



ACCREDITATION EVIDENCE

Title: Budget Reduction Plan Board of Trustees Special Meeting

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Agenda Item Details

Meeting Jan 21, 2021 - Board of Trustees Special Meeting
Category 5. President/Staff Information
Subject A. Presentation of Budget Reduction Plan - Dr. Kim Dale
Type Information

Presentation from Administration on the proposed Budget Reduction Plan.

No action is required at this time.

[Western Budget Reduction Memo 1-21-21 FINAL.pdf \(287 KB\)](#)

JANUARY 21, 2021

MEMO TO: Western Wyoming Community College Board of Trustees

FROM: Kim Kuster Dale, Ph.D, College President

SUBJECT: FY 2021-22 Budget Reduction Recommendations

Overview and Background

In January 2020, Western's administration began to develop its tentative budget for fiscal year 2020-2021 (FY20-21). Due to a forecasted decline in revenue, most-notably due to a ten-year enrollment decline and a forecasted reduction in local appropriations (ad valorem taxes), a 10% across-the-board cut to all operating expenses was implemented, student fees were increased, and several positions were eliminated or discontinued. These positions included: a full-time housing coordinator (vacant), three welcome desk receptionists (one vacant, two occupied) and a community education specialist (vacant).

In June 2020, less than one month before Western's Board of Trustees was to adopt the FY20-21 budget, the Governor of the State of Wyoming announced a \$1.5 billion shortfall in State revenues. This shortfall was attributed to the collective financial impact from the COVID-19 pandemic and a steep decline in extraction-industry revenue. At that time, Governor Mark Gordon announced plans to implement Step 1, 2 and 3 state budget reductions. According to Governor Gordon, all State agencies were experiencing budget cuts that were "devastating, but necessary."

Step 1 reductions included immediate stop-gaps to State spending, including major maintenance expenses. Step 2 reductions included an immediate 10% reduction to State agency budgets, including the Wyoming Community College Commission. This included a 10% reduction to State appropriations for all Wyoming community colleges, impacting the FY20-21 budget. This translated into a \$987,000 reduction in Western's revenue.

Step 3 reductions were identified as an additional 10% cut to State agency budgets. The question remained whether or not these cuts would be imposed in FY20-21 or the following year, fiscal year 2021-2022 (FY21-22), the second year of the State Budget Biennium. This uncertainty made it very difficult to plan.

College administration took immediate steps to reduce operating expenses, including reductions to non-athletic scholarships, strategic initiatives, reductions to travel expenses, and elimination of a vacant dean position. Due to the last-minute announcement of State cuts, Western's administration presented a budget that required utilizing \$640,000 in reserves to balance its budget. Western's Board of Trustees adopted this budget on July 15, 2020, with the understanding that administration would present a revised budget after taking the time to evaluate additional strategic cuts, including elimination of positions. The rationale is explained below.*

Concurrently, the State cut additional funds from the community colleges, including a payment back to the State in lieu of college furloughs. At this point in time, Western had the need to reduce its FY20-21 budget by \$875,000.

*One Wyoming community college chose to make immediate cuts to its budget, including eliminating all athletic programs. However, Western's President's Cabinet did not want to recommend this immediate approach. (Note: President's Cabinet includes Burt Reynolds, Vice President for Administrative Services; Dr. Cliff Wittstruck, Vice President for Student Learning; Joy Adams, Associate Vice President for Human Resources). Part of the rationale for taking time to develop these recommendations was to form teams of employee stakeholders to develop rubrics in which the President's Cabinet would apply data for informed decision-making related to both academic and non-academic programs. Because this process, including eliminating positions, had never been done before at Western, it was important to develop a data-driven, engaged and transparent process for decision-making.

Two separate teams were created with the following representatives. One team created a tool to objectively analyze academic program efficiency, another team focused on all other departments within the college.

Academic Program Efficiency Rubric – Dr. Cliff Wittstruck (Project Manager), Mark Rembacz, AVP for Institutional Effectiveness; Division Chairs; Faculty Representative from Each Division

Non-Academic Department Efficiency Rubric – Burt Reynolds (Project Manager), Mark Rembacz, AVP for Institutional Effectiveness; Joy Adams, AVP of Human Resources; Dean of Students; Senate Chair; Chair and Co-Chair of Paraprofessional Alliance; Director of Green River Center; Director of Outreach

Originally these teams were each empowered to develop a rubric by September 15, 2020; however, college administration recognized that this work needed to be done sooner. If occupied positions were to be reduced within the current fiscal year, a 90-day notice to these employees is required per Board Policy 4230A Layoffs. This would allow the college to implement mid-year layoffs (December 2020), thus capturing the deficit within AY20-21.

The President's Cabinet spent weeks analyzing populated data from the rubrics to determine which positions would be recommended for elimination/discontinuation (layoff) to balance the budget. The Cabinet also reviewed other considerations, including but not limited to, potential for consolidation with existing departments, employment status (initial or continuing contract), operating budget expenses, class fill rates, number of course offerings, additional use of adjunct faculty and enrollment trends. Employee performance was not a consideration.

Western's growth capacity is critical to consider, since some Wyoming Legislators have vocalized their goal to permanently reduce the State's financial support of the community colleges, with a final revenue ratio of 1/3 State appropriation, 1/3 local appropriation, 1/3 tuition and fees (student appropriation). Historically, Western's revenue ratio has been 40%/40%/20%, although this does not include the health benefits that the State of Wyoming contributes to community college employees (effective August 1, 2020, the Employees' Group Insurance program decreased the employer contribution from 85% to 82%).

Board of Trustee Action

On September 10, 2020, the Western Board of Trustees declared a financial emergency due to the State of Wyoming's previously described and unprecedented economic crisis, and significant reductions that were necessary to balance Western's budget. The Trustees voted to direct the College President to

reduce Western's FY20-21 general fund budget by \$875,000. In addition, the College President was directed to prepare a plan to reduce an additional \$935,000 from the FY21-22 general fund budget in the event the Governor imposed immediate Step 3 budget reductions, which equated to an additional 10% cut.

Also on September 10, 2020, Western's Board of Trustees approved the Early Retirement Benefit for eligible employees. While offering this benefit is a five-year budget commitment for the College for each retiree, College administration recommended offering this benefit to potentially create position vacancies that could be reduced, to potentially minimize laying off existing employees from occupied positions.

On September 21, 2020, Western's Board of Trustees directed the President to reduce its budget by \$875,000 through the following actions:

- Immediately eliminating the following vacant positions: Custodian II, PC Support Technician; Facility Use/Purchasing Office Assistant; Workforce Services Office Assistant; Costume Designer; History Faculty; Chemistry Faculty; Music Faculty; Biology/Natural Science Faculty; Student Success Advisor.
- Reducing the institutional employee stipend by \$300 per year effective January 1, 2021.
- Reducing the employee retirement contribution by 2% per year effective January 1, 2021.
- Eliminating \$200,000 in budgeted pay correction recommendations from the market compensation study.

Western's Board of Trustees agreed to forego layoffs to occupied positions until FY21-22. Due to the threat for additional reductions in State appropriations and a forecasted reduction in local appropriations as a result of a decline in property values, Western forecasted a budget shortfall for FY21-22 of approximately \$2,400,000.

Also on September 21, 2020, and after a comprehensive program review, Western's Board of Trustees voted to close or consolidate 29 academic programs, and place three on hiatus. These decisions were based on rubric data, most notably limited numbers of enrollees and graduates. Five new degree programs were approved to create broader academic and career pathways to enhance student recruitment, retention, transfer and completion.

It is important to note that in 2016, during the last Wyoming economic downturn, the other six Wyoming community colleges implemented a total of 125 full-time position reductions. Western reduced its full-time employees by zero. Members of Western's Board of Trustees who were on the board at that time expressed how "We have known for a long time that this work needed to be done." See page 9 for a chart of Wyoming community college full-time position reductions.

It is obvious but important to note that these decisions are very difficult, as one of Western's guiding principles is that employees are our most important resource. That is why it is critical to emphasize that the recommendations contained herein are based upon careful and thoughtful analysis of the rubric data and other considerations set forth herein, with a primary objective of improving the efficiency of the college. Cabinet recommendations for additional position and benefit reductions likewise are based

on the same considerations. With a loss of human capacity, Western will need to analyze all existing positions, reorganizing duties and responsibilities of many existing roles.

As additional reductions are made, Western will be forced to restructure roles and responsibilities within the college, and this will take some time, and college stakeholders will be actively involved in this process.

A new college Strategic Plan is scheduled to be adopted on or around March 2021. It is branded as *Western Reimagined*. Current economic conditions and future economic uncertainty support reimagining how Western is serving its students and communities. This is a time to analyze how Western should focus its human and financial resources to facilitate continuous improvement and institutional sustainability.

College Advocacy

Over the past year, I have been actively involved in developing materials and strategies for advocating for additional community college funding in the State of Wyoming. The Wyoming community college presidents have developed a tight-knit team and have created synergy towards building awareness for additional funding options with the Wyoming Legislature and other statewide stakeholders.

I have had an opportunity to talk directly with a number of legislators and testified numerous times before the Joint Education and Joint Appropriations Committees to gain support for Western's projects, sustainable funding options and the importance of funding community colleges to help the State of Wyoming diversify its economy. I also served on the Funding Options subcommittee for the Wyoming Community College Commission task force on Sustainable Funding Recommendations to the Joint Appropriations Committee.

The college presidents were also collectively successful in working closely with Erin Taylor, Executive Director of the Wyoming Association of Community College Trustees (WACCT) in developing a statewide campaign to support the community colleges. The Support the Solution Campaign has yielded print and video communications to be shared with State legislators and other stakeholders. I am working with Ms. Taylor to schedule meetings with each of our 18 legislators within Western's service area during the coming months, to help educate and gain support for Western.

I was also successful in providing a letter of support to Governor Gordon from the Southwest Wyoming Manufacturing Partnership, asking to support Western and cease further reductions to our budget. This letter exemplifies the role that Western plays in partnering with our businesses and industries in southwest Wyoming.

I share this with the Board to illustrate how Western is regularly advocating and communicating with decision-makers within the State, to limit any continued negative budget impacts to our College.

Proposed Position and Benefit Reductions for Fiscal Year 2021-22

The President's Cabinet recommends eliminating and/or discontinuing (layoff) the following full-time positions due to the previously described lack of funds and other events beyond the college's control (i.e., "layoffs" pursuant to Western's Policy 4230A), effective at the end of each 2020-21 employee contract:

- Director of Workforce Development – *occupied**
- Director of Admissions and Recruiting – *occupied**
- Director of Green River Center and Community Education – *occupied**
- Assistant Professor of Dance - *occupied*
- Instructor of Mathematics, date of hire 8/16/2018 - *occupied*
- Instructor of Mathematics, date of hire 8/16/2018 - *occupied*
- Instructor of Mathematics, date of hire 8/16/2018 - *occupied*
- Instructor of English, date of hire 8/16/2018 - *occupied*
- Instructor of Sociology - *occupied*
- Professor of Anthropology/Geology - *occupied*
- Associate Professor of Theatre - *occupied*
- Assistant Professor of Communications, date of hire 8/16/2018 - *occupied*
- Business Information Systems Lab Assistant, full-time - *occupied*
- College and Career Readiness Office Assistant - *vacancy created by early retirement*
- Custodian – *vacancy created by early retirement*

*The President’s Cabinet is recommending that the individuals occupying the positions identified with an asterisk be placed on a leave of absence and released from their job duties, effective February 8, 2021. The rationale for this recommendation is because these duties will be immediately temporarily reassigned as described herein. It is also our recommendation that impacted faculty teach their spring courses in accordance with the terms of their contract. The rationale for this decision is because spring schedules were publicized and decided upon several months ago, and students have already registered for spring classes.

The Cabinet is also recommending that those employees slated for layoff be offered three months additional salary paid in a lump sum subsequent to completing their 20-21 annual contract (subject to additional terms and considerations). The total estimated cost of a three-month salary offering to these employees is \$185,000. These dollars will be expensed from FY20-21 general fund salary savings.

The State’s contribution toward health and dental insurance benefits will continue for these employees for six (6) months following separation or until the separated employee acquires employment, whichever occurs first (subject to eligibility per EGI policy and Wyoming state statute).

The above-referenced recommendations are contemplated by Western’s Policy 4230A (Layoffs). As a result of the 90-day required notice to employees contained therein, each of these employees will receive at least 90 calendar days of paid notice. The timing of these notifications also gives those impacted employees adequate notice to search for alternative employment opportunities within higher education.

Transfer of Position

The President’s Cabinet is recommending eliminating the Department of Transitional Studies and absorbing those full-time positions within the corresponding division. This decision will facilitate greater collaboration among math and English faculty members to continue efforts for improving seamless pathways for students. One part-time benefited position, Proctoring and Academic Assistant, will

continue to report to the Professor of Developmental Studies (Math). These transfers will become effective at the end of the Spring 2021 semester.

- Director of Transitional Studies eliminated (current employee was former full-time faculty member); faculty member transferred to School of Math and Science as Professor of Developmental Studies (Math)
- Associate Professor of Developmental Studies (English) transferred to School of Arts and Humanities
- Instructor of Developmental Studies (ESL) transferred to School of Social Sciences and Education

The Vice President for Student Services position will remain vacant through FY21-22. There is no decision at this time to replace this position in its current form, so the following permanent position transfer is recommended. This employee had been temporarily reassigned to this role in FY20-21 and has agreed to permanently continue in this role.

- Executive Assistant for Vice President for Student Services transferred to Health Sciences Office Assistant

Temporary Reassignment of Duties

Both the Director of Workforce Development and the Director of Green River Center job duties and responsibilities will be temporarily reassigned to the Director of Outreach. Permanent reassignment of these duties will be decided after sufficient time is dedicated to engage stakeholder groups in organizational structure solutions.

The job duties and responsibilities for the Director of Admissions and Recruiting will be temporarily reassigned to two current employees. The Director of Mustang Success will temporarily assume student recruitment duties and responsibilities. The Registrar will temporarily assume student admissions duties and responsibilities. Again, permanent reassignment of these duties will be decided after sufficient time is dedicated to engage stakeholder groups in organizational structure solutions.

Early Retirement Option

The early retirement benefit is optional for those employees who qualify. Prior to the Board of Trustees granting this option each year, a list of eligible employees is compiled. Each eligible employee chooses whether or not to apply for this benefit and has until January of the given fiscal year to confirm his/her desire to proceed with this retirement benefit. All employees realize that this benefit is reviewed each year by the Board of Trustees, and that there is no guarantee that it will be offered. However, historically and thus creating a cultural expectation, this retirement benefit has been offered.

College administration is limited in its ability to plan for which employees and positions will become vacant through this process. Ten qualified employees applied and were granted this benefit by the Board of Trustees to begin in FY21-22. Nine of these employees chose to move forward with this benefit. Two of those positions created a vacancy that are recommended for reduction.

Proposed Benefit Reductions

The President's Cabinet is also recommending the following budget reductions:

- An additional annual decrease of \$300 per employee in the institutional stipend for a total annual decrease of \$600 when added to the original annual reduction of \$300 per employee. Each full-time employee will now receive a \$2,400 annual stipend, which offsets the health insurance costs for each employee (as opposed to the family). This additional budget reduction will yield an additional annual budget savings of \$124,000.
- An additional decrease of the amount the college pays towards the employee portion of the retirement contribution of 1.5%, to now total 3.5% being paid by the employee towards the 9% total maximum employee contribution as allowed by the State of Wyoming. This additional budget reduction will yield an additional annual budget savings of \$420,000.

Total Western Position Reductions for the 2021-22 State Biennium Budget (2020-2022)

Should the Board of Trustees vote in support of these additional position reductions, Western will have cut a total of 26 full-time positions within FY20-21 and FY21-22. This will equate to a 12% reduction of Western's full-time workforce since the beginning of fall semester 2020. Thirteen of these positions were vacant; thirteen of these positions are occupied.

Total Full-Time Position Reduction by Classification and Percentage of Budget

While employee classification was not a consideration for elimination/discontinuation or layoff, the following is a breakdown of the employee classifications that will be impacted:

Administrative/Professional: Coordinator of Housing (vacant), Dean of Academics (vacant), Student Success Advisor (vacant), Director of Workforce Development, Director of Green River Center and Community Education, Director of Admissions and Recruiting; Vice President for Student Services (vacant)*
Average Salary and Benefits: \$103,021

Faculty: History (vacant), Chemistry (vacant), Music (vacant), Biology/Natural Science (vacant), (3) Mathematics, English, Sociology, Anthropology/Geology, Theatre, Communication, Dance
Average Salary and Benefits: \$74,893

Paraprofessional: Custodian (vacant), Custodian II (retirement), PC Support Technician (vacant), Facility Use/Purchasing Office Assistant (retirement), Workforce Services Office Assistant (retirement), College and Career Readiness Office Assistant (retirement), BIS Lab Assistant (F/T)
Average Salary and Benefits: \$51,936

*The Vice President for Student Services position will remain vacant for another fiscal year. There is no decision at this time to replace this position in its current form, so it is included on this list to represent this two-year reduction in administrative/professional staffing.

The breakdown of percentage of budget and number of position reductions for each stakeholder groups is as follows:

- Administrative/Professional: Budget = 30%; Position Reduction = 26%
- Faculty: Budget = 40%; Position Reduction = 48%
- Paraprofessional: Budget = 30%; Position Reduction = 26%

From a broader classification perspective, 52% of position eliminations/discontinuation or layoffs were Staff, 48% were Faculty.

Other Budget Reductions

The College has adopted ongoing analysis strategies to capture budget savings in the following areas: Labor; Organizational Structure; Academic Programs; Facilities and Auxiliaries; Technology and IT Support; Spending and Contracts. These budget categories were derived from best practices as outlined by EAB, a national higher-education research firm that Western has been a member of for several years. These categories help us organize our approach to continuous efficiency improvements. Western also launched an email for any employee to share budget savings ideas at budgetsavings@western.edu.

An important component for ongoing budget savings analysis will be academic program viability. To that end, the College is developing a system in which academic programs will be evaluated on an ongoing basis for program efficiency and effectiveness. The President's Cabinet plans on presenting this system to the Board as part of the Program Review process, and will share that plan as soon as it is completed.

2021-2022 General Fund Budget

Mr. Burt Reynolds, Vice President for Administrative Services, will be providing the Board of Trustees with budget projections during the Special Meeting.

Conclusion

On behalf of the President's Cabinet, we empathize with the difficult position Western's Board of Trustees is in. As a team, Western's Trustees and Cabinet members are faced with very difficult decisions that no one wants to make. As Western's president, my heart is heavy in presenting to the Board of Trustees these recommendations.

However, I am confident that this process has been as objective as possible, utilizing process and data for decision-making. I am proud of the work the college has done to find efficiencies and notably the President's Cabinet for their teamwork and demonstration of collaboration, objectivity, thoughtfulness, and transparency. These recommendations are made with the best interest of college sustainability and growth in mind. We respectfully request your support as, together, we weather this storm and prepare our college for the future.

With great respect,

Kim Kuster Dale, Ph.D.

NOTE: This information was presented to the 65th Wyoming Legislature Joint Appropriations Committee in December 2020.

Employee Reductions by College

	Current Student FTE ¹	Fall 2020 Full-Time Employee Count ²	2016 Reductions	2020 Reductions	Total Reductions	Reductions Due to Layoffs	Reductions Due to Attrition	Reductions Per 100 FTE	Reductions as a % of All Employees
CC	3651	362	16	22	38	5 *	33	1.04	10.5%
CWC	1548	207	14	13	27	17	20	1.74	13.0%
EWC	1430	108	20	12	32	12	20	2.24	29.6%
LCCC	3711	383	15	28	43	19	24	1.16	11.2%
NWC	1435	194	48	30	78	26	4	5.44	40.2%
NWCCD	3300	258	12	45	57	28	29	1.73	22.1%
WWCC	2770	205	0	11	11	0 *	11	0.40	5.4%
Totals	17,845	1,717	125	161	286	102	141		
Average	2,549.3	245.3	17.86	23.00	40.86	20.40	20.14	1.96	18.9%

¹ Enrollment from the Wyoming Community College Commission 2019/2020 Annual Enrollment Report.

² Employee count numbers from the colleges' Human Resources offices December 2020.

* Additional layoffs and attrition eliminations will be announced in Jan 2021

