Ground Rules for Managing in Tough Times

Frank P. Ardaiolo
Winthrop University
As fiscal year 2009 drew to a close, and fiscal 2010 began, a common theme emerged: the need to continue reducing, or managing, our budgets. In 1989, when I arrived at Winthrop University, a state supported institution in South Carolina, student tuition and fees accounted for some 27 percent of budget revenues and state appropriations provided 41 percent. Just a few months into the 2010 fiscal year, we estimate state appropriations will account for just 11 percent of revenues and student tuition and fees will provide 53 percent of revenues.

The student affairs staff coped with these financial setbacks by reducing commitments and services and mandating a nine day furlough for all employees as the most palatable last resort. Clearly tuition and fees could not be increased to cover this shortfall, which is estimated at more than $700 per student per semester. Major cuts in the salary base, programs, and offerings were required for the 2010 fiscal year to meet state-mandated budget reductions.

Such reductions in response to external demands can be professionally demoralizing for senior affairs officers (SSAOs) and affected staff members, but they can lead to leaner programmatic approaches that preserve the mission and vision of the entire campus community.

University Leadership Sets the Tone

Winthrop’s student affairs division approached budget reductions by following a disciplined process designed by President Anthony J. DiGiorgio, who provided his five vice presidents with a set of assumptions and principles for examining proposed cutbacks. Our consensual decision making process has resulted in the university’s continuing progress.

President DiGiorgio assembled his leadership team and set the ground rules for many days of discussion. His rules included the following:

- All proposals were reviewed bases on their contribution to the vision and mission of the university. We were, in the president’s words, “To preserve the university’s future from the demands of the present.”
- Everything the university does was on the table for discussion. There were no sacred projects, programs, or functions.
- All discussions and reviews were conducted in the strictest confidence. Any team member tasked to review or write a report was expected to compile and assemble the report confidentially without staff assistance to avoid the spread of rumors.
- If any team members were asked about the planning exercise, the universal response was similar. We were involved in developing a plan in response to the budget cuts we were all facing. Together we would fashion uniform responses to any specific concern or question asked by a member of the academic community. We needed to ensure consistent and ongoing communication of all key constituents and stakeholders. Our goal was to be realistic yet positive.
- We checked our professional and personal egos at the door. We functioned as a team that transcended function responsibilities.
As leaders, our responsibility was to maintain high morale while exuding confidence to our staffs.

We were to be hard minded but fair. We demanded rigor from ourselves and other while always demonstrating respect in our approaches and ensuing discussions.

As appropriate we were to remind staff that administrators have primary responsibility for reaching budgetary decisions while faculty have primary responsibilities for determining what and how to teach.

We started by creating a list based on our collective knowledge of all discrete programs and functions that we believed could be questioned, reduced, or eliminated. By adhering to these ground rules, I was able to focus my own efforts on examining all of the responsibilities of the Division of Student Affairs. We identified significant cuts to meet current demands while still fulfilling the university’s visions and protection the mission of the division, including retaining all full-time professional staff- no small feat for the division’s salary-heavy budget.

Achieving Cost-cutting Success

Winthrop's success in managing its budget-cutting exercise and implementing needed reductions can be traced to a number of factors. The vision of the university provided a needed common ground for informing and determining the budgetary steps that were required. Such steps were framed by the institutional mission and a review of programs and services based on their centrality to the mission, their quality, and cost.

Our vice presidents wore their institutional hats and maintained institutional viewpoints in place of narrow divisional outlooks. Real-team decisions emerged in place of obvious self-serving ones, and there was recognition that his was not the time for political game-playing, especially since our chief executive officer already understood the significance of the student experience. Our cost-cutting rationales reflected analytical thinking that was expressed in respectful dialogue. Solid arguments were built on discernable login and demonstrable data.

It was important for vice president to have total command of their respective operational budgets. They used all tools at their disposal, such as benchmarking data, best practices from comparable institutions, and assessment and evaluation data to determine the impact of budget cuts on student engagement, development, and recruitment and retention.

While final budget-cutting discussions were held in confidential settings, we understood that faculty and staff members were facing uncertain times, and anxiety was widespread. Leaders were cheerleaders for their departments and met with staff to remind them of how their good work helped the university fulfill its mission. Professional staff members were recognized…