

Appendix B

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Priorities to Guide Higher Education 2009-10 Budget Cuts

Context and Background

For fiscal year 2008-09, the initial budget for public higher education was approximately \$2.9 billion. At the direction of the Governor and the Division of Administration, campuses and systems absorbed a mid-year reduction of five percent of discretionary general funds, totaling \$55 million. At further direction of the Division of Administration, campuses and systems are now required to absorb 15% cuts totaling \$220 million for fiscal year 2009-10. Significantly, the actual fiscal year 2009-10 deficit has been projected at \$440 million. Due to federal stimulus funds actual reductions are limited to \$220 million. Consequently, it is reasonable to project further drastic budget cuts for public higher education when stimulus funds have been expended by 2011.

Priorities in Addressing Statewide Educational Needs

In the context of these sobering realities and projections, essential priorities for higher education include: preserving initiatives essential to core academic and workforce missions; allocating available dollars based on demonstrated performance; furthering initiatives consistent with the Master Plan for Higher Education; and implementing efficiencies across systems and campuses.

Considerations in Justifying Cuts based on Priorities

As budget cuts are considered, campuses should preserve the key initiatives that are essential to maintaining their respective roles, scopes, and missions. To the highest degree possible, campuses should ensure that high priority units, functions, and faculty essential to respective missions are insulated from drastic across-the-board budget cuts. Within this context, reduction plans should:

- Protect core operations and functions that connect directly to students educational needs and workforce development;
- Maintain academic access for eligible students to the maximum extent possible; and
- Sustain at a high level of excellence research foci that reflect institutional priorities and further the State's economic development;

- Ensure that requirements for degree completion are available where academic programs are constrained or eliminated.

Conclusion

The Board of Regents will recommend for approval only the system and campus budget reductions which are justified based on the considerations above. The Regents will then consider whether further efficiencies across systems and campuses are needed in light of the budgetary crisis which is expected to extend beyond the 2009-10 fiscal year.

As budgetary reduction plans evolve, it is important that system and campus officers recognize the value of sharing ideas, resources and strategies with other campuses and colleagues throughout the State. As part of an overall effort to promote and facilitate such sharing of information, the Board of Regents has established an Efficiency and Effectiveness Task Force to which each system has appointed a representative.