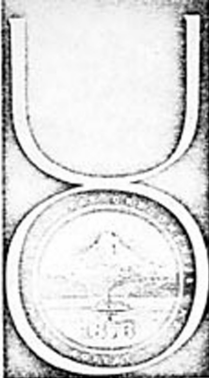


UNIVERSITY OF OREGON



OFFICE OF
THE PRESIDENT

EUGENE, OREGON 97403
telephone (code 503) 686-3036

December 23, 1971

MEMORANDUM

TO: R. E. Lieuallen, Chancellor
FROM: Robert D. Clark, President
RE: 1972-73 Operating Budget

Handwritten signature of Robert D. Clark in cursive.

You will find attached the University's proposed budget plan for meeting the financial emergency. Resolution of our budget problems is being sought on the basis of the following guidelines:

1. The University's budget deficiency will be met through systematic priority review of programs, rejecting the procedure of dependence simply on across the board cuts as a satisfactory mechanism for budget reduction.
2. The review must result also in establishment of a level of financial discretionary capacity that will enable redeployment and reallocation among educational programs as indicated by the priority analysis.
3. The review shall proceed from the most stringent program and qualitative analysis of which we are capable: including examination of student-teacher ratio, class size, how each program fits into the mission of the University, and so forth.
4. The economies effected must result in a reduction in the annual operating level of staff and services.
5. It will be necessary to implement some temporary measures to gather the funds necessary to balance our budget and hold together for the fiscal year immediately upon us.
6. The first analysis of priority assessment must be made by deans, department heads, and administrative unit heads. (Appropriate consultation with faculty and students is expected as part of the process.)

7. To establish meaningful priorities and program reductions the analysis must extend for each department beyond the expected level of reduction overall for the University.
8. Following internal analysis of the department-school-college level, intensive review and judgment is required to make judgments among schools and departments.

An overriding criterion must be the relevance of a program to the University's assigned purpose. The University of Oregon has been defined as the State's Liberal Arts University--and its specific functions must be judged in light of this mission. In some instances this may mean a program, or programs, that could satisfy needs of some students may not be offered because they are not central to the purpose of the University, or they may be assigned elsewhere. It may mean also that some programs central to the University's function must be maintained even though they are costly in standard student credit hour measurements.

The most precious resource that a University has, and its greatest strength, is its faculty and supporting staff. The reduction in the operating budget must be systematic, considered and rational, not across-the-board or on the basis of unanticipated vacancy; it must be made on the basis of carefully weighed priorities--in the last analysis on the basis of the wants and needs of our society and our students. Full implementation, however, of the results of program priority review will require some time--one-two and in some instances three years. It would be as erratic and self-defeating to lose valued faculty by not making temporary adjustments as it would be to conduct a priority analysis by across-the-board cut: and part of our immediate task is to do everything in our power to protect the precious resources that we have gathered. We have recruited with great care and with resultant and justly earned pride.

The mechanism the University has chosen for this purpose is that of freezing positions and not filling them again until adjustments can be made--so far as possible adjustments will be made out of resignations and retirements. The mechanism obviously operates more slowly and means some temporary distortion. Temporary measures will not be sufficient however, to meet all problems and some discontinuance of programs and release is necessary.

I noted to you in my budget statement of July 9, 1971 that we were on "an orderly vigorous path of priority review to redeploy resources" as appropriate even before the 1971 regular Legislative Session. The early phase of this review consisted of a detailed item-by-item budget analysis by the Faculty Advisory Council, and by the chief academic administrative, and budget officers to examine and order priorities, and to identify areas where greater efficiency could be obtained. Following that the Hearing Panel on University Priorities was established to implement the review process.

The HPUP hearings will continue the examination of all budgets of the University. The committee has been enlarged by the addition of faculty and students so that it now consists of the Vice Presidents for Academic Affairs and for Administration, the Director of the Budget, the Dean of the Graduate School, a representative each from the Advisory Council and the Faculty Senate, two faculty members named by the Faculty Senate, and two students appointed by ASUO. In the long run, over the next several months, this will be one of the most important of our University committees. Its responsibilities will be to establish priorities, to make recommendations for reductions in budget or the elimination of programs. In the long run, the committee's responsibilities will be to try to redress inequities that may arise from initial cuts.

The attached budget was developed with the guidelines listed above as basic premises. It must be clear, however, that this budget--which we shall meet overall--is at present a set of estimates of amounts recoverable from various areas: that the analyses which will form the basis for the specific final detail are to be derived from university wide program priority review and are not yet complete.

You will find attached for your information several documents that describe the priority review procedures underway.

Please let me know if you have any questions or need further clarification.

RDC:jr

Enclosures