With the university facing severe reductions to its state funding and struggling with ways to address them, the USC sees three principles as essential:

1. Any budget reductions to be implemented must be considered at all levels, and across all parts of the university organization – not in flat, across-the-board cuts, but in ways that protect the core functions and priorities of the university.

2. Budget reductions and efficiencies must be achieved within administrative units first, at the university level and down to the campus, college, and department levels, to the greatest extent feasible in order to preserve the academic mission of the university.

3. Short-term strategies seeking to soften the immediate impact of budget cuts should not replace making longer-term structural and organizational changes that must be in place to allow the university to deal with the enduring budget difficulties it faces. One-time moneys do not solve recurring state revenue reductions. Undoubtedly, some short-term strategies may be required to pave the way for long-term structural changes; but the review and reform processes of developing those longer-term strategies needs to begin without delay.

These principles have several immediate practical implications:

- The USC calls for the full and prompt implementation of the UA review recommendations already approved by the President, especially those with budgetary and cost-saving implications. Once budget policy recommendations have been duly reviewed and approved, it cannot be left up to individual units to decide whether or not to implement them.

- The USC calls for re-examining the management and organization of UA in order to provide greater accountability, budgetary transparency, and cost containment. USC believes that a key part of this reform, already recommended by the Administrative Review and Restructuring report in 2010, is to designate the Vice-President of Academic Affairs as an Executive Vice-President with budget control and management oversight over UA. This designation would allow the President to more actively enact his main responsibility to represent and advocate for the university to external bodies.

- A key theme of the UA review was reassessing which functions benefit from central consolidation and which ones do not. The USC calls for better coordination of UA offices and their campus clients. In cases where it would be
more efficient and effective for the campuses to manage certain functions on their own, or outsource them to private vendors, campuses who are being effectively taxed to fund UA operations need to have the latitude to assess whether this is the best use of resources.

- The USC calls for a thorough review of administrative costs at all levels of the organization, in order to improve efficiencies, save costs, and improve the primary function of administration – which is to serve and support the faculty, staff, and students in pursuit of the academic mission of the institution. These costs should be benchmarked both internally and against peer institutions, in order to determine if our cost of doing business is as streamlined as possible.

- The USC calls for a review of budget processes, at all levels of the organization, to ensure that expenses and revenues are transparent and clearly understood, that creativity and innovation are incentivized, that cost-control is rewarded, and that commitments of resources, including faculty time and effort, are well-aligned with mission priorities.

- Finally the USC also calls upon the campuses to reassess their academic programs in light of their distinct missions and identities. It might be the case that some areas of academic effort that once contributed significantly to those missions no longer do. It also might be the case that certain areas of service and outreach that are important and have external constituencies are nevertheless too costly and too peripheral to the core missions of the campuses to be continued. Except where these might be legally mandated land-grant functions of the university, they need to be re-examined; and even where they are mandated, we ought to consider ways to make them less costly. We emphasize that these need to be primarily campus-based evaluations and decisions, and different campuses might make these decisions in different ways. In all such budgetary matters, close consultation between administration and faculty is essential.