

MEMORANDUM TO: Douglas A. Kristensen, Chancellor

FROM: Campus Budget Advisory Committee

DATE: October 25, 2023

SUBJECT: Proposed Budget Reductions

Dear Chancellor Kristensen,

As charged, the Campus Budget Advisory Committee has met to consider and shape budget reduction recommendations and according to the timeline provided during the September 14th Budget Forum, the committee is providing a framework for reducing UNK's budget.

The members of the Campus Budget Advisory Committee are:

Jon Watts, Vice Chancellor for Business and Finance, Chair

Dr. Julie Shaffer, Interim Senior Vice Chancellor for Academic Affairs

Chris Moran, Budget Director

Megan Fryda, Director of Academic Resources

Alex Straatmann, J.D., Chief Compliance Officer

Renee Besse, Director of Financial Aid

Megan Telecky, Assistant Director, Facilities Management & Planning

Dr. Chris Exstrom, Professor of Chemistry, Faculty Senate President

Luis Olivas, Interim Director, Intercultural Engagement & Leadership

Olivia Whittaker, Assistant Registrar, Staff Senate President

Temo Molina, Student Body President & Student Regent

George Holman, Associate Vice Chancellor, Enrollment Management & Marketing

Rachael Page, Assistant Director Compliance & Student Services, Intercollegiate Athletics

Rochelle Reeves, Associate Professor, Curriculum Librarian, Calvin T. Ryan Library

Dr. Janet Steele, Professor of Biology

Travis Reynolds, Interim Director, Sponsored Programs and Research Development

Dr. Megan Adkins, Professor of Kinesiology and Sport Science, Associate Dean of Graduate Studies

Tricia Danburg, Director of Alumni Engagement, NU Foundation & Alumni

The committee held seven meetings to receive its charge, interview administrators, review budget and organizational reports, and consider recommendations.

The budget reduction proposals described here amount to **\$2 million** and prioritize reduction of administrative costs across the University. We do not pretend this is a perfect proposal; no proposal to cut is ever perfect. But we understand the immediate need to address a budget shortfall resulting from a sustained period of rising inflation, muted state support and declining tuition revenue. We also understand the expectation for vertical cuts.

Administrative Reduction - \$400,000

There are currently 40 administrative positions across the university. Administration is defined from a Human Resources perspective as those positions which report directly to the Chancellor, Vice Chancellor(s) or Dean(s).

The Committee recommends reducing the number of administrative appointments that advance policy agendas but are not necessary to supervise a specific business, teaching, or research function, or assigned to oversee federal or state regulations, or compliance functions.

The committee also supports a pathway to de-administratize the university by reviewing functions that duplicate services or provide similar services to different audiences. The committee supports a culture of collaboration and mutual responsibility, prioritization of front-line employees, enhanced transparency in administrative roles and improved lateral communication.

The Committee is confident a restructuring of administrative appointments could reduce expenditure in the administrative category by \$400,000.

Office Associate Redeployment - \$300,000

There are currently 52 office associate and assistant positions across the university.

The Committee recommends major units (academic colleges and divisions) restructure office associate and assistant positions by transitioning to specialize in key areas for their college or division. By specializing in a specific area, the associate will be more proficient and able to output a higher quantity of work with a lower error rate.

Example Specialties:

- Procure-to-Pay Services – Ariba, contracts, direct pay invoice processing, purchasing, travel, p-card purchasing/reconciliation, etc.
- Budget/Finance – general accounting, journal entries, budget transfers, SAP/BI reporting & reconciling, fixed asset, sensitive equipment, and general equipment handling, cash/money receipts handling and accounts receivable, grants management, etc.
- Human Resources – search committee processing, new hire paperwork, onboarding, I-9's, offboarding, stipend paperwork, PACF's, etc.
- Student Support – student hiring paperwork, student travel, honorariums, schedule faculty for tours, student reimbursements, etc.

The Committee is confident a restructuring of office associate and assistant positions across the university could eliminate positions, reducing expenditures in the office/service category by \$300,000.

Intercollegiate Athletics - \$200,000

Intercollegiate Athletics has been a proud member of the NCAA since 1990-91. The department joined the Mid-America Intercollegiate Athletic Association in 2011-12. There are 15 NCAA Division II programs sponsored by UNK.

Men's programs – Basketball, Cross Country, Football, Tennis, Track & Field, and Wrestling

Women's programs – Basketball, Cross Country, Soccer, Softball, Swimming & Diving, Tennis, Track & Field, and Volleyball.

There are 428 student-athletes, and 40 cheer, dance and spirit team members actively supported by the Athletic Department. These 468 students are supported by 15 full-time equivalent positions other than coaches. The committee considers this support to represent a thin bench.

The committee recognizes the impact inflationary pressures have had on the Athletic Department, especially related to expenses incurred in team travel. However, the committee is confident the department can reduce expenditure by \$200,000.

Athletics will meet this target by reducing the number of non-conference contests, scheduling closer competitions, and by extending the time between uniform and equipment purchases.

UNK Global - \$400,000

There are currently 10 full-time equivalent positions supporting international education. The department receives significant funding to supplement its base operating budget to support recruitment, travel, and scholarship.

The committee knows bringing talented international students to UNK comes with many benefits. A culturally diverse campus creates the perfect environment for students to live and learn in, but recruiting students from international markets has become increasingly difficult. The magnitude of the cuts before us demands a conversation related to services that are difficult to support at UNK.

The committee recommends the administration rethink the approach to promoting a culturally diverse experience for students, through an intensified focus on study abroad opportunities and local recruitment of diverse students. The committee recommends a thoughtful approach to ending active recruitment of international students. The committee is confident a reduction in full-time equivalent positions, a reduction in travel, operating and recruitment fees for international recruitment could reduce expenditure by \$400,000.

Enrollment Management, Marketing & Student Affairs - \$300,000

The divisions of enrollment management, marketing, and student affairs includes 14 departments and 101 full-time equivalent positions. Everything the departments work towards is directed at recruiting and retaining students. Many of the departments provide services, and programmatic support that ties directly with the satisfaction of students. Nearly every unit in the division has been re-organized since 2019. The committee is confident further re-organization and the prioritization of support services can result in reduced expenditure.

The committee recommends a reduction in full-time equivalent positions, a reduction in enrollment related consultancy, and a review of student fees to confirm state-aided dollars are not subsidizing services with an approved fee, or that could be submitted for consideration as a fee. The combined salary and benefit costs, as well as reduced consultancy and fee review could result in expenditure reduction of \$300,000.

Division of Business & Finance - \$200,000

The division of business and finance includes seven departments and 152 full-time equivalent positions. The division emphasizes services to the University as it strives to enhance the physical and technological infrastructure of the campus, conserve university resources while also creating circumstances and conditions in which students, faculty and staff can do their best work.

The committee recommends continued utility related investment to reduce electrical and gas usage across the campus. Specifically, the committee recommends the installation of variable frequency drives in fan motors supporting the Health & Sports Center. The estimated savings from a one-time investment of

\$15,000 are \$50,000 annually. The committee also recommends a reduction in full-time equivalent positions to reach the targeted amount of \$200,000.

Calvin T Ryan Library – \$80,000

The library is supported by 26 full-time equivalent positions. The library is an essential destination for student learning. The most important resource within the library is its people. The library spends approximately 20 percent of the annual budget on collections, 10 percent on operating, and 70 percent on staff.

Through a restructuring of duties and responsibilities, the library can eliminate a managerial/professional position. The committee recommends a reduction in 1 full-time equivalent position, \$80,000.

Departmental Operating Funds - \$120,000

A three-year university-wide analysis of departmental budgets was conducted. The analysis revealed areas where annual expenses were reliably less than the allotted budget.

The committee recommends approximately \$120,000 in base budget adjustments to accurately reflect a change in historical spending patterns.

UNK, a public educational institution, strives to be responsive to the needs of its students. Budget cuts affect public higher education in all areas, the impact is not limited to the specific department or service that is cut. While the committee studied data, and conducted administrative interviews, the period for review was limited. The committee trusts the administration is best positioned to understand the effects of the proposed reductions and will adjust based on critical factors such as student access and success. The committee is grateful for the opportunity to provide comments and suggestions.

Respectfully submitted,

Campus Budget Advisory Committee