



THE UNIVERSITY OF ARIZONA

College of Agriculture  
& Life Sciences

Shane C. Burgess  
Vice President, Veterinary Sciences  
& Cooperative Extension  
Dean, College of Agriculture  
& Life Sciences  
Director, Arizona Experiment Station  
Registered Lobbyist

1140 E. So. Campus Drive  
P.O. Box 210036  
Tucson, AZ 85721-0036  
sburgess@cals.arizona.edu  
cals.arizona.edu  
Phone: 520-621-7621  
Fax: 520-621-7196

March 31, 2015

Dear Colleagues,

I believe we are all better off when making personal and professional decisions if we have as much information as possible. That is the point of all my letters to you.

Arizona continues to slowly pull itself out of the deepest recession it has experienced since the Great Depression. But the state isn't there yet (see <http://www.azleg.gov/jlbc/budgetupdates.htm>). Governor Ducey and our other elected representatives faced significant fiscal issues and a structural budget deficit as soon as they started work in January. Constitutionally Arizona must have a balanced budget. Consequently Arizona's FY16 budget includes major cuts consistent with the intent expressed by the majority of Arizona voters. The UA will take a \$28M cut from the state general fund portion of its budget.

I can empathize with our elected representatives. In FY12, my first year here, CALS faced multiple years of budget cuts compounded by an expanding structural deficit. Since then, as a college, we together planned for and implemented not only all of our assigned budget cuts but solved the structural deficit. This was done with no involuntary job losses overall. This time is much more challenging though. The decisions will be much harder and the consequences potentially worse.

We will be asked for even more than before. However, our previous work has put us in a much better position than FY12. We now have better strategic, fiscal and budgetary tools available to us in CALS in the form of: our own activity-based budget (ABB) system; CALS Data Solutions Team; higher human and technical capacity in Communications and Cyber Technologies; and greater transparency—none of this was accidental.

What we did has provided us currently for FY16 with: \$835,992 for new teaching and research (T&R) hires; for the first time since I have been here, a strategic investment pool (for things such as faculty startup packages) and this is just over \$1,000,000; the CALS Research Office has \$450,000 for research investment; and CALS Career and Academic Services has \$800,000 for teaching initiatives. The appointed academic unit heads also have \$11.1 million dollars of state soft money at their discretion.

Better still for our future fiscal sustainability is the form of ABB that UA will institute, named *Responsibility Centered Management* (RCM), as well as other extra-RCM revenue opportunities, e.g., online education. When RCM flows money as planned, it will help us tremendously. Consequently CALS' future budget increases or decreases are in our hands more than ever. Our future budgets are our joint responsibility.

We don't yet know what CALS' cut will be and we won't until at least May 4, when the Arizona Board of Regents finalizes UA's tuition rates. Here is what I do know.

**The hard work of our legislative affairs team, our alumni and supporters means CALS Cooperative Extension System (CES) did not take a budget cut.** Now more than ever we must continue to quantify our high-value productivity not in terms of processes (e.g., numbers of meeting attendees, numbers of website views) or outputs (e.g., numbers of publications) but in tangible measurements of economic impact (e.g., dollars and jobs created). Despite political forces wanting to increase UA budget cuts and put CALS CES funding directly at risk, Governor Ducey and legislative leadership held firm to the governor's original recommendation to fully fund CALS CES and to base university cuts on a per student basis. We know that CALS CES is an infrastructure investment vital to Arizona's economy. We must continue to measure and articulate CALS CES' impacts to community and political leaders state-wide.

**Our teaching and research budget will be cut in FY16.** I don't know whether or not any of this cut will be absorbed centrally. But we must plan with the information we have so I have asked CALS' appointed unit leaders, Appointed Professionals Council and Staff Council to plan for the reasonable worst case scenario—up to a 13% T&R budget cut—and provide input to me and the Executive Council. Arizona will likely have another budget deficit in FY17. Because lurching from short-term fix to short-term fix is not good management or leadership we must be prepared for this potential reality also.

**I expect that the UA will cut CALS equitably compared with our sister colleges.** I expect our efforts to date will be acknowledged and we will be recognized for our central role in fulfilling President Hart's commitment to "continue to strive for excellence and serve the students who are at the heart of that future." I'm confident CALS will do better in FY16 under a well-executed UA RCM budget process than without one.

**The president and provost have explicitly planned on strategic hiring during FY16 regardless of the budget cut. I am doing the same within CALS.** Investments in the face of cuts are the definition of an active strategic change. Our college's FY16 budget, including our FY16 hiring plan, must be completed by June 30. The academic unit heads as a team are providing input on budget cut solutions and are working with Joy Winzerling and Parker Antin in preparing a college-level hiring recommendation. I will review these, and make the final CALS decisions, before recommending to the provost for his final university-level decision.

I have asked CALS' Faculty Council to review their *2012 Recommendations on CALS Effectiveness, Efficiency and Innovation* and provide an update by April 3. I have great faith in Joel Cuello to lead this effort. The Faculty Council is the faculties' shared governance voice—please make your voice heard through this council. The updated report will be posted online at the Faculty Council website (see <http://cals.arizona.edu/dean/cals21/facultycouncil>).

Jeffrey Ratje and I are restructuring CALS central business activities for greater efficiency. I have not taken this decision lightly but we must maximize money to our critical T&R missions. The Executive Council is reviewing all "assessments" paid to external associations. I am now funding only critical needs. When making each choice, I ask myself these questions: Am I putting our people first or something else? Is this activity essential to our core teaching and research missions or is it peripheral? Am I spending money first in Arizona or out of state? Will this expense provide a clear benefit in growing our budget or better serving our people or will the benefit be temporary or ephemeral? As a tangible example, last week I saved CALS \$19.7K annually by cutting our Western Association of Agricultural Experiment Station Directors assessment. While not a popular

decision with my colleagues in other states, I simply cannot justify spending this money based on the above questions.

We don't yet know what our share of the FY16 budget cut will be, but we do have data to help make strategic decisions and it is also available to you. 2014 unit reviews are completed and will shortly be posted online (see <http://cals.arizona.edu/dean/evaluations-reviews/index.html>). CALS Business Services and the Data Solutions Teams have developed tools to help us see where each unit stands in terms of relative investment to relative return under an RCM scenario (see <http://cals.arizona.edu/dean/documentation-calsrcmtool.pdf>).

Irrespective of our budget, our college's four strategic goals remain paramount:

1. Be a leading economic development engine for Arizona.
2. Produce employable graduates, who can do jobs that do not yet exist and create new jobs.
3. Be the most sought-after place to be a part of.
4. Be the most effective, efficient, responsive, flexible, and financially sustainable college on campus.

Our cut will be more difficult and more painful than any we have yet implemented. I am accountable for college-level decisions, the appointed unit heads for those in their units and the Executive Council for the mission areas. There will be strategic cuts and investments. Some will have human consequences we don't personally like—real consequences to real people we care about. I understand this is a very challenging time for us all and especially for those who serve us in appointed leadership. There will be difficult, soul searching recommendations. The most difficult times by far, however, will be for those whose jobs are eliminated. We must all do everything we can to minimize impact on our people. Your knowledge, skills and talents are the most crucial determinant of the size of this impact. Please make your full commitment to meet these trials over the next months.

Best regards,



Shane C. Burgess