



University of Idaho

Office of the Provost and
Executive Vice President

TO: All Units in the Provost Executive Area
FROM: John Wiencek, Provost and Executive Vice President
DATE: February 14, 2018
SUBJECT: Planning for Anticipated Revenue Shortfall

By now, you have received news from President Staben that we have been quite productive this year and have made significant progress in funding university priorities as recommended by the University Budget and Finance Committee (UBFC). In particular, the mid-year raises and teaching assistant packages are moving us closer to market norms. This outcome required difficult choices and hard work from all units on campus.

While we have made progress, we have some emerging issues that require us to consider adjusting some of our finances. As mentioned by President Staben, our most immediate challenge is an anticipated \$2 million to \$4 million (1-2 percent) shortfall in General Education revenue (tuition + state appropriations) due to anticipated reductions in both the tuition revenue and state appropriations. Longer term, we must identify a sustainable process to maintain appropriate central reserves and manage funds under the new chart of accounts that will roll out next fiscal year. Thus, we must make some short-term and long-term changes in the management and allocation of financial resources by June 30, 2018.

Under President Staben's leadership, we have brought challenges such as this one to the larger community so that we can find viable solutions together. Each unit will find ways to accommodate the budget reduction, but I would like to share some experiences of the provost/vice provost areas and map out next steps.

Upon my arrival three years ago, I sensed that the Provost's Office was not serving faculty and students at the level appropriate for a premier institution. The "Great Colleges" survey results supported my intuition. I also heard from the faculty and deans about general education positions (mainly faculty lines) in several colleges that were not permanently funded. Instead, these positions were funded each year from a patchwork of sources such as carryforward or other "soft" funding sources. Indeed, this same practice was occurring in the Provost's Office. The University of Idaho is committed to providing permanent, stable funding for our employees, so we decided changes were necessary.

To address these concerns, we pursued a major restructuring in the provost/vice provost areas (including enrollment management, academics, and student affairs). We are on the way to providing the kind of service and centralized support that a land-grant, premier institution demands. We also moved to a shared administrative staff approach. These changes allowed us to redirect significant funding from the provost/vice provost areas to address UBFC requests, such as permanent funds for current positions. To be clear, many of the UBFC investments of the last three years came from budget reductions in the Provost's administrative areas — budget reductions totaling more than \$1 million of permanent base funding, which was transferred from the provost's administrative areas to the colleges.

As we share updates and ideas on how to reduce costs and improve effectiveness in the colleges, please know that we have been doing this for the last three years in the provost's administrative areas. The goal is to improve the educational and working environment for everyone on campus and to do so in a sustainable manner. In this regard, we believe it is essential to model the behaviors we hope to inspire.

In order to meet and exceed our strategic plan goals while addressing current financial pressures, all areas reporting to the provost will need to participate in this budget reduction process, a modest 1-2 percent budget cut. I have asked the deans to

identify creative and forward-thinking changes to current college-level operations that will help us meet this challenge together. The provost's administrative areas will also need to develop comparable plans to meet necessary budget reductions in our areas. Very rough, preliminary estimates suggest that there may be increases in quality and effectiveness in several academic colleges if mergers or consolidations are considered. The deans will dig in deeper and assess whether any of these options are reasonable and attractive. I have asked the deans to provide options for further consideration by the broader university community by the end of this month. Their proposals may or may not include college mergers, program mergers or staff reorganization. Given the modest 1-2 percent reduction, we do not anticipate wholesale layoffs or job loss and will utilize attrition and turnover to meet the new budget target over time.

Once the deans provide some options for consideration, I will convene a campus-wide committee to assess the options. The committee will be asked to comment on the advantages and disadvantages of each concept as well as provide an overall recommended course of action. The recommendations of the deans and the committee will be advisory to the president and the provost, but will represent a strong voice in this decision-making process. Obviously, additional opportunities for input and discussion will be an important part of any college or program merger.

We have important work to do, and we need to do this work as a community. As in the past, we will find solutions that reflect the best thinking and support of our entire university. I will update you once I receive the recommendations from the deans in a few weeks.

Best wishes,

John

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