

Report to the Chancellor: Recommendations for an Integrated Planning and Budgeting Process

Budget Process Task Force
July 9, 2008

Table of Contents

Message from the Budget Process Task Force	2
Executive summary	3
The Task Force	4
Budget process principles	5
Assumptions	6
Foundational recommendation	7
Advantages of the proposed model	8
Diagram of the process	9
Narrative description of the budget process	10
Phase 1: Setting annual priorities	10
Phase 2: Submitting budget proposals	10
Phase 3: Determining the budget	11
Budget process timeline	12
Funding	13
Transition to the New Process	14
The quick wins process	14
The 2009/10 budget process	15
Requirements for success	16
Our integrated planning and budgeting cycle	17
Summary of campus engagement	17
Budget process benefits	18
Answers to frequently asked questions	19
Appendix	
Chancellor's Leadership Group	23
Deans Council	24
Chancellor's Budget Council	24

MESSAGE FROM THE BUDGET PROCESS TASK FORCE

The strategic vision for our University—to be the premier undergraduate learning community in the Upper Midwest—is a goal worthy of our individual and institutional investment. To achieve it we must focus all our resources more effectively and efficiently.

It is in service to this vision that we propose the following recommendations for refining our budgeting process. These suggestions are based on the firm belief that together we can, as faculty, staff and students, work to make difficult choices, implement change and achieve our goals.

Together we can, as
faculty, staff and
students, work to
make difficult choices,
implement change and
achieve
our goals.

As we debated, discussed and developed our recommendations we realized both the opportunities and the limitations of a budget process. It can provide a structure that helps the University intentionally integrate resources with vision priorities. It can outline processes that bring people together to collaborate more effectively, share information better and make timely decisions.

At the same time, a budget process does not generate the ideas or make the decisions. In the end, the budget process will only be as good as we choose to collectively make it through the cultivation of great ideas, our will to make tough decisions and our commitment to work collaboratively together to help shape UW-Eau Claire into a premier university for our students.

We are confident that our recommendations will enable the University achieve these goals.

Fred Kolb, Task Force Chair

MJ Brukardt
David Gessner
Tom Holtan
Stephanie Jamelske
Jacqueline Kriesel
George Kroeninger

Kathy Sahlhoff
Marilyn Skrivseth
Bob Sutton
Scott Whitfield

EXECUTIVE SUMMARY

The process developed by the Budget Task Force is proactive, forward-thinking and grounded in an integrated budget planning cycle.

Our goal is to have all our University departments and units structured and supported to best fulfill our strategic vision to be the premier undergraduate learning community in the Upper Midwest. To align our resources in support of this goal, the Budget Task Force recommends first that the University begin the transition by implementing a comprehensive program and services evaluation during 2008/09. Based on the results of this review, and on the development of detailed academic and divisional plans, the University can begin to reallocate our resources in support of our desired goals.

Central to a successful budget process will be the engagement of faculty and staff in collaboratively guiding annual strategic priorities and implementing initiatives in support of those priorities. Annually, proposals developed by individuals, departments and units across campus, will be discussed and reviewed across colleges and divisions, ranked and evaluated. This process will encourage more cross-disciplinary efforts and provide for a transparent process. Final resource decisions will be made by the chancellor after all proposals have been negotiated with the vice chancellors. A graphic description of the process can be found on page 10.

This model is based on annual priority setting and requires reallocation of resources. In addition, a modest Strategic Initiative Fund, created from a percentage of general purpose revenue carryover, provides one-time seed funding for strategic initiatives.

The transition to the first, full planning/budgeting cycle will be accomplished by 2009/10. During the transition year, the Task Force recommends the chancellor set aside a “Quick Wins” fund for projects to be implemented January-June, 2009. At the same time, the process to develop, refine and decide on resource allocation for 2009/10 will begin. A detailed timeline can be found on page 12. The 2008/09 academic year will be a trial run during which the process will be refined.

This proposed budget process will require that everyone—from individuals to divisions—make difficult reallocation decisions; determine what to change and what to give up so that we can focus our collective efforts and will on achieving our vision. This process makes such choices possible, by engaging the campus, focusing our efforts on effective budget planning, and encouraging innovation in how we generate and use our resources.

THE TASK FORCE

The Budget Process Task Force was asked by the chancellor to provide “recommendations for linking the university’s institutional budgeting process to strategic planning priorities.” To develop these recommendations the Budget Process Task Force examined models outlined in *College and University Budgeting* and at other universities, including Clemson, Drake, Santa Cruz, UW-River Falls, UW-Stout, and the Virginia Compact. Meetings with the chancellor, vice chancellors, deans, chairs, directors and the University Planning Committee also informed our recommendations.

Our challenge is to develop and implement a budget model that enables the university to more effectively target and use existing resources in service to our strategic priorities. We believe these recommendations outline a process to do just that.

Many aspects of the University of Wisconsin-Eau Claire’s strategic plan can be realized with no or limited new resources. Many others can be funded with dollars reallocated from programs or services that can be reduced, made more efficient or eliminated as the university focuses on its strategic priorities. These actions are possible now.

But other initiatives will require the institutional will to make difficult choices, reallocate resources and look for new sources of funding. Regardless of the budget model the university adopts, the fiscal reality is that we must operate under the assumption that there will be no significant new revenue sources in the foreseeable future.

The Budget Process Task Force has not been charged with identifying new revenue sources. That said, we have developed a model that will support more entrepreneurial approaches to seeking new revenue. We encourage University faculty and staff to seek efficiencies, examine productive collaborations and explore external funding.

BUDGET PROCESS PRINCIPLES

Before we developed our budget model ideas, the Task Force identified key principles that guided our research and thinking. Our principles direct us to a budget process that will:

- a) Be mission driven and ensure good stewardship of all resources.
- b) Be transparent¹, understandable and informed by data.
- c) Be an iterative process, including a transition period and ongoing refinement.
- d) Foster flexibility as well as accountability for divisions, colleges, departments and units. Ongoing assessment will be a critical component of assuring accountability for stewardship and results.
- e) Address changes in priorities and/or growth first through reallocation or substitution to ensure that limited resources meet highest priority needs. The process will align available resources with university priorities.
- f) Enable cross-boundary and cross-institution collaboration and efficiencies.
- g) Assume that all unrestricted funds are in play, while continuing to provide incentives for revenue generation.
- h) Consider the behavioral and academic impact resulting from inherent incentives and disincentives.

¹ By transparent, we mean that the process is effectively communicated to the campus community so that there is broad knowledge and understanding of *who* makes budget decisions, *when* decisions are made and *how* decisions are made. A transparent budget process involves administrative decision-making and also provides opportunity for the campus community to be informed and provide feedback to budget decisions.

OUR RECOMMENDATIONS ARE BASED ON THE FOLLOWING ASSUMPTIONS:

- The model must function without substantial infusion of new revenue.
- A discontinuation and/or modification of existing activities are necessary for the University to avoid building a strategic resource deficit. At all levels of the University this requires that we ask “what are we going to do more efficiently and what are we prepared to stop doing?”
- Reallocation at the department/unit, college and division levels (based on an evaluation of programs and services) will be critical if we are to focus on our strategic priorities.
- An institution-wide reallocation in a single year (a zero-based budgeting approach) is too disruptive and instead can and should be accomplished incrementally over time.
- A budget process provides a mechanism within which decisions can be made, but does not determine the decisions. Reallocation will require choices at all levels of the University, institutional will and accountability by University leaders.
- Detailed divisional plans (which include an academic plan), aligned with the University strategic plan, provide the framework within which budget decisions can be made.
- Alignment of department and unit budgets with strategic priorities is necessary.
- FTE that become available revert to the respective Vice Chancellor and are subject to the staffing plans developed in alignment with the University plan.
- Decentralized planning is desirable.
- Budget decisions should be made by University leadership, informed by collaborative and transparent campus input.
- The budget process must be regularly assessed and refined to assure that it is efficiently and effectively meeting our goal of integrated budgeting and planning.

FOUNDATIONAL RECOMMENDATION: COMPREHENSIVE EVALUATION

The Budget Task Force recommends that the University begin the transition to a new budget model by implementing a comprehensive program and services evaluation during the 2008/09 academic year.

Our current budget model is an incremental one: departments and units receive revenue based on the previous year's budget plus any increase or decrease. The allocation does not reflect current institutional priorities, shifting student, faculty or staff numbers, or the quality, cost effectiveness or mission centrality of the program or service.

Our ultimate goal is to have all our University departments and units structured and supported to best fulfill our strategic vision and the strategic contributions each can make. That may require reallocation of resources across departments and units and across divisions. This will be an ongoing process, as priorities are refined. We recommend that it be done incrementally, as FTE and other resources become available, over time.

To make this possible, a baseline, comprehensive evaluation of all programs and services is needed. Such a self-assessment will identify current department and unit costs, outcomes, and alignment with the mission and strategic vision. Based on this evaluation, detailed plans can be developed to identify strategic reallocation opportunities.

ADVANTAGES OF THE PROPOSED MODEL

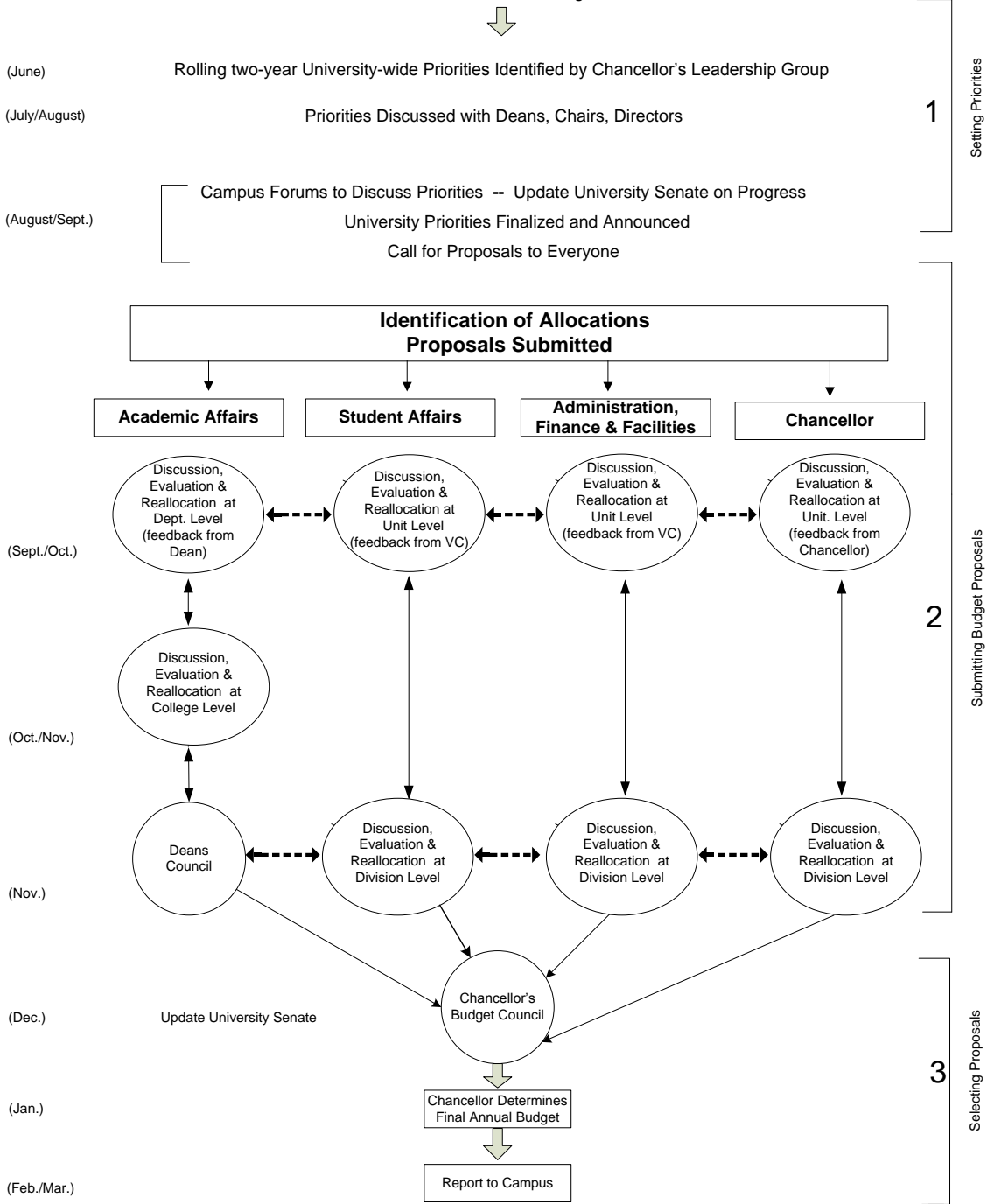
This model offers 12 key advantages:

- | | |
|--|--|
| Linked to the strategic plan | <ol style="list-style-type: none">1. Budget decisions will be aligned with the University Strategic Plan and the academic and division plans, collaboratively developed by the campus.2. A Strategic Initiative Fund will provide one-time seed funding for new projects. |
| Engages the campus | <ol style="list-style-type: none">3. Initiatives can more easily be linked with the Foundation for potential funding by private donors.4. <i>All</i> faculty and staff have the opportunity to identify annual budget initiatives and submit proposals.5. Budget planning remains decentralized.6. During times of budget shortfalls, the process can be used effectively to reallocate resources with broad campus participation, once the academic and divisional plans are in place. |
| Supports cross-boundary collaboration | <ol style="list-style-type: none">7. Opportunities for discussions about budget priorities and reallocation of resources and FTE are encouraged, not only within departments, units, colleges and divisions, but across divisions as well. |
| Encourages transparency and accountability | <ol style="list-style-type: none">8. Ongoing evaluation of results is built into the process.9. Feedback on the status of proposals is provided at all levels of the process.10. Because budget decisions are made in a well-defined way in the context of a well-established set of priorities, a timely response is possible in the event of unexpected opportunities or reductions. |
| Can be implemented immediately | <ol style="list-style-type: none">11. The model builds on those elements of the current process that are working well. Implementation will not require extensive or costly retooling.12. Existing budget processes involving student participation, such as Differential Tuition (DT) and organized activities, are retained without change and integrated into the University process. |

Recommendations for an Integrated Planning and Budgeting Process

STRATEGIC PLAN

Academic and Division Plans + Staffing Plans + Facilities Plan



Rev. 7-1-08

NARRATIVE DESCRIPTION OF THE BUDGET PROCESS

PHASE 1: Setting Annual Priorities, Assessing Progress

Budget decisions will be made in alignment with the University Strategic Plan and detailed Academic and Division plans (to be developed beginning in 2008/09). These will include staffing plans that will inform reallocation of FTE and other resources as they become available.

Early each summer, the chancellor and his Leadership Group (see the membership in the Appendix) meet to assess the progress the University has made in its strategic goals and to identify university priorities for the next two budget years. In June 2009, for example, they would identify priorities for the 2010/11 and 2011/12 budget years. These priorities are based in the strategic plan and are shared with campus immediately. When classes resume in the fall, faculty, staff and students have an opportunity to discuss the priorities and provide feedback at campus forums. The chancellor also discusses the priorities with the University Senate, refines them (as appropriate), and confirms them with the campus.

By the end of September, departments and units determine how they plan to allocate their resources in the next fiscal year, based on the announced strategic priorities and on any anticipated System budget increases or cuts. Because university priorities are set two years out, after 2009 all units will have almost a year to develop their resource allocation proposals. A call for budget proposals is distributed to all chairs and directors and posted online for all faculty and staff. An online proposal form will be used for all proposals [See a draft proposal form in the Appendix].

PHASE 2: Submitting Budget Proposals

Departments and units, in discussion with their dean or vice chancellor, may decide to reallocate resources within the department or unit to meet a priority goal. In that case, no proposal is required. If they identify an opportunity to partner with another department or unit on a priority activity, if the university is facing significant budget reductions, or if the unit or department requires additional resources to meet a university priority, they will develop a budget proposal. All budget proposals must include a description of how the proposal aligns with the strategic plan, the impact of the proposal on students, faculty or staff, what operational efficiencies will be gained, what will result if the proposal is not fulfilled, and how the proposal supports collaboration. Each proposal must also include a department/unit, college or division contribution, either through reallocation of resources, alternative revenue streams or external funding.

Departments and units are encouraged to work across departments and divisions to address the university's priorities.

By October 15, all department chairs submit ranked proposals to their respective dean. Meetings with the chairs and deans are held to discuss the proposals. In other divisions, ongoing conversations among staff, directors and the vice chancellor are held as needed.

By November 15, all proposals are ranked by the deans (in the case of Academic Affairs) or unit directors (in the case of the other divisions) and forwarded to the provost, vice chancellors or chancellor. During this time, chairs, deans and directors may determine that some proposals can be handled within the division with existing or reallocated resources and they are not forwarded.

Before December 1 the provost convenes the Deans Council, which includes all the deans, the associate vice chancellors and the budget officer (see Appendix). This group meets to review the Academic Affairs proposals and provide recommendations to the provost. This is also a forum to negotiate reallocation across colleges. In the case of Student Affairs; Administration, Finance and Facilities; and the Chancellor's Office, the vice chancellors and chancellor meet with their respective directors to discuss the proposals, negotiate and rank them. As with academic departments, vice chancellors may determine that some of their unit proposals can be funded internally and they are not forwarded.

**PHASE 3: Determining
the Budget**

By December 1 all divisions forward their ranked proposals to the chancellor. The chancellor and vice chancellors update the University Senate on the proposals that have been put forward. The Senate may respond with its recommendations. The Chancellor's Budget Council then meets (composed of the vice chancellors and the chancellor) to review the ranked proposals. The chancellor makes the final budget determinations.

In early February, the chancellor reports the budget decision to the campus for the upcoming fiscal year. The vice chancellors provide the deans and directors with feedback on the allocations for dissemination to individual departments and units.

Proposed Budget Process Timeline – 9-5-08

	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09
2008-09		Chancellor Retreat identifies priorities for 2008-09	Blugold Breakfast: Priorities announced; call for "Quick Win" requests for Jan-Jun 09	Departments and units develop Quick Win proposals for Jan-Jun 09	Oct 15: Academic Affairs Chairs & Directors submit Quick Win proposals to Deans & AVCs	Nov 1: Directors submit Quick Win proposals to VCs; Deans & AVCs submit proposals to Provost. Nov. 15: VCs forward proposals to Chancellor's Budget Council.	Chancellor determines and announces Jan-Jun 09 funding by Dec. 10	Funding for Jan-Jun 09 Quick Wins				
		Chancellor Retreat identifies priorities for 2009-10	Blugold Breakfast: Priorities announced; call for requests for 2009-10	Campus forums for campus input on priorities; Departments and units develop requests for 2009-10	Oct 22: Academic Affairs Chairs & Directors submit 2009-10 proposals to Deans & AVCs. Oct : Differential Tuition	Nov 15: Directors submit 2009-10 proposals to VCs; Deans & AVCs submit 2009-10 proposals to Provost Differential Tuition proposals selected	Dec 15: VCs forward requests for 2009-10 to Chancellor's Budget Council; Update to Senate Differential Tuition to Student Senate	Chancellor makes budget decisions for 2009-10 Seg fee and auxiliary budgets determined	Budget announced to campus	Chancellor budget for 2009-10 to Business Services.	Redbook for 2009-10 done	
PAY PLAN FINALIZED												
2009-10		Chancellor Retreat identifies priorities for 2010-12; potential DIN opportunities	Blugold Breakfast: discuss progress and draft priorities	Forums for campus input on 2010-12 priorities; Departments and units develop proposals for 2010-11	Mid-Oct.: Unit deadline for proposals for 2010-11 Oct: Differential Tuition proposals due	Mid-Nov.: Colleges forward proposals for 2010-11 Differential Tuition proposals selected	Dec: Divisions forward proposals for 2010-11; Chancellor's Council discussions; update to Senate. Differential Tuition to Student Senate	Chancellor makes budget decisions for 2010-11 Seg fee and auxiliary budgets determined	Budget announced to campus	Chancellor budget for 2010-11 to Business Services	Redbook for 2010-11 done	
	PAY PLAN FINALIZED											

FUNDING FOR PROPOSALS AND THE STRATEGIC INITIATIVE FUND

Funding for the proposals comes from several sources: existing budgets (including DT, and classroom and lab modernization), reallocated resources and available FTE, private donors and the Strategic Initiative Fund. Allocation of resources from the various funding sources is coordinated through Academic Affairs and Business Services, in compliance with System guidelines and based on the recommendations of the chancellor.

Note: The Task Force commends the Student Senate for recognizing the importance of our strategic vision and setting aside up to 10% of the DT funds for potential funding of “innovative projects,” specific to our strategic plan in the 2009/10 budget.

The Strategic Initiative Fund

In order to fund initiatives specifically addressing strategic priorities, a fund of one-time dollars will be established, based on a percentage of carry-over funds. This will vary year to year, but will provide for seed funding of proposals. The chancellor will announce annually the expected size of the fund. These funds may be used for a single or multi-year project but are not designed for permanent initiatives. We envision that multi-year projects may receive decreasing amounts of funds over two or three years to encourage the initiative to become self-sustaining. Of course, the size of the fund is always subject to the needs of State-mandated reductions.

TRANSITION TO THE NEW PROCESS

Transitioning to the New Budget Process

Because the budget for the upcoming academic year, 2008/09, has, as of this writing, already been determined, the transition to the new process must begin with planning for 2009/10.

The Budget Process Task Force does not want the University to lose momentum during the coming year, however, and so is proposing that an additional, short-term process be implemented in 2008/09 to seed immediate action items. We're calling this *Quick Wins*,* a process designed to target funds to strategic initiatives by January 2009 for use in the spring semester timeframe. At the same time, work will begin on creating a budget for 2009/10 that can be implemented in July 2009.

Importance of Communication

The Task Force recognizes that successful transition to and implementation of the new model will require clear and extensive communication. We propose a series of campus information sessions in September to inform the University about the process and to provide support for individuals who are interested in developing budget proposals. While the Task Force can support this effort, it also will benefit from participation by University executive leadership.

The QUICK WINS PROCESS

This process is designed to engage the campus community as soon as possible in supporting strategic priorities.

Funding for Quick Wins

The Task Force recommends that the chancellor make available a pool of dollars from the 2008/09 budget, earmarked to fund Quick Win proposals.

Caveat for the Transition: There Will Be Changes!

Recommendations that work on paper may need to be refined as they are implemented. The Budget Task Force expects that we will discover ways to improve the process—in timing, in how proposals are handled, and in how the process is communicated as the University experiments with the recommendations. Ongoing assessment of the process is critical.

* Adapted from UW-Milwaukee's "Ways to Implement New Solutions" program.

The Quick Wins Process

Proposals for Quick Wins funds will follow the same format and process as the development of the 2009/10 budget proposals, but on an accelerated timeline. At the Blugold Breakfast the chancellor will announce the priorities for 2008/09 as well as those for 2009/10. The University Senate will be briefed on the priorities at its first meeting. Campus forums in September will enable faculty, staff and students to provide their comments on the 2009/10 priorities and help refine them.

By October 15, all departments and units will submit proposals for Quick Wins projects—those initiatives that can be implemented with one-time dollars between January and June 2009. We expect these will generally be limited in scope but create a visible impact or support change. Those proposals will move quickly to the deans and then the provost and vice chancellors for a decision on funding by the chancellor in December. The chancellor advises the successful proposers immediately and announces the decision to the campus in December or January, whenever is feasible.

THE 2009/10 BUDGET PROCESS

At the same time that the Quick Wins process is unfolding, the budget for 2009/10 will be developed. As noted on the timeline, proposals from colleges and units are submitted to the provost and vice chancellors by November 15 and divisional proposals are forwarded to the Chancellor's Budget Council by December 1. The University Senate will be informed of the proposals in late January or early February. By January/February 2009, the chancellor will determine the budget decisions for 2009/10 and results will be communicated to campus.

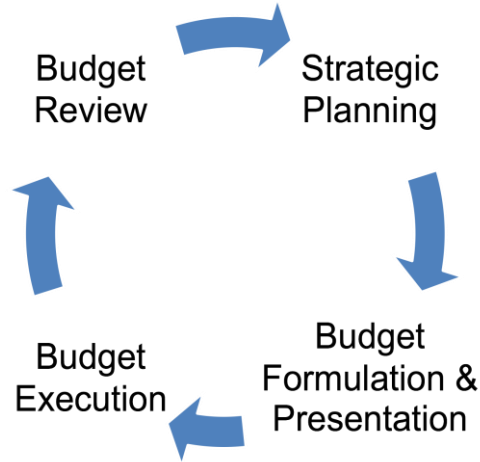
The Task Force recognizes that it may be challenging for some departments and units to develop budget proposals for Quick Wins funding in October *and* for the 2009/10 budget by November. We encourage departments and units to participate as much as possible in order to test the process and provide feedback on how it can be improved.

REQUIREMENTS FOR SUCCESS

What will it take for this budget transition to be successful? The following steps are critical:

1. Through the academic and divisional planning process (including program and services prioritization), the University will develop an assessment of current operations encompassing *all* academic, co-curricular, and administrative functions. That assessment will provide the data necessary to determine which activities and/or areas to enhance, which to maintain/continue at about the same level, and which to reduce/eliminate.
2. Effective assessment and prioritization will be strengthened by employing best-practices through the identification of efficient and effective processes at other peer aspirant institutions, as well as through informed decision-making via external benchmarking data available from the university's involvement in the Delaware Study.
3. The discontinuation and/or modification of existing activities is assumed to be necessary for the University to avoid building a *strategic resource deficit* as it begins to fund new initiatives. At all levels of the University, this requires that we ask, "what are we going to do more efficiently, and what are we prepared to stop doing?"
4. To align and integrate our strategic vision with our resources, we will create a *strategic "short term" initiative fund* by centrally withholding a moderate percentage of total University general purpose revenue carryover for distribution based on institutional priorities identified in the prioritization process.
5. To align our strategic vision with our resources, we will incorporate measures of performance and accountability in order to integrate our planning and budgeting. The diagram below illustrates the importance of planning, effective budgeting and evaluation of results to ongoing success.

OUR INTEGRATED PLANNING AND BUDGETING CYCLE



SUMMARY OF CAMPUS ENGAGEMENT

The following chart outlines the responsibilities for involvement in various stages of budget process.

TIMING	ACTIVITY	CAMPUS INVOLVEMENT
June	Chancellor’s Leadership Retreat: Assess progress and identify priorities for next two years	Chancellor and Leadership Group
September	Discuss and confirm priorities	University Senate Faculty, staff and students
June-Oct	Develop budget proposals Collaborate with other departments/units	Faculty, staff Departments/units Deans and vice chancellors
October	Rank and submit budget proposals	Department chairs and unit directors
November	Refine budget proposals; negotiate priorities	Deans working with department chairs Vice chancellors working with unit directors
December	Refine budget proposals; negotiate priorities	Provost working with deans and directors Vice chancellors working with directors Chancellor working with provost and vice chancellors
February	Inform Senate and campus regarding final budget	Chancellor Senate, chancellor and vice chancellors

ANSWERS TO FREQUENTLY ASKED QUESTIONS

Q: If my department has an idea that will support the strategic plan but it does not require new resources, do we need to put the proposal through the process anyway?

A: No. Departments and units can implement new ideas, in consultation with deans and directors. This budget process encourages decentralized decision-making so that reallocation of resources can happen where it is needed. Everyone is encouraged to examine how we work to determine what we can give up or do differently in order to focus on strategic priorities.

Q: What kind of big changes can I expect with this new process?

A: The biggest change is the opportunity for everyone to become involved in examining what we do and how we support our priorities. We all need to ask whether we are spending our resources—human and financial—in ways that will enable us to achieve our strategic goals. For the first several years, the University will be transitioning into the new model—there will be no sudden changes to personnel. In the first year, all divisional base budgets remain the same; proposals will be funded from one-time funds. Also, during the first year, our program and services evaluation will take place, which will help the university develop academic and divisional plans. In coming years those plans will help departments, units, colleges and divisions make reallocation decisions, as we align our programs and services in the direction we want.

Q: What kinds of budget proposals should I submit?

A: We encourage all proposals for both unmet needs and new initiatives that support our strategic plan. All proposals need to demonstrate how they contribute to our strategic plan, how they benefit students, faculty, staff or the university, and whether they encourage cross-disciplinary activity. All proposals also need to include a description of how the department, unit, college or division will contribute to the total proposal—in reallocation of funds, outside funding or other resources. Our goal is to begin asking “what can we give up?” instead of just adding new initiatives. Quick Win proposals for January-June 2009 are for projects that can be implemented during that timeframe and will advance our strategic planning goals.

Q: Can a department/unit submit more than one proposal?

A: Departments and units can submit as many proposals as they want. Chairs, deans and directors will determine some proposals can be funded internally by doing something differently; those proposals will not be forwarded. The deans and then the vice chancellors make the final determination as to which proposals are forwarded to be reviewed for funding.

Q: My department's budget is chronically underfunded—even for basic expenses like postage and phone service. Should we submit proposals for these kinds of resources which don't address a strategic initiative, but are critical to our mission?

A: Yes, submit a proposal. This will do two things. As the proposal proceeds through the budget process it will prompt discussion of whether permanent dollars (or a combination of permanent and one-time funds) need to be reallocated to correct the chronic underfunding. At the same time, your proposal will be reviewed in the context of the needs and new initiatives submitted by other departments and units, better enabling the deans, vice chancellors and chancellor to assess how best to allocate our resources.

Q: The majority of the University's expenses are in personnel. How does this process address allocation of FTE?

A: More than 85% of UW-Eau Claire's general operations budget is devoted to salaries and benefits. That is why it is important that we identify our priority programs and services, and staff them appropriately. The comprehensive program and services evaluation process will be an important first step, to enable us to map out a staffing pathway for the future. In the recommended budget model, all FTE that come available, through retirement or change, revert to the relevant vice chancellor and will be reassigned based on the academic and divisional plans and the budget proposals submitted through the process. Because the deans and vice chancellors will have the staffing plans in place, they will be able to plan ahead for anticipated FTE changes so they can be made smoothly and transparently.

Q: How does this model address historic imbalances in funding among departments and units?

A: This process does not require that we “zero-base” our budget to realign all departments and units based on a rigorous analysis of individual program costs, needs and national benchmarks. While this would be an effective way to assure that all programs and services are being funded at levels that promote maximum effectiveness, zero-basing is complex, potentially divisive, and time and resource intensive. Rather, this proposed process facilitates incremental change so that as FTE and resources become available, they are allocated to units based on the priorities of the strategic plan, and the programmatic and staffing priorities of the academic and division plans (these plans will be informed by data from national benchmarks). Over time, this process will realign department and unit funding to better reflect the goals of the university.

Q: What criteria are used for the final selection?

A: The criteria include:

- how well the proposals align with the goals of the strategic plan;
- the proposal’s rank, determined by the chairs/directors, deans and vice chancellors;
- the quality of proposals from other divisions—how the outcomes will benefit students, faculty and/or staff;
- what resources are available to fund a particular proposal (some funds are restricted as to what they can be used for);
- whether they require multi-year, one-time or base funding;
- what level of contribution the individual department or unit is able to make toward the proposal;
- the effect of *not* funding the proposal.

Decisions will be subjective, but discussed across divisions in the Chancellor’s Budget Council (which is composed of the chancellor and the vice chancellors).

Q: This process will add to the responsibilities of deans, chairs and directors. Have you considered this?

A: Yes, the Task Force paid close attention to what this process will ask of the campus. It will change the responsibilities of deans, chairs and directors especially, from *managing* a budget to providing more *budget planning* leadership. We believe that this process is necessary, however, if we are to find meaningful ways to engage the university in implementing

our plan. Everyone will need to assess current work practices and talk with deans and vice chancellors to identify what could be changed or eliminated so we can focus on what will make us a stronger university.

Q: I've heard people say "all dollars should be in play." What about all the pots of money in our system—are all the revenues on the table?

A: This budget process is designed to identify the needs and opportunities for funding and to encourage cross-campus collaboration and reallocation. During the early stages of the process, as proposals are being developed, deans and vice chancellors will work with their chairs and directors to be sure that the proposal is being directed to the best funding source—some proposals are better suited for Differential Tuition, for example, and should be directed to that process.

When the proposals have been prioritized and as the Chancellor's Budget Council makes the final funding determination, Business Services is charged with identifying how best to fund the proposals. The reality is that some of the "pots" of resources we have as a University come with System- and State-mandated restrictions on how the dollars can be used. Not all resources can be allocated to our academic mission. Energy savings, for example, have to stay in the account for our energy needs. That said, our goal is to maximize the flexibility we can to use our resources where they are needed. The Chancellor's Budget Council, where the chancellor and vice chancellors come together to discuss the proposals, will be the forum at which innovative approaches to revenue allocation can be discussed. This budget process gives us the ability to identify needs, prioritize and reallocate in line with clearly established plans.

Q: How does this process work when there are System- or State-mandated budget cuts?

A: The process for budget cuts will also be informed by the academic and division plans and, ideally, will not result in across-the-board cuts. We anticipate that, time permitting, the campus will engage in a discussion of suggested reductions and the chancellor's staff will determine what percentage of the cut is to be bourn by each division. This model can accommodate proposals for budget reductions as well as proposals for budget increases. Keeping our strategic vision and priorities in the forefront will be important in any budget reduction process.

APPENDIX

CHANCELLOR'S LEADERSHIP GROUP 2008-09

Kris Anderson	Executive Director, Enrollment Services/Dir. of Admissions
Jennifer Brockpahler	Academic Staff Representative to UW System
Mary Jane Brukardt	Special Assistant to Chancellor for Strategic Planning
Margaret Cassidy	Associate Dean, College of Arts and Sciences
Meghan Charlier	Vice President, Student Senate
Don Christian	Dean, College of Arts and Sciences
Terry Classen	Director, Facilities Planning
Tom Dock	Dean, College of Business: Acting Vice Chancellor Administration Finance & Facilities
Duffy Duyfhuizen	Associate Dean, College of Arts and Sciences
Andrea Gapko	Vice Chair, University Senate
Dave Gessner	Director, Business Services
Marc Goulet	Associate Dean of Students
Karen Havholm	Assistant Vice Chancellor, Research & Sponsored Programs
Beth Hellwig	Vice Chancellor Student Affairs, Dean of Students
Stephanie Jamelske	Budget Officer, Academic Affairs
George Kroeninger	Director, Continuing Education
Tim Lauer	President, Student Senate
Brian Levin-Stankevich	Chancellor
Teresa O'Halloran	Assistant to the Chancellor for Affirmative Action
Andy Phillips	Associate Vice Chancellor, Dean of Graduate Studies
John Pollitz	Director, Library
Mike Rindo	Special Assistant to Chancellor/Executive Director Univ. Comm.
Kathy Sahlhoff	Director, Financial Aid
Gail Scukanec	Dean, College of Education and Human Sciences
Sheila Smith	Assistant Dean, College of Nursing & Health Sciences
Larry Solberg	Associate Dean, Education and Human Sciences
Bob Sutton	Associate Dean, College of Business
Steve Tallant	Provost and Vice Chancellor for Academic Affairs
Jodi Thesing-Ritter	Associate Dean of Students
Susan Turell	Associate Vice Chancellor, Dean of Undergraduate Studies
Dwight Watson	Associate Dean, College of Education and Human Sciences
Kim Way	Executive Director of Foundation
Michael Weil	Associate Dean, College of Arts and Sciences
Marty Wood	Chair, University Senate, Faculty Representative to UW System
Mary Zwygart-Stauffacher	Interim Dean, College of Nursing and Health Sciences
To be named	Vice Chancellor, Administration, Finance and Facilities

DEANS COUNCIL

Don Christian	Dean, College of Arts and Sciences
Tom Dock	Dean, College of Business
Karen Havholm	Assistant Vice Chancellor, Research & Sponsored Programs
Stephanie Jamelske	Budget Officer, Academic Affairs
Andy Phillips	Associate Vice Chancellor/Dean of Graduate Studies
Gail Scukanec	Dean, College of Education and Human Sciences
Steve Tallant	Provost/Vice Chancellor for Academic Affairs
Susan Turell	Interim Associate Vice Chancellor/Dean of Undergraduate Studies
Mary Zwygart-Stauffacher	Interim Dean, College of Nursing and Health Sciences

CHANCELLOR'S BUDGET COUNCIL

Brian Levin-Stankevich	Chancellor
Tom Dock	Acting Vice Chancellor, Administration, Finance & Facilities
Beth Hellwig	Vice Chancellor, Student Affairs
Steve Tallant	Provost/Vice Chancellor for Academic Affairs

Note: Membership in these groups may change as the process unfolds and is refined and evaluated.