To: UVM Campus Community

From: Tom Sullivan, President
Robert Low, Interim Provost

Re: FY 2014 Budget

We are writing to update you regarding the planning and discussion process for the FY 2014 budget, which will be discussed later today for the first time at the meeting of the Budget, Finance, and Investment Committee of the Board of Trustees. After extensive analysis of the projected revenue and the projected increased expenses for FY 2014, it is apparent that we will need to reduce the general fund operating budget by five million dollars or approximately 1.7%. The budget challenges are largely the result of annual inflationary increases and a reduction in the amount of overhead reimbursed (F&A) from research grants.

In the presentation (www.uvm.edu/budgetplanning/) to the Budget, Finance, and Investment Committee of the Board of Trustees that will be given later today, you will see a description of the challenges. We have been engaged in extensive consultation with the deans and vice presidents to develop a solution that is aligned with the University’s Strategic Action Plan and that continues to advance the University. Additionally, we have been consulting closely with the Faculty Senate leadership and, specifically, the Financial Physical Planning Committee of the Faculty Senate to determine an appropriate course of action. Also this week in advance of the Board discussion, the leadership of the Staff Council has been briefed.

Working with the Deans and Vice Presidents, we have developed principles and criteria that will guide decision making related to next steps in addressing the budget reductions. Of foremost importance, is protecting the core academic mission of teaching, learning and research and ensuring that any decision advances institutional quality and excellence. Additionally, we have asked Deans and Vice Presidents to implement a written communication plan within their units that is transparent, engages unit members, and includes communication within the unit. In light of the discussions with the Deans and Vice Presidents, each was recently given his/her proposed budget reduction targets. They are expected to submit for consideration their plan of balancing their budget by February 15, 2013.

We encourage you to review the Board’s material that will be presented this afternoon. We want to draw your attention specifically to the underlying principles, including the goal that administrative units will bear a larger share of the cuts and that the decision making process rests largely within the individual colleges, schools and operating units.

We appreciate and understand that budget reductions are never easy. We are committed to working with the UVM community to minimize the impact and to designing a sustainable budget that will advance the University and its effectiveness.

CC: Board of Trustees