

MEMORANDUM

TO: R. E. Lieuallen, Chancellor

FROM: Robert D. Clark, President

RE: 1972-73 operating budget

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.

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 is to be derived from university wide program priority analysis and not from across the board cuts, are not yet complete. We have set March 15 as the completion date for Phase One--the budget reductions established from program priority analyses.

Following the proclaiming of a state of financial emergency by the Board for the State System I have also proclaimed a state of \_\_\_\_\_ for the University.

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

*2nd Faculty  
Internal Cuts*