed reductions do also strike at key priorities in other areas as well. For example:

- Within Advancement, a gift officer position is being eliminated at a time when we are undertaking a comprehensive fund raising campaign.
- Within University Relations, the one legislative affairs support position is being eliminated at a time when we face an ever-greater need to build support for public four-year higher education and Western.

In terms of our priorities, then, we have reached a point where we can no longer protect quality, *per se*. As the examples in University Advancement and University Relations illustrate, functions that support very important undertakings. Rather, we must make the tough calls on which of our many high quality undertakings are most central to our core mission.

While these are very serious matters, there is the occasional silver lining. Human Resources will move to campus, thereby improving availability and service. While the Music Library and the Map Library will no longer be free-standing entities, their incorporation within the existing Library structure will expand opportunities and hours for campus and public access.

A total of 43 positions would be affected in these proposals. Of those positions, 11 involve shifts in funding sources, 15 involve reductions in FTE, and 17 would be eliminated or held open. Of these 17 positions, 7 are currently occupied. Those occupying positions that would be eliminated or reduced have been advised of the possibility.

For the current fiscal year and as a result of the accumulation of cuts and after adding in tuition increases and such, \$17.2 million dollars are gone from our bottom line. We are a talent and people enterprise and 83% of our budget is in salaries and benefits. But, by looking widely at efficiencies, savings, different ways to do business, and unoccupied positions, the fraction of that \$17.2 million that comes from eliminating occupied positions is much smaller than 83%. Still very regrettable but evidence of the seriousness with which people across the university took the priority to protect the outstanding people who are Western.

Next Steps

Next steps in this process include:

1. A meeting of the planning unit chairs, the president, and the chair of the University Planning and Resources Council (UPRC) to review, question, and discuss the proposals now shared with campus. The UPRC includes representation by students, faculty, professional staff, and classified staff. The planning unit leaders include all deans and vice presidents. This meeting, on October 1st, will be audiocast live and archived.

2. Because of the need, given the shortened time frame, to rely more on representatives than on bottom up, the proposals will also be considered by the president's cabinet at a meeting on October 1st. The president's cabinet includes faculty and student governance leaders as well as representatives of professional staff and classified colleagues.
3. The president will then form recommendations that will be presented to our Trustee's for their consideration and action at a meeting on October 8th. As always, the meeting is audiocast.
4. The approved revisions to our 2010-11 budget must then be submitted to the Office of Financial Management by October 13th.

Please also understand this nuance: the Governor has not reduced our budget, only the legislature can do that. Rather, the Governor has exercised her authority to restrict our expenditure. And this is why the difference is significant: in January, a new legislature will convene and they will need to adopt a new budget for us for the fiscal year we are now in. The Governor's expenditure limitation and the responses we will soon provide to OFM place no constraints on what that legislature will decide to do.

The Details

The line-item details can be found by clicking on the hyperlinks that follow.

- [Academic Affairs](#)
- [Business and Financial Affairs](#)
- [Student Affairs and Academic Support Services](#)
- [University Advancement](#)
- [University Relations](#)
- [President's Office](#)