



**Broadcasting and
Media Innovations**

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BAMI Budget Strategies

BAMI's Planning and Budgeting process: BAMI's budget reduction and reallocation work is done in concert with annual strategic and operational planning. Our "distributed planning model" begins with unit Directors performing a broad environmental scan before planning independently within each unit. The process has been in place for a number of years bringing the environmental scan, long term and immediate considerations and extensive staff participation to best fulfill the unit's mission and vision with available resources. The process also provides directors, managers and staff with a basis for annual performance evaluations, reviewing pd's and budgeting for training and professional development. Because of extraordinary budget challenges this year directors made an extra effort to engage staff early and often.

Prior to the announcement of actual GPR budget reductions BAMI administrators met to consider how University GPR cuts to the division should be distributed. BAMI's leadership team reached consensus that GPR budget reductions should be allocated on a pro-rata basis according to each unit's annual GPR funding. The unit directors then began a series of in-depth consultations with staff about opportunities for generating new revenues and about how budget cuts would be implemented. Each unit scheduled 3 or more meetings with staff to share information and to solicit feedback.

The directors affirmed that budget reductions and reallocations would:

- Respond to short and long term budget circumstances by reducing operating costs
- Best support the unit's mission and current and future programming
- Target supplies costs and administration to best preserve budget for programming
- Recognize the significant impact these reductions will have on staff
- Enhance revenue generation

Not every decision will meet each criterion but budget decisions will align with our mission and organizational values including a strong commitment to staff, stakeholders and funders. To fulfill that commitment WPR and WPT also consulted with ECB and 501 (c) (3) support organizations; The Wisconsin Public Radio Association and Friends of WHA-TV. The sum of the Division's budget decisions will best support the long term

program and services within each unit. This framework should well support relevant, valued and high quality services in keeping with our mission and our clients' and audiences' expectations. Those services will be built on industry best practices, innovation in the pursuit and application of emerging technology, and cost effectiveness and efficiency.

The Fiscal Environment: ICS faces a GPR reduction of \$52,264 in the first year of the biennium. Program revenue is expected to be flat over the next two years.

ICS faces an extraordinary one-time re-allocation of \$700,000 in auxiliary funds back to the state's general fund. These funds are budgeted for expenditure over the next two years to update the distance education and on-site technology at The Pyle Center.

WPT and WPR are subject to University GPR reduction of \$165,204 and \$70,140 respectively. They also will experience large and permanent GPR budget reductions to ECB's budget. WPR and WPT must also address budget declines in net fundraising revenue and the need to make critical staff investments to support new technology, emerging services and expanded fundraising. The WPT and WPR budget process is ongoing and on a longer timeline because ECB budget reductions aren't yet known and because 4th quarter fund-development results aren't in yet. Those numbers are needed to support effective planning in response to anticipated budget cuts. WPT and WPR are consulting internally and with our community support organizations about how to implement deeper cuts and budget reallocations.

The Budget Overview: With this background unit Directors have developed preliminary budgets that address GPR reductions to BAMl and provide the basis for more significant budget reductions and reallocations to address WPR and WPT's larger and long term economies.

Budget reductions will be implemented in alignment with UW Extension institutional values and according to this hierarchy:

- Reductions in supply and internal capital budgets
- Delaying new initiatives
- Leaving vacant or eliminating administrative positions
- Leaving vacant or eliminating programmatic positions
- Issuing letters of non-renewal

The Directors office will balance the FY10 budget by leaving portions of 3 FTE positions vacant

ICS will reduce expenses to meet a GPR reduction of \$52,264 by reducing supplies expenses and postponing hiring to fill an IT management vacancy and an administrative fiscal support position.

ICS Extraordinary Assessment of \$700,000 against ICS' Auxiliary Reserve: ICS will first seek to restore or replace the assessment.

ICS completed "Phase 1" of The Pyle Center technology replacement and digital upgrade. "Phase 2" is budgeted for approximately \$2.4 million which ICS has in place. Without this money or replacement funding of the \$700,000 ICS would significantly delay completion or reduce scope of the project. "Phase 2" would complete the first significant updating and upgrading of educational technology at The Pyle Center since it reopened ten years ago. Without the full budget ICS would face three choices. The project could be delayed, key components of the upgrade would be eliminated or the upgrades would be limited to five of the seven rooms targeted for equipment replacement. Any of these options will erode ICS' and The Pyle Center's contribution to continuing professional education, support for UW Colleges and to the University's commitment to enhancing opportunities for bachelors degree completion as part of the Growth Agenda. As the state's premiere distance education support center, the ICS infrastructure is a key part of our state's ongoing learning in support of economic development. If the rooms can not be updated bookings will decline with subsequent impact on Extension Conference Centers.

WPR and WPT have identified reductions in spending to accommodate the 1st year lapse and are in the process of identifying more extensive budget reductions and reallocations that will yield approximately \$500,000 to each of those budgets pending FY09 development results and state GPR reductions to ECB. These figures will far exceed WPR's \$70,140 reduction and WPT's \$165,204 GPR reductions. Budgets in development will accommodate financial shortfalls and the need to meet long term service goals by investing in new technology, new service platforms and expanded fund development. The need to restore a balanced budget and to invest in new areas to assure future relevance and viability will require additional staffing reallocations (and in some cases, additional reductions) within WPR and WPT.

WPR: To meet the FY10 University GPR reduction, WPR will leave a series of vacant positions unfilled and forego planned initiatives. Vacancies that will remain unfilled for part or all of FY10 include a morning programming producer, and a halftime news reporter. Additional reductions to meet GPR cuts at ECB and lower budgeted net fundraising revenue are still under consideration with ECB and the Wisconsin Public Radio Association.

WPT: To meet its FY10 University GPR reduction, WPT will postpone filling recent vacancies or reduce the FTE% of those positions. Vacancies that will be held open include an Executive Producer for educational programming, a graphic designer and a community outreach specialist. Additional reductions to meet GPR cuts at ECB and lower budgeted net fundraising revenue are still under consideration with ECB and the Friends of WHA-TV.