

Budget principles

Northern Arizona University will consider the following principles, guided by the university's goals and values, as it determines how to approach budget cuts.

- Near-term decisions to maintain a balanced budget will complement longer term planning.
 - University-wide priorities take precedence over individual division priorities.
 - Initiatives to increase revenues will continue to be explored.
 - Commitment to the Pledge tuition program continues but will be evaluated each year.
 - Enrollment growth and increasing retention will continue with strategic investments to preserve a quality educational and campus experience.
 - Recruitment and retention of high quality faculty and staff is an ongoing commitment.
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University of Missouri System

Guiding principles:

- Challenge the status quo and long-held traditions that are impediments to change
- Make strategic decisions based on performance measures of excellence
- Protect programs of excellence for faculty research and creative works, student outcomes, community engagement and financial aid
- Be transparent, collaborative and accountable in making important decisions that affect the institution with input from faculty, students and staff

Budget process:

Campus and system leadership will develop plans to address the budget cuts. Budget cuts will not be across the board and may include:

- Operating support
 - Separation of staff and faculty
 - Consolidation of units to reduce administrative costs
 - Closing of centers and institutes
 - Closing of degree programs with low enrollment
 - Centralization or shared services for administrative operations including IT, HR, Finance, Research
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Guiding Principles

The University of Wyoming aspires to be one of the nation's finest public land-grant research universities. We serve as a statewide resource for accessible and affordable higher education of the highest quality; rigorous scholarship; technology transfer; economic and community development; and responsible stewardship of our cultural, historical, and natural resources. As Wyoming's only University, we are committed to outreach and service that extend our human talent and technological capacity to serve the people in our communities, our state, the nation and the world. These aspirations will be central to the decisions on how UW will respond and adapt to reduced State support. Below are principles that will guide the development of budget reduction plans.

Staying True to our Mission

- Budget reductions should have minimal impact on student success including recruitment/access, retention, persistence, transfer ease, and timely completion of degree.
- UW will continue to place the quality of academic programs, both at the graduate and undergraduate level as the highest priority. Our most enduring legacy is its graduates, who use their education to better their lives, our state, and the world around them.
- UW will endeavor to maintain excellence in research, scholarship and creative activity that contributes to the state's economy and enriches society.
- UW will preserve its statewide presence through outreach, extension and UW athletics.

Essential to our Core

- UW will strive to attract, retain, and reward high quality employees who contribute to a diverse campus community.
- The safety and health of students, faculty, staff or visitors, or UW's compliance with applicable laws will not be compromised.
- The ability of the University to perform essential operation or maintenance of the physical plant will be maintained.

Cost savings and Revenue enhancing opportunities

- As the University works to address reductions in state funding to the University, it must also increase private support and explore entrepreneurial opportunities to diversify and grow other revenue streams.
- UW will emphasize cost savings through driving inefficiencies out of the University's operations.

Process

- The University will be as transparent as possible in dealing with budget reductions and provide on-going communication with the campus and constituencies.
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The University of Nevada, Reno is a research institution with a complement of undergraduate and graduate degree programs in the liberal arts and sciences and professional programs that serve its historic land-grant mission. The university must strive to preserve as many of its strengths as possible in a time when fiscal realities require that it contract precipitously. To that end, we recommend the following principles and priorities, recognizing that the strategies necessary to implement them will be difficult.

Graduate the maximum number of well-prepared undergraduates possible

- Preserve high quality, high demand undergraduate degree programs.
- Prioritize strong undergraduate programs in departments with modest graduate programs over strong graduate programs in depts. with modest undergraduate programs
- Preserve good but small programs in present or reorganized form if they provide instruction that is essential for high demand programs, general education, or accreditation.
- Prioritize "connectedness" based on necessary degree and research programs.
- Use a consistent core set of measures in strategic decision-making, including curricular review that occurs in the context of budgetary reductions.

Maintain an environment for strong research and strong graduate programs

- Preserve high quality, high demand graduate programs.
- Preserve strong research programs that also contribute to undergraduate and/or graduate teaching.
- Preserve programs with strong records of external research funding (recognizing disciplinary differences).
- Use a consistent core set of measures in strategic decision-making, including curricular review that occurs in the context of budgetary reductions.

Professional schools that are central to the teaching and research missions or economic development are a higher priority than those that are less central

- Recognize that the State of Nevada cannot offer all the specialized professional programs it has in the past.
- Preserve select professional degree programs.

Tenure-track faculty who support the full mission of teaching, research, and service are of greatest priority

- Prioritize tenure and the employment of tenured faculty in order to sustain the research as well as teaching missions. As a general rule, tenure-track positions have priority over Rank 0 teaching positions.
- Review the practice of using long-term non-tenure-track and administrative faculty positions in academic departments.
- Review the practice of using A contracts for academic faculty not in administrative roles.
- Make strategic use of temporary instructors to cover lower-division courses and as a bridge solution to meet demand for all but essential replacement hires.

- Strategically offer retirement incentives if possible. If the university cannot afford buyouts, develop alternative strategies to encourage early and phase-in retirements.
- Prioritize quality for the long term while devising stop-gap efficiencies for the short term.

Larger administrative units are preferable to smaller units to accomplish the university's teaching and research missions effectively and efficiently

- Consolidate and reinvent college and school structures where possible in order to promote shared teaching and research and make best use of resources.
- Start now to consider consolidation, reinvention, or elimination of departmental structures that may be necessary in the coming years (such as combining and downsizing departments and eliminating departmental structures in professional schools).

Use resources wisely

- Require colleges and departments to use instructional resources effectively and collaboratively. Review class size. Reduce redundancy where not pedagogically necessary. Eliminate unnecessary sections and conflicts between courses.
- Start now to rethink instruction in the disciplines, considering strategies to sustain quality undergraduate degree programs with fewer resources, to the degree possible.
- Assess the costs and opportunities of employing evolving technologies as a means of offering efficient delivery or specialized courses.
- Examine whether altering course and term scheduling practices could help to offset the adverse impact of reduced resources.

Academics must be the university's highest priority

- Reduce athletic programs in order to preserve academic programs.
- Conduct a full review of university assets to determine whether any unobligated assets should be reallocated or capital assets should be sold.

Obtaining diverse sources of revenue is increasingly desirable and necessary

- Create a robust statewide and worldwide development plan-articulate a vision that will bring in philanthropic funds and increase collaboration with industry.
- Find new revenue sources through resource development of all kinds: tuition/fee increases, fundraising, grant-writing, and profitable niche programs.
- Create support for grants: researching grant/contract opportunities, maintaining a repository of data, and providing assistance for grant-writing.

Our obligation in working with the provost to recommend these principles and priorities has been to keep the long-term health of the university foremost. Our goal is that the University of Nevada, Reno survive these unprecedented, difficult times as a university that has 1) retained its teaching and research mission, 2) sustained its core strengths in the root disciplines, and 3) creatively and strategically reorganized itself to make best use of scant resources.

Budget Principles

NC State University

These principles apply to state-appropriated funds and tuition receipts and are intended to guide budgetary decisions. These principles are distributed in an effort to help keep the NC State community and other interested parties informed as to how and why choices are made regarding the allocation of funds. They are intended to focus budgeting decisions on maintaining and enhancing excellence in the pursuit of the University's mission, vision and goals.

I. Core Principles

- A. The University strives to provide a world-class education at an affordable cost by being good stewards of funding, responsibly controlling administrative costs, and by maximizing benefits to constituents.
- B. Our budget, including reductions, increases and reallocations, should be consistent with our University vision and goals as articulated by the chancellor and expressed in strategic planning documents.
- C. Our budget should be readily accessible and understandable to the entire University community.
- D. All NC State faculty, staff and students should have the opportunity to offer suggestions.
- E. The University Budget Advisory Committee is a primary vehicle through which faculty and staff receive information, foster understanding and offer advice about the University budget and budgetary principles.

II. Budget Reduction Principles

- A. Unless mandated, avoid arbitrary budget reduction strategies.
- B. Anticipate and plan for the impact of future cuts without awaiting notification.
- C. To the extent possible, protect the following budget priorities:
 - 1. Academic Programs
 - a. Courses essential to the core of academic programs, such as general education and curriculum majors
 - b. High-demand and emerging courses and programs
 - c. Tenure-track faculty positions
 - d. Learning technologies required for effective teaching and learning models
 - e. Professional accreditation
 - 2. Critical Academic Support Services

- a. Student advising, counseling and support
 - b. Library resources
 - c. Facilities, services, classrooms and laboratories
 - d. Services required for accreditation
 - e. Financial aid and the Graduate Student Support Plan (GSSP)
3. Critical Campus Services
- a. Environmental health and public safety
 - b. Essential facility, infrastructure and information technology services and support
 - c. Services necessary to maintain a clean financial audit

III. Budget Expansion and Reallocation Principles

- A. Investments in existing and new programs and reallocations should help accomplish the University's stated strategic vision and goals.
- B. Special consideration should be given to requests for budget expansion, where the expansion generates additional revenue to support the strategic vision and goals.
- C. Expenditures for research and scholarship infrastructure and support should be consistent with merit and performance.
- D. Expenditures for new programs and activities should be based on full and realistic budget projections.
- E. Best efforts will be made to provide need-based financial aid.
- F. Enrollment increase funds should first accommodate the increased costs where growth has occurred.
- G. Tuition and fee strategies should consider the practice of peer institutions.

IV Budget Efficiency Principles


- A. All academic and administrative processes should be periodically reviewed to reduce costs and increase effectiveness.
- B. Consolidation may be implemented if substantial cost savings would occur without loss of effectiveness.
- C. All budget decisions should consider long-term implications.
- D. Lifecycle rather than immediate costs should direct infrastructure and facilities investments.

- E. Periodic consideration of peer institutions should be used to assess our consistency with current and/or best practices.
- F. Units should retain resources equivalent to the new efficiencies achieved.
- G. Energy conservation and sustainability should be priorities in the operation of our physical facilities.
- H. Collaboration among units on campus and among other UNC institutions should be encouraged.

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 8/26/10
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Provost and Executive Vice Chancellor

Approved:

 8/26/10
Date

Chancellor

*Are there productive ways
to approach budget cutting?*



Rational Retrenchment

by Stephen G. Pelletier

Retrenching, reorganizing, reallocating, reinvesting—no matter what you call it, budget cutting has reached the stage of gut-wrenching. Dealt a cavalcade of ever-deeper cuts in state appropriations, universities now confront the need to prune courses, programs—and people. With such painful decisions now a reality, campus tensions are high, morale is down, and a black cloud of uncertainty hangs low on the horizon.

Hardly immune from the human pain that they know that program cuts cause, administrators talk of having to make impossible decisions when the only options are mostly awful. But they also know that difficult choices now can strengthen an institution, help it reconnect with its core mission and position it competitively for the future.

However painful it can be, retrenchment can also be productive. It

fiscal challenges. On top of a 6.5 percent budget hit last year, UNCG is looking at projected cuts on the order of another 15 percent for the coming year.

In part, cost savings will come from academic restructuring. UNCG appointed a committee of key stakeholders focused on helping the university unify programs in health and human development that are now scattered across campus. But UNCG Chancellor Linda P. Brady says the reason for the restructuring is not primarily fiscal, but rather “a desire to position UNCG to be more competitive and more visible” in two academic areas where the university has traditionally been strong.

Like many schools walking delicately toward substantive reform, UNCG has been careful to create as productive a path as possible. To help underscore that there were no preconceived notions about the committee’s work, for example,

could save \$1 million in administrative overhead without having an impact on faculty lines or seats for students. But Brady and her colleagues know that is just one step in meeting the possible 15 percent state shortfall.

To bridge that funding gap, UNCG embarked this spring on a new general review of all its programs. Starting at the departmental level, then moving up through larger academic units and ultimately to a university-wide committee, UNCG will take a hard look at what programs—and positions—might be able to be eliminated to meet budget realities.

“We have asked the faculty to do something that is obviously very difficult—namely, to categorize their programs in several ways,” Brady says. The expectation is that some programs will be deemed outstanding, while others will be considered strong but in need of additional support. Still, others will be characterized as “challenged,”

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turns out that there are indeed rational approaches to budget cutting.

The Full Story

“Florida universities consider eliminating several degree programs.”

“Missouri colleges to cut 116 degree programs.”

“Penn State eyes \$10 million in program cuts.”

While the specter of program cuts at public universities regularly makes headlines, the media typically does not tell the full story about the complex—and agonizing—process that informs any decision to close an academic program.

The University of North Carolina at Greensboro (UNCG) faces typical

Brady and UNCG’s provost kept themselves off the group’s roster. Importantly, too, the university engaged a third party, the Center for Creative Leadership, to help facilitate difficult discussions. “There were great concerns initially about this process,” Brady observes. “What’s the ulterior motive? Are you trying to get rid of a particular dean? Did we have a predetermined outcome? The advantage of having a third party made it possible for the committee to address some of the difficult issues without the provost or the chancellor being in the room.”

This spring, the committee offered two options for restructuring UNCG’s health and human development programs. Weighing those options, university officials estimated that they

a word that the campus community finds more palatable than “weak” or “underperforming.”

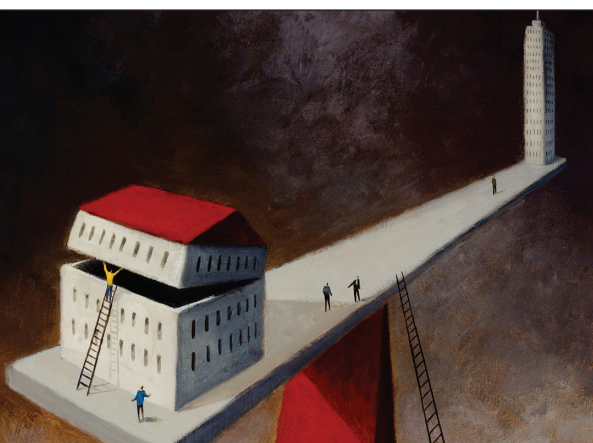
Participants in the process have agreed to essentially rank programs based on criteria that are markers of program quality, such as the strength of incoming students, credit-hour production, faculty productivity, numbers of enrolled majors and graduation rates. The review is currently under way.

Similar Rigor

A similar kind of process, carefully planned and intentionally rigorous, helped the University of Minnesota at Mankato chart its own productive path to retrenchment—so far without a single grievance from affected staff.

Looking toward 2012, the university predicted that the state would have a budget shortfall of some \$8 billion, reports Scott R. Olson, Mankato's provost and vice president for academic and student affairs (he's currently on loan to the Minnesota state system as interim vice chancellor for academic and student affairs). It was clear that a shortfall of that size would inevitably take a chunk out of state appropriations for higher education. "As people read their newspapers and listened to the radio, that story told itself. Everyone knew there was a problem," Olson says.

As an institution with collective bargaining, Mankato was required to give faculty who were being laid off



a year's advanced notice. That meant preparations for retrenchment had to start more than 18 months prior to when any layoffs would take effect. But it also meant that Mankato had to budget based on fuzzy projections rather than hard numbers. Applying logic to this hazy circumstance, Mankato administrators decided to look at the projected state deficit, calculate what percentage of state funds the university might anticipate getting, and then multiply the deficit by that percent to come up with a range of possible cuts. Recognizing that the state probably wouldn't simply make across-the-board cuts, Mankato developed best- and worst-case scenarios for its 2012 budget. As Olson says, "We had to make some local predictions about what our own share of the pain would be."

Based on its projections about the state budget, Mankato estimated that it would end up having to pare some 80 faculty positions. While some of those faculty lines would come through attrition or by not filling open positions, some current faculty members, including some with tenure, would lose their jobs.

At that point, the salient question was obvious: Where do you cut? Knowing that it needed to find a productive way to make very sensitive decisions, Mankato established a carefully conceptualized, data-based process. The process started with conversations that sought input from constituents across campus—from students to the faculty senate to the administration—about what measures should be applied to decide what programs could be trimmed or even eliminated.

Through that process, the university identified four metrics to analyze each campus program: how central the program was to the university's mission, how many students it enrolled, how much it cost and the program's overall quality. Within each metric, sub-questions dug more deeply to consider such factors as the student/faculty ratio and the program's costs compared to other institutions. A fifth metric, slightly more intangible and less data-driven, focused on how well a given program met future workforce needs in Minnesota.

Based on those criteria, administrators sorted programs into categories: those that would not be cut, some that might see their funding reduced, and others that were candidates for closure. Programs then had a chance to review those findings and make a case, based on objective measures, about why they might belong in a different category. Through this extensive process, Mankato eventually identified programs that would be closed, such as the computer science program and one in aviation management. (Interestingly, the local

community rallied around the aviation program, raising enough private money to keep it open for at least five years, which Mankato agreed to do.)

Acknowledging that data can be subject to interpretation, Olson says that even if one data point isn't precise to everyone's satisfaction, trends in the data overall "triangulate to tell us where we are."

"I think what really characterized what worked well was a shared governance approach to the reductions," Olson says. "If you can agree as a campus on what metrics will serve as the basis for making decisions, and then take the time to [analyze them], wise people will come to common ground," Olson says.

Game-changing Crisis

Another institution that found a productive way to make difficult choices is the University of Southern Mississippi. Devastated a few years ago by Hurricane Katrina, Southern Miss found itself facing another game-changing crisis when the economy turned sour. In 2011, cuts in state appropriations of about 12.5 percent meant paring some \$11 million in spending. That included reductions and consolidations in some academic programs. Planning for 2012, the university was looking at the possibility of an additional 15 percent drop. As she awaited final budget numbers from the state, the institution's president, Martha Saunders, said, "We think we have prepared for the worst but we are hoping for the best."

Some members of academic communities argue that in cutting programs, universities risk damaging their very reason for being—or at least watering down their core missions. But others looking at the same landscape believe that program cuts can actually strengthen institutional missions. Southern Miss, for example, used the challenge of having to cut programs as a prompt to help it clarify its core focus.

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Saunders explains, for example, that having strong roots as a teacher's college, Southern Miss can't picture not offering that curriculum. "We also looked at the programs where this institution shines," Saunders says. "Science programs are very expensive but are also something that we have done very, very well." Another dimension of focus comes from analyzing how the university can best serve societal needs.

Fiscal challenges have also helped Southern Miss clarify a philosophy about budget cuts. Eschewing across-the-board cuts, Saunders said the university takes a more surgical approach that "eliminates some programs in order to leave the others resources to get stronger."

As difficult as budget exigencies are, Saunders says, they force an institution to determine what programs it is most willing to protect and nurture. In that way, she says, the process "brings you to center; it brings you to your core."

Another common thread in the road to productive retrenchment is a genuine appeals process. At Southern Miss—as well as at UNCG and Minnesota State Mankato—administrators listened when campus constituencies appealed initial decisions. Administrators at each institution changed select decisions when presented with compelling reasons to do so.

System-wide Lens

A different kind of perspective on rational retrenchment comes when we pull back to look through a system-wide lens.

A past president of Ohio State University and the University of Maryland, College Park, William E.

"Brit" Kirwan has been chancellor of the University System of Maryland since 2002. Under Kirwan's leadership, the Maryland system has saved some \$150 million by significantly redesigning administrative operations. The system has done some reengineering on the academic side—for example, curbing "credit creep" that bloated the number of hours that some majors had started requiring for degrees, and helping to pioneer course redesign that lowered costs and improved student learning.

Kirwan says that the Maryland system's willingness to proactively tackle difficult issues of effectiveness and efficiency gave it credibility that helped the system forge a successful ongoing partnership with the state. "All these efforts at becoming more effective and more efficient, doing more with less, finding lower-cost ways of delivering high-quality education, and using savings to invest in workforce programs that the state needs have paid huge dividends for us in terms of our relationship with the state government," he says.

Today, Maryland colleges get as much money from the state as they did in 2008. While acknowledging that inflation and the need to serve more students both affect the overall budget picture, and that the system has had to make many difficult fiscal decisions, Kirwan notes that "we have not had the dramatic cuts that other states have had to endure.

"I think the success we've had in Maryland has been because we went to the state government early on to talk with them about our responsibility, the need for us to get our house in order,"

he says, "So in a way we developed a new compact with the state, with higher education as an essential component in helping the state address fiscal issues and try to rebound with job growth and workforce development."

Keen Eye

This year, university leaders are watching the shifting landscape of state budgets with an especially keen eye. There's hope that the final budget numbers won't match dire projections, so that cuts on campus won't have to be so deep. At the same time, though, administrators share a strong sense that state funding is unlikely to return to the levels of more flush recent years.

"Higher education is used to boom and bust cycles," Kirwan says. "It is becoming more evident that this downturn is different. We can't expect a rebound in the foreseeable future. Therefore, if we are going to meet our obligations to the larger society, we're going to have to face the reality that we have to reengineer the way we do business. We have to rethink the way we deliver education."

Lest higher education fall prey to "a downward spiral in our global competitiveness in terms of our ability to educate citizens," Kirwan says, "we have to find lower-cost means of delivering high-quality education." **P**

Stephen G. Pelletier is a writer/editor based in Rockville, Maryland.

University of Nebraska -Lincoln

Procedures To Be Invoked For Significant Budget Reallocations And Reductions – Principles

1. Personnel

- a. The process will ensure that faculty tenure rights are protected in accordance with the governing laws of the university and state. Participants in the process must be sensitive to the relevant guidelines of the American Association of University Professors.
- b. It is recognized that extension agents and state foresters within the Institute of Agriculture & Natural Resources are not protected by tenure. These employees are faculty. Their value and programs will be protected in accordance with the governing laws and personnel policies of the university and state.
- c. The process shall ensure that the rights of non-tenured faculty and non-academic staff are protected in accordance with the governing laws and personnel policies of the university and state.

2. Information

Information used in the reallocation and reduction process must be made available to the budget planning participants and affected programs in a timely manner so that corrections and explanations can be made before it is released to the public.

3. Consultation

The process shall ensure that administrators, faculty, students, and staff are consulted. A shared definition of the word “consultation” is essential to ensure there is ample opportunity for advice prior to recommendations being developed. Consultation is more than just giving and receiving information; it allows all parties the opportunity and the time necessary to explore and offer alternatives before administrative decisions are made. Deans, directors,³ chairs and heads shall follow procedures as stipulated in their college and unit bylaws and allow advice, input, and discussion by faculty, staff, and, to the extent appropriate, students prior to proposals being submitted by unit administrators. Such consultation is intended to give administrators, students, staff and faculty an opportunity for substantive interactions that go beyond simply sharing information.

One of the keys to the success of this process will be the manner with which the information considered at various stages is handled. In the early stages, it will be critical that those individuals responsible for developing budget reduction/reallocation proposals have an opportunity for candid discussions regarding the wide range of options open to them. Such candor is likely to occur only if participants are assured that the discussions will remain confidential. As the process moves forward and proposals are developed, it is essential that the scope of these working discussions expand to include units potentially affected by the proposals prior to public release. In the three-phase process that is described in this document, proposals will be made public at the end of Phase Two.

4. Inter-Program and Inter-College Relationships

Inter-program and inter-college relationships must be considered during proposed budget reallocation, reduction and planning.

5. Implementation timetable for budget reallocations and reductions

The implementation timetable for each reallocation or reduction proposal shall be indicated. The impact of budget reallocations or reductions on students and/or clientele must be carefully considered.

6. Alternatives

The first and second phases of the process should allow deans, directors, and the Academic Planning Committee the opportunity to propose alternatives while considering reallocation and reduction strategies.

General Issues

The University of Nebraska-Lincoln is a comprehensive, land grant research university and thus has a unique set of responsibilities for instruction, research and service. The following general issues are directly related to these responsibilities and should be carefully considered when evaluating all elements of the University.

A. Support of the basic mission of instruction, research and service.

The role and mission states that through its three primary missions of instruction, research, and service, UNL is the state's primary intellectual center providing leadership throughout the state through quality education and the generation of new knowledge.

B. Integration and Balance of Mission

The University is committed to an effective integration of its primary functions of instruction, research and service. The university community supports the thesis that the quality of instruction and service is enhanced when faculty are also engaged in research and scholarship. Therefore, an appropriate balance of instruction, research and service should be maintained within the major academic units and the university at-large.

C. Primacy of Academic Programs

Academic programs exist for the purpose of creating new knowledge, providing instruction and extending service. Primacy should therefore be accorded to maintaining and enhancing the quality of academic programs through talented faculty, students and staff.

D. Necessity of Support and Service Programs

To fully and effectively use its human resources and achieve its mission, the University should provide effective support and service programs for students, faculty and staff and a supportive physical environment which includes buildings, equipment and infrastructure.

Strong academic programs depend upon effective and efficient support functions to achieve the primary mission of the University. The evaluation of support and service programs should, therefore, be based primarily upon how they contribute to the performance and strength of academic programs, with consideration given especially to cost effectiveness and efficiency.

E. Academic Freedom and Tenure

A university must support the principles of tenure and academic freedom. They help create a climate which engenders creative thought and unbridled expression. They serve the university by ensuring an environment necessary to attract and retain the best available faculty.

Program reviews and subsequent reallocations, reductions, reorganizations and/or eliminations must not abrogate the principles of tenure, academic freedom, or due process which are essential to the stability, integrity, and excellence of the institution.

F. Affirmative Action

The University of Nebraska-Lincoln has a demonstrable commitment to affirmative action and educational opportunities with particular focus on ethnic minorities and women, which should be continued into the future.

G. Relationship with the State and Society at Large

The University enjoys a close relationship with the people of Nebraska and the larger society it serves. Indeed, the maintenance of UNL's excellence enhances the state's economy and overall quality of life. However, the emergence of a body of knowledge and new ideas should not be determined solely by the availability of external resources and the demands of clients. The University should retain its autonomy and the capacity to act as a constructive force within society at large.

General Guidelines

- A. The UNL role and mission statement should be supported.
- B. Procedures must adhere to the Board of Regents and UNL Bylaws.
- C. Budget reallocations and reductions should support the strategic goals and objectives which have been established as high institutional priorities for UNL.
- D. Decisions about programs reductions and reallocations should include considerations of staffing, facilities, equipment, operating needs, academic program reviews, other reviews, and constituencies served.
- E. Definitions of academic and support and service programs to be used when considering possible budget reallocation and reduction strategies are:
 1. Academic program

An academic program has one or more of the following characteristics:

- a. includes the word "College," "School," "Department," "Center," "Institute," "Division," "Program," or "Bureau" as a part of its title;
 - b. is headed by a person with academic rank entitled "dean," "director," "chair," "coordinator, or "head;"
 - c. offers a degree, a certificate, a major, a minor, a credential, a diploma or continuing education units;
 - d. has a sequence of specific academic requirements;
 - e. is a distinct academic option or track within a larger unit;
 - f. has received administrative approval to be a distinct academic/service function.
2. Support and service program

For the purposes of this budget planning process, all other units at UNL will be defined as support and service programs.

- F. Choices for budget reallocation and reduction, in priority order are:
1. Preserve, if at all possible, programs central to the UNL mission
 2. Reduce programs with excess capacity

For each program of the university it is necessary to ask "Is this essential to the current needs of the university or the state?" and "Is this resource sufficiently available elsewhere in the university, state or region?" For each academic unit it will be necessary to consider current and projected enrollments as well as the demand for students who specialize in this area. For academic support units, one must consider whether the demands for the service are commensurate with the resources provided.

3. Eliminate peripheral programs

The key questions in deciding between a program that is truly essential and one that merely facilitates the functions of the university are "can the university possibly get along without it," "will elimination of this activity seriously reduce the effectiveness of the instructional, research programs or service?" and, "will elimination of this activity have a serious negative impact on the state?"

4. Improve or eliminate programs of lower quality first

Severe budget reductions could make it necessary to cut into both academic and support and service programs that are essential to the central mission of the university. Program redirection, however, should be founded on strengthening of essential programs. Rather than eliminating programs, administrative reorganization or other approaches should be sought to improve the quality of these essential programs. Decisions should be based on quality and the relationship of the program to be cut to other programs in the university.

Programs of lowest quality should be eliminated first unless they are determined to be central to the university's mission. Evaluation should be based on the effectiveness and productivity of the unit in question and on its state, national, and international reputation. Considerations must be given to the value of the activity to the public it serves. It may in some cases be necessary to sacrifice an excellent, but isolated, program to preserve one of lesser quality that provides essential services to key areas of the university. This statement does not deny that every unit in the system should be responsible for seeking ways to redirect its current resources to be more responsive to the mission of the university and the needs of the state.

Criteria

The criteria that shall be used for evaluating specific programs (in relation to the preceding general issues and guidelines are:

- A. Criteria for Academic Programs

Three alternative types of actions will be considered in the review of academic programs. These are: 1) maintaining or increasing program support; 2) reduction or elimination; and 3) reorganization. These measures are sufficiently distinct in character to require differing sets of criteria to control their application.

A number of criteria, both positive and negative, are included to guide discussions and decisions about reducing, eliminating, or reorganizing a program. Given the great diversity of academic programs, these criteria do not include all considerations which may be applicable to individual programs. It is understood that additional considerations are not rendered irrelevant by their omission and may therefore be considered. It also should not be assumed that all stated are of equal weight, or that a program will be "scored" by the algebraic sum of its positive and negative features.

1. Criteria for reduction or elimination

The following criteria will be applied in determining whether to recommend that a program be reduced. The criteria under a. will be used to assist in identifying programs in which reductions may be feasible. The criteria under b. and c. will then be considered in determining which programs should not be recommended for reduction or elimination.

a. Criteria in support of reduction or elimination

1. The program's present and probable future demand is insufficient to justify its maintenance at existing levels of support. Insufficient demand may be indicated by significant decline in one or more of these areas over a protracted period:
 - a. the number of completed applications for admission to the program;
 - b. the student credit hours generated in lower division, upper division, professional, and/or graduate level courses in the program;
 - c. the number of students who complete majors or degrees in the program;
 - d. in the case of instructional programs designed to prepare graduates for specific employment, the market demand for graduates of the program;
 - e. in the case of service programs, the level of demand for the service provided;
 - f. in the case of research programs, the quality and quantity of research being conducted;
 - g. in the case of research programs, the level of external funding, given the relative availability of funds.
2. The program would normally be expected to be accredited but is not; or it is exposed to a substantial risk of loss of accreditation. If the program is not appropriate for accreditation, the program has been deemed to be of a quality or size that raises questions concerning its viability or continuation.
3. The program's productivity relative to the university's investment in faculty, staff, and equipment, facilities, or other resources has declined significantly.
 - a. In the case of instructional programs, a significant decline in productivity might be indicated by a decrease in the generation of student credit hours of all courses per full-time equivalent (FTE) faculty over the past five years relative to UNL enrollment trends and by a low level of student credit hours per full-time

b. In the case of non-instructional programs, productivity shall, where possible, be measured in terms of units of output appropriate to the program's mission.

4. The instructional productivity of a program is substantially less than the average for UNL as a whole. The level of instruction and the mode of instruction appropriate to the program shall be considered, including particularly the average number of contact hours carried by the faculty.
 5. The program's reduction or elimination will not substantially impair the viability or quality of other UNL programs.
 6. The program's contribution to the UNL missions of instruction, research, and service is sufficiently marginal not to justify maintenance of its present size.
 - b. Criteria indicating that elimination is inadvisable
 1. The program has achieved a national or international reputation for quality as indicated by objective evaluations.
 2. The program supplies significant instruction, research, or service that UNL is better equipped to supply than other colleges or universities.
 3. The program is the only one of its kind within the State of Nebraska.
 4. The program is an essential program for every university.
 5. The program's elimination would have a substantially negative impact on education and societal concerns in Nebraska.
 6. The program's elimination would result in substantial loss of revenue currently derived from grants, contracts, endowments or gifts.
 7. The program represents a substantial capital investment in specialized physical plant or equipment that could not be effectively redirected to alternative uses.
 8. The program is central to maintaining the university's affirmative action goals.
 9. The program give the University of Nebraska-Lincoln its distinctive character.
 - c. Criteria indicating that reduction is inadvisable
 1. The program's nature is such that reduction would impair the critical mass necessary to have adequate quality.
 2. The program cannot be reduced without a substantial risk to accreditation.
 3. Current projections indicate that demand for the program or its graduates will increase substantially within the next five years.
 4. Scholarly research or creative activity of the faculty within this program, as shown by publications, creative productions, honors and awards, external funding, or other objective measure, is higher than others in the same or related peer disciplines.
2. Criteria for reorganization
 - a. Criteria supporting reorganization
 1. Two or more programs have sufficient overlap in subject matter and approach or disciplinary method, and a substantial similarity of affinity of objectives such that economics of operation or improvement in quality may reasonably be expected from their consolidation.
 2. The clarity of the program's identity and function will be increased by transfer to or consolidation with another program.

3. The nature and function of the program is such that its support might appropriately be transferred in whole or part to grant, contract, user fees, or other state agencies.
- b. Criteria indicating that reorganization is inadvisable
 1. The consolidation or transfer would create a program sufficiently uncommon within American higher education so as to render recruitment and retention of quality students and faculty difficult.
 2. The consolidation or restructuring would endanger the quality and/or established accreditation status, where applicable, of one or more of the programs affected.
 3. The programs, though dealing with similar subject matter, are substantially different in orientation, objective, or clientele.
 4. The cost reduction of consolidation or transfer would be so modest as to make such reorganization rather pointless.

B. Criteria for Support and Service Programs

Any decision to reduce, eliminate, or consolidate support and service programs should be subject to review because of the possible impact of such action on another unit. Reductions, elimination, or reorganizations made without regard for quality or impact on personnel and clients can be detrimental to the university, and therefore to the success of academic programs.

Three types of actions will be considered in the review of support and service programs. These are 1) maintaining or increasing the program; 2) reduction or elimination; and 3) reorganization. The following criteria are for use in the overall review.

1. Criteria for reduction or elimination
 - a. Criteria in support of reduction or elimination
 1. Opportunities for significant cost reductions for essential services through:
 - * purchase of services of similar or higher quality at lower cost from external providers; or obtaining them at no cost through partnerships with the private sector
 - *substitution of services that meet university needs, but a lower cost
 2. Services are redundant with those provided by other units or levels within UNL or state government.
 3. Demand by faculty, students or administration for the service is modest or low.
 4. Services are determined to be less essential for the performance and strength of UNL academic programs.
 - b. Criteria indicating that reduction or elimination is inadvisable
 1. Similar essential services are otherwise unavailable.
 2. Similar essential services are available from alternative provider only at increased cost or at great inconvenience to users.
 3. Services available from alternative providers are inferior in quality or level of service provided.
 4. Services are interdependent with and directly supportive of academic functions.

5. Services are essentially self-supporting, resulting in limited opportunity for significant budget savings.
 6. Services are mandated by federal or state statute, funding agency regulations, or state administrative rules and regulations.
 7. Costs to the university in public support and image are greater than the monetary savings incurred.
 8. Reduction or elimination of the services would transfer responsibility to another unit without a significant overall cost savings.
 9. Loss of income generated by the services would be detrimental to the university.
 10. The nature and function of the program is such that its costs might appropriately be transferred in whole or part to grant, contract, user fees, or other state agencies.
2. Criteria for reorganization
 - a. Criteria supporting reorganization
 1. Two of more programs have a substantial similarity or affinity of objectives such that economics of operation or improvement in quality may reasonably be expected from their consolidation.
 2. The clarity of the program's identity and function will be increased by transfer to or consolidation with another program.
 3. The nature and function of the program is such that its costs might appropriately be transferred in whole or part to contract, user fees, or other state agencies.
 - b. Criteria indicating that reorganization is inadvisable
 1. Consolidation or restructuring would endanger the quality and/or established accreditation status, where applicable, of one or more of the academic programs supported.
 2. The cost reduction of consolidation or transfer would be so modest as to make such reorganization rather pointless.