Agriculture, Life & Veterinary Sciences & Cooperative Extension

To: Shane Burgess, Dean, College of Agriculture, Life and Environmental Sciences
Ashlee Linares- Gaffer, Chair, ALVSCE Faculty Council
Rachel Doty, Chair, ALVSCE Staff Council

From: Taylor Grogg, on behalf of the CALES Budget Review Working Group

RE: Budget Working Group Initial Recommendations

Date: February 2nd, 2024

Following the charge of the CALES Budget Working Group, this memorandum provides the group's initial recommendations to address the current financial position and the future financial sustainability of the college. Final recommendations will be sent **by April 30th, 2024**.

Note that our initial recommendations discussed in this memo reflect conversations and consensus of committee members ***before*** the CFO John Arnold and President Robbin's updated plan was released on January 29th. Although our recommendations may result in savings that support the directive to model a 5% reduction in expenditures, the intention of the committee, as per our charter, was to review the overall financial position and budget of CALES and provide opportunities for cost savings, new revenues, and operational efficiencies. To address the recent communication presented on the 29th, the group recommends that academic unit heads should be brought into the budget discussion immediately, with the request that they plan unit-level scenario(s) for 5% cut in FY25 and 10-15% cut beginning in FY26. Additionally, CALES Central Administration should make it clear to units that they will also develop scenarios for accommodating cuts of the same magnitude.

As a starting point, the working group conducted an in-depth review of Common Cost. From this review, the group agrees that the current model is unsustainable due to expenditures outpacing revenues. Given that faculty and staff salaries are 86% of the expenditures in Common Cost, the group's recommendations are centered around structural changes and efficiencies that would reduce dependencies on unrestricted funds. Our recommendations are not intended to advocate for job loss, nor do our recommendations imply the need for a reduction in force. Our group had consensus that preserving jobs within CALES should continue to be the priority.

Considering this, we provide the following initial recommendations for future cost savings:

- **Restructure Faculty FTE workload distribution and staff job share in lieu of hiring.** CALES should leverage attrition as a mechanism for savings by pursuing "replacement" hires, including adjunct or visiting faculty, for retiring or otherwise departing faculty and staff *only in exceptional circumstances*. Faculty and staff should not be pressured but rather **agree** to support additional teaching and workloads. Those who do take on additional teaching or workloads should be compensated equitably. Additionally, the development of new faculty and staff positions and associated hiring should continue to be paused pending the outcome of longer-term budget rescission information.

- **Incentivizing research faculty to cover a portion of their AY salary on grants.** Faculty PIs who would be capable of covering a portion of their academic year salary (thereby saving unrestricted funds) could benefit from salary savings by recovering a fraction of the UA salary savings into their discretionary PI-specific IDC return account (recently established to recovery 2% of IDC for PI use). For example, the distribution of salary savings could be, 50% to PI and 50% to unit. The remaining 50% of savings would be returned to the college to cover the cost of the required cuts.

In addition to reviewing ways CALES can directly reduce expenditures on Common Cost, the group has focused on structural changes and new initiatives that will indirectly reduce costs by increasing operational efficiencies and FTE savings through increased capacity and contribute to CALES's long-term success.

- **Adopt a shared service model for HR.** Creating a centralized model for HR would increase staff capacity, ensure sufficient support, reduce rework and incidences of noncompliance with UA policies, and support growth in CALES. This model does not call for a reduction in workforce, but a restructuring of current HR positions to promote and increase operational efficiencies.

- **Restructure the Research Administration Office to incorporate pre-award and post-award support under the same umbrella.** This change would increase efficiencies from pre- and post-award knowledge transfer, reduce time spent addressing compliance issues, and minimize miscommunication between business and research offices. This would be untenable, however, without an increase in ALVSCE Research Admin staff, since their workload is already approaching unsustainable, and accommodating such a staffing increase is challenging at this time. However, it is possible that some restructuring of ALVSCE staff could accommodate this needed capacity.

- **Establish standardized procedures and resources for CALES business activities.** Standardizing processes and procedures across business offices would ensure equity in expectations across units, reduce rework and wasted steps in unit-specific processes, increase clarity for faculty, and increase capacity for support if there is staff turnover.

- **Create structural updates to Compass.** Compass in its current form is challenging to navigate and requires significant FTE to maintain. Creating a more user-friendly webpage would reduce staff's time looking for resources, enable sharing of processes and toolkits across units, and ensure information is current. One consideration is that implementing this effort would take a one-time investment in additional FTE.

- **Establish an annual CALES review.** A systematic review of the overarching functions in CALES would ensure that leadership stays at the forefront of what is operationally working well and what requires attention. An overarching review of CALES allows for leadership to be proactive and innovative while creating space for increased transparency. This would be a collaborative effort, incorporating input from staff, faculty, and unit heads.

Thank you for the opportunity to put forth our recommendations. We are available to discuss this further should there be any questions or concerns.