WACUBO

Business Management Institute

Budget Management in Constrained Environments

Practical strategies for leading budgets through enrollment volatility, rising costs, and constrained resources

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Check-In Point

How to check in:

1. Point your phone's camera at the QR code, or navigate to https://wacubo.cnf.io

2. Tap the session: **Budget Management in Constrained Environments**

3. Keep your browser window open to check out at the session's end

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WHAT YOU'LL WALK AWAY WITH

Learning Objectives

01

Diagnose the drivers of structural deficits

Analyze the financial and operational factors contributing to budget pressure across academic and administrative units.

02

Apply practical planning tools

Use scenario planning, cost analysis, and multi-year forecasting to support data-informed budget decisions.

03

Lead constrained budget conversations

Practice evaluating trade-offs and balancing short-term reductions with long-term institutional sustainability.

SESSION ROADMAP

Agenda

Framing the Challenge

Why constrained budgeting has become the new normal in higher education

THE LANDSCAPE OF CONSTRAINT

Five Pressure Points Reshaping Higher Ed Budgets

Enrollment Volatility

Shifting demand across programs strains revenue built on stable headcount.

Labor & Benefit Costs

Compensation, health care, and retirement costs rise faster than core revenue.

Inflation

Utilities, supplies, and contracted services cost more each renewal cycle.

Deferred Maintenance

Aging facilities and infrastructure create a growing backlog of unfunded need.

Evolving Student Needs

Basic needs, mental health, and academic support demand new investment.

COMMON CAUSES OF STRUCTURAL DEFICITS

Where Financial Deficits Take Root

Academic Units

- High unit cost per FTES in low-enrollment programs
- Reliance on tenured faculty with low student-faculty ratios
- Extensive lab, studio, and equipment costs
- Persistent under-enrollment in upper-division courses

Administrative Units

- Structural overreliance on temporary or one-time funding
- Escalating deferred maintenance and aging infrastructure
- Rising overtime and contracted labor costs
- Central service models that limit cost recovery

Tools for Data-Informed Decisions

Scenario planning, cost analysis, and multi-year forecasting for constrained budgeting

TOOL 1

Scenario Planning

Model best-, mid-, and worst-case resource conditions before committing to a plan.

Best Case

Enrollment holds, state allocation grows modestly — protect strategic investments.

Mid Case

Flat enrollment, inflationary cost growth — hold the line with targeted efficiencies.

Worst Case

Enrollment decline, unfunded mandates — identify pre-planned reduction triggers.

Guiding Question

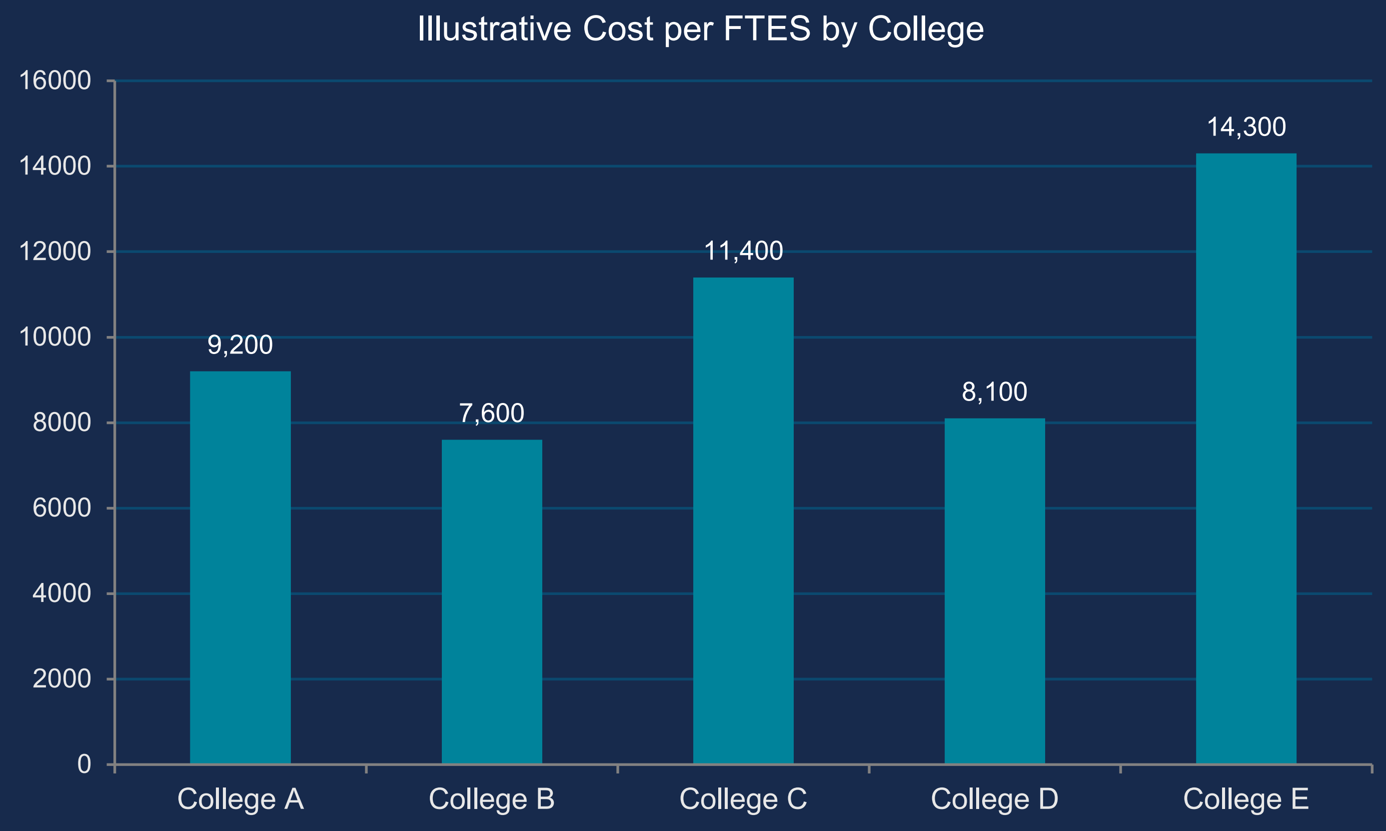
"If conditions shift by 5–10%, which commitments hold — and which trigger a pre-planned response?"

Used for: budget requests, enrollment shifts, state allocation uncertainty

TOOL 2

Cost Analysis

Compare unit cost against enrollment or service load to locate structural pressure.



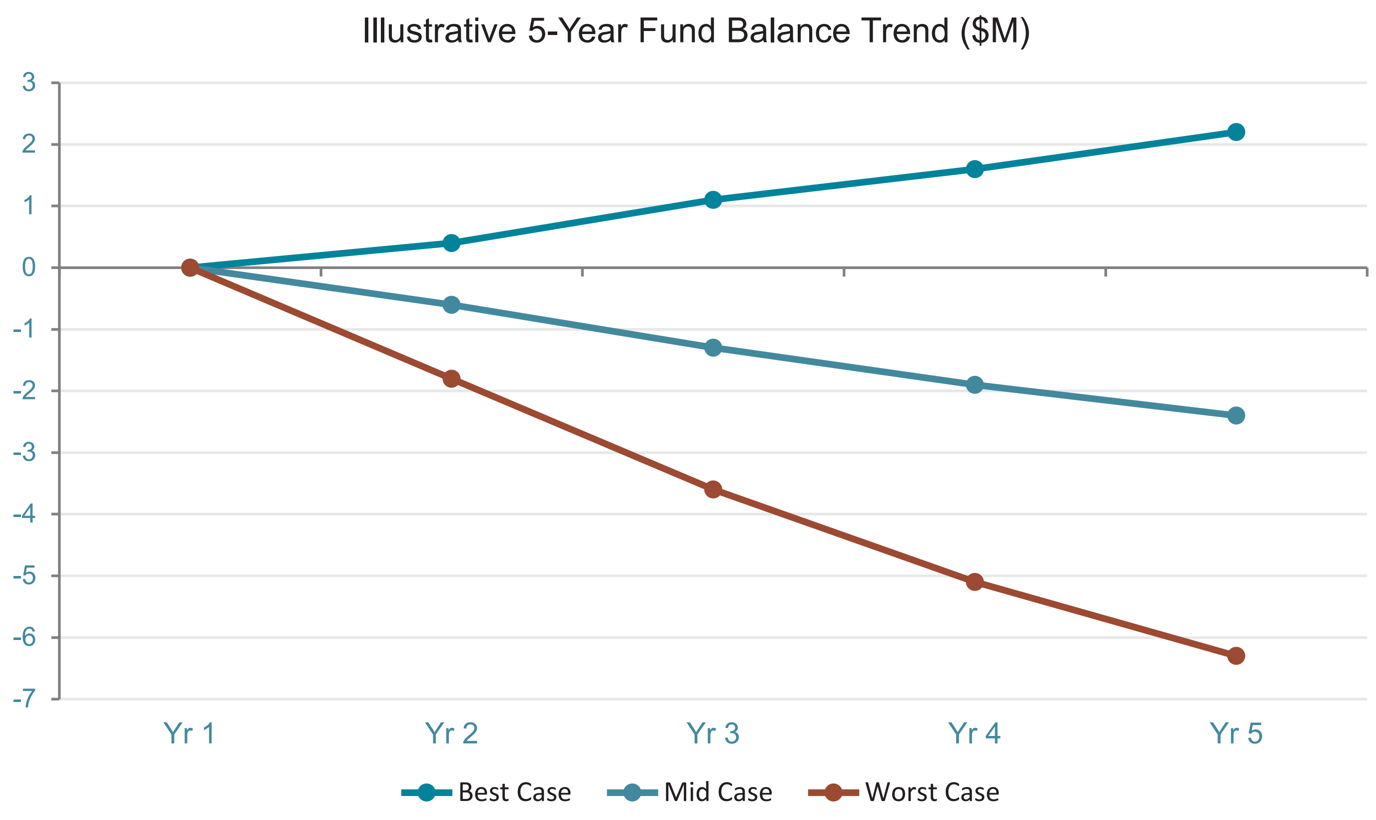
What to Compare

- Cost per FTES across colleges
- Facilities cost per square foot
- Cost per credit hour vs. peer benchmarks
- Administrative overhead as % of budget

TOOL 3

Multi-Year Forecasting

Project the revenue-expense gap forward to size the problem before it compounds.



Why It Matters

A 5-year view turns a manageable annual gap into a visible, compounding structural problem — making the case for early action.

Pairs well with:

Scenario planning ranges + cost analysis benchmarks

Choosing the Right Tool

Tool	Best For	Time Horizon	Key Output
Scenario Planning	Uncertain enrollment or funding conditions	1 budget cycle	Range of funded responses
Cost Analysis	Locating structural cost pressure by unit	Point-in-time	Unit cost benchmarks
Multi-Year Forecast	Sizing a structural deficit over time	3–5 years	Trend line & inflection point

Facilitator Note:

The tools are complementary, not sequential — most units will use all three together depending on the decision in front of them.

Applied Practice

Two case studies — one academic, one administrative — to practice the tools together

CASE STUDY 1 · ACADEMIC UNIT

College of Arts & Humanities

$1.1M

PROJECTED SHORTFALL
(Annual Budget $23M)

Case Facts

- High unit cost per FTES relative to campus average
- Reliance on tenured faculty and consistently low student-faculty ratio
- Persistent under-enrollment in several upper-division majors
- Growing need for studio, performance, and specialized lab space

Strategic Questions

- How do you balance academic mission with financial sustainability?
- What data is needed to prioritize program offerings?
- What collaborative solutions might emerge from Academic Affairs and Finance?

CASE STUDY 1

Task

Work in small groups (10–12 minutes)

1. Identify 2–3 primary budget pressures contributing to the deficit.
2. Propose 2 strategic actions to reduce the deficit while protecting core academic functions.
3. Discuss the pros, cons, and stakeholder implications of each action.

Information Technology Division

$1.6M

PROJECTED SHORTFALL

Case Facts

- Legacy system maintenance consuming a growing share of the budget
- Cybersecurity investment requirements outpacing prior-year funding
- Staffing shortages driving reliance on costly contracted support
- Central service model limits cost recovery from campus departments

Strategic Questions

- Where are the greatest inefficiencies in current service delivery?
- How can data inform prioritization of system investments?
- What governance or funding model changes are possible?

CASE STUDY 2

Task

Work in small groups (10–12 minutes)

1. Identify 2–3 structural or operational factors contributing to the deficit.
2. Propose 2 actionable solutions and evaluate their impact.
3. Identify 1–2 key takeaways your group would bring back to campus.

BRINGING IT BACK TOGETHER

Report Out & Group Reflection

Present Your Work

Share your group’s analysis and proposed budget strategies.

Anticipate Challenges

What resistance or pushback might your recommendations face — and how could those concerns be addressed constructively?

Reflect on the Process

What are 1–2 key insights your group gained while working through this scenario?

Leading Through Constraint

Turning trade-offs into transparent, collaborative decisions

IV

Short-Term Relief vs. Long-Term Sustainability

Short-Term Actions

- Hiring pauses or delays
- One-time reserve draws
- Deferring non-critical maintenance
- Freezing discretionary spending

Long-Term Actions

- Program consolidation or redesign
- Structural staffing model changes
- Multi-year capital reinvestment plans
- Revenue diversification

BUILDING TRUST IN THE PROCESS

Transparency, Fiscal Discipline & Collaborative Conversations

Share the Data

Publish the same cost and enrollment data used to make the decision.

Invite Input Early

Bring stakeholders into trade-off conversations before decisions are finalized.

Set Clear Criteria

Use consistent, mission-aligned criteria to evaluate every reduction option.

Close the Loop

Report back on outcomes, so trust builds for the next constrained cycle.

BRINGING IT HOME

Strategic Takeaways

1. Structural deficits are often years in the making — and are opportunities for innovation, not just cuts
2. Scenario planning, cost analysis, and forecasting work best used together, not in isolation
3. Collaboration between academic and administrative leaders produces more durable solutions
4. Transparency and clear criteria build the trust needed for the next constrained budget cycle

What were your takeaways from today's session?

Share one action you plan to bring back to your campus.

KEEP LEARNING

Resources & Contact

Resources

College and University Budgeting, Fifth Edition

A Guide for Academics and Other Stakeholders — Larry Goldstein & Brett Matteo

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Contact Us

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