

Notes from the Budget Cutting Case at the 2008 DDDH Retreat

QUESTION ONE: How should the case for vertical cuts made and communicated to engender support both on- and off-campus?

Points to be made in communication with campus stakeholders. What is the message?

- A. Dismantling a program does not equate to dismantling the mission of the campus (or unit). Needs to be a strong message that the campus will be mission-focused as it considers strategic cuts.
- B. There is a price to budget cuts – we do “bleed.” To this extent, we need to be prepared with very specific examples of what has already been cut in the past (data from historical cuts) and their impact on
 - a. Faculty
 - b. Per students spending
 - c. Resources for faculty, student, and program development
 - d. Program enhancements that are no longer available to students
 - e. Capacity decreases in class availability
- C. Change the development staff message to donors. We are no longer cutting the “icing,” but we are now cutting the cake.
- D. There may be the need for interim or “bridge” funding as all decisions to make strategic cuts may not result in immediate savings, but on down the road.
- E. This is a breach of faith with our Hope Scholars (and their parents, as an important audience)
 - a. We want to keep the best and brightest in the state, and the state will suffer if we do not.
 - b. These students will not stay in state for a low quality program
 - c. These students have the ability to pay more and they will to get the quality of education they demand.
- F. ROI. What is the UT “throughput” of graduates that stay in the state and their salaries? What is the impact of dollars spent on UT to the larger Tennessee economy?
- G. We are aggressively pursuing consolidation and efficiency opportunities – we are not trying to avoid operating in a more responsible fashion. Provide evidence of where processes have already changed to be more efficient.
- H. We must make our budget more transparent to outside constituents so that they can understand the true nature of state “discretionary funds” that are available for each college to cut (not much).
- I. Reduce anxiety by focusing on future revenue enhancements – how will we win in the long run.

A secondary question is who, precisely, do we need to be communicating our message to?

- Parents of Hope Scholars
- Alumni
- Donors

- Students
- Faculty
- Staff
- Legislators
- Governor
- Board of Trustees

Let the first four groups carry the message (they will call the BoT, legislators, etc.). There is the need for “grass roots” delivery of this message rather than top down.

QUESTION TWO: If vertical cuts were to be pursued, what criteria should be used to identify the “weak” or “at risk” units (degree programs, centers, departments) that should be explored for possible elimination?

- A. Centrality. Centrality to the vision and mission of the organization. The alignment of the unit, program, or degree with the college or university (is there a meaningful strategic plan that links them)
- B. Quality. Program quality, as measured by...
 - a. Quantitative productivity data (for current year as well as trends in recent years), e.g.,
 - i. enrollment, student credit hours,
 - ii. research output, external funding,
 - iii. program rankings,
 - iv. teaching excellence
 - b. Qualitative data, e.g.,
 - i. impact of faculty on theory and practice,
 - ii. importance of the field to state/national/international problems,
 - iii. (inter)national trends in the field/discipline
 - iv. Other.
- C. Demand. Market demand for the program (as a link to our land grant mission) and job potential for graduates. Placement data on graduates (UG, MA/MS, PhD) in both industry and academia.
- D. Engagement. Importance of unit to interdisciplinary programs across college, campus, ORNL, centers, etc. Engagement across campus, e.g., honors programs, service courses needed in other units.
- E. Costs. Cost burden of program to the larger unit, e.g., cost per graduate, GA budget.
- F. Constituencies. Reaction of external constituents, e.g., community, alumni, media, legislators, donors.

It is important to note that, per Gary Rhoades comments, these factors are easier to identify than to prioritize. The ordering above does not connote priorities or weighting.

How do we show appreciation for units that might be cut? How do we support and help the faculty and staff? No resolution to this question, but it was voiced to get it on the table.

What are the alternatives to vertical cuts that should be considered (assuming that all departments within a college are strong and desirable)? A variety of ideas were brainstormed. However, none were discussed at length. These initial ideas have been categorized as follows:

Operational Resource Alternatives

- Decrease operating funds, e.g., travel, supplies
- Transfer base budget research (or other expenses) to non-recurring funding sources

Faculty Alternatives

- Freeze hiring and eliminate open faculty and staff positions
- Increase the ratio of non-tenure track to tenure track faculty members.
- Establish a faculty/staff buyout plan

Staff Alternatives

- Seek a merger with another college (saving administrative costs)
- Decrease staff (including administrators)
- Freeze hiring and eliminate open faculty and staff positions
- Change staff appointments from 12 to 10 months.
- Reduce staff appointments to 83%.
- Establish a faculty/staff buyout plan

Revenue Generation

- Reset our price points (tuition differential)
- Increase fees (lab, course, program)
- Identify new revenue streams, e.g., charge for distance-based continuing education programs.

Other

- Use enrollment management to decrease numbers of students and save money.
- Establish a responsibility-based budget system

QUESTION THREE: In the event that unit elimination appeared to be a best option for dealing with the cuts, what is the best way to handle those decisions? Who needs to be involved and at what steps?

- A. There has to be a strategic plan that sets clear priorities and guides program elimination.
- B. Strategic plans should favor phase-out over time.

- C. Courage is needed to pursue the larger interests of the campus – a larger vision (not just the self-interests of the unit)
- D. Leaders need to be strong.
- E. Process should be fair, transparent, and firm.

Who needs to be involved in the decision?

- Department Heads and Program Coordinators
- Faculty, Staff and Students
- Community and Alums
- Deans and Associate Deans
- Provost
- Chancellor
- President
- Advisors (including Board of Advisors, professionals in the field, donors)

However, there was no indication of when or where in the process these individuals should be engaged. Needs more thought about the journey towards an elimination decision that would tie the groups above to specific phases in the process.