



**NAROPA UNIVERSITY**  
**OFFICE OF THE PRESIDENT**

**Budget Message from President Lord**

*You can plow the garden, trim and prune the branches, but don't cut the root.*

—Chögyam Trungpa Rinpoche

Dear Members of the Naropa Community,

As articulated in our mission statement, Naropa University seeks to create an education that “prepares its graduates both to meet the world as it is and to change it for the better.” In order to fulfill this mission, we must simultaneously strive to make our students’ educational experience both mindful and rigorous, and build a sustainable work environment for faculty and staff.

In my first few months as Naropa’s president, I have come to understand the hard work that is needed to implement the university’s strategic plan, “Deliver Distinction with Excellence,” and I am appreciative of the contributions that have been made to date in moving the plan forward. At the same time, building a fiscally sustainable model for the university requires continued attention both to the strategic plan’s unfolding and to the realities of our regular annual operating budgets. We must provide a more stable economic environment for the foreseeable future in which to cultivate our bold and ambitious direction for contemplative education.

A review of Naropa’s financial history reveals a pattern of economic challenges. As you may know, for the past several years the university’s revenue and expenses have not lined up, and short-term adjustments were needed each year to balance our annual operating budget. In the various conversation circles I have participated in since July, it is clear that the university budget situation has eroded employee working standards and morale, and impinges upon our ability to genuinely and progressively pursue our collective goals. Long-term permanent solutions that alter this unsustainable pattern and ensure a sustainable future must be addressed now.

In our recent meeting with the board of trustees, we sought to balance all priorities arising from the implementation of the strategic plan: the development of the academic plan’s curricular arc, enhancement of the student experience and wise management of our resources. The board encouraged me to apply a fresh eye and perspective to longstanding challenges. Working closely with key university colleagues and select external advisors,

I have sought to do so in light of both internal and wider considerations. The broader economic outlook tells us that continued reliance on temporary short-term measures to align expenses with projected revenue will not suffice—we must reshape and “right size” our organization and therefore our budget for future years. We must act strategically, by taking a prudent and responsible approach to these economic realities considering both immediate and long-term consequences and opportunities.

Unfortunately, these realities require that we make some substantial budget reductions during the current budgeting season, with a target of reducing our annual spending by at least \$1.2 million as the university enters the 2010–11 fiscal year beginning July 1. I have asked Sue Evans, our vice-president of business and finance, and Stuart Sigman, our vice-president for academic affairs, to work with the University Budget Committee (UBC) to address this urgent issue. They will oversee a process that is inclusive and that makes use of existing governance and management structures to develop proposals to realign and reduce our expenditures.

While we may all ask how these decisions will affect us personally, the truth is that we do not know yet. We do not anticipate that this process will be easy, and I believe that it is important that I be as transparent as possible at the very beginning and throughout the entire process. It is likely that this undertaking will reduce the number of positions at the university and may mean changes to, consolidation or closure of academic programs and administrative services. Our goal however will be not just to cut our costs, but to improve the way we operate Naropa University in the pursuit of our mission.

Throughout the process, we will seek Naropa’s collective wisdom from across the university community, and we will meet with and review all departments, both administrative and academic, for opportunities to deliver our services in a more productive fashion and reduce costs. In addition, Dr. Frank Selto from the University of Colorado’s Leeds School of Business, who has assisted the university in the past with a variety of alignment exercises around budgeting and strategic planning, will be advising the newly created Budget Resource Group, which is designed to take input from various constituencies, model the financial implications of these suggestions, and offer analyses and data to senior staff and the UBC.

More information and regular updates will also be posted to our budget website, at [naropa.edu/budget](http://naropa.edu/budget), where we invite you to submit questions and suggestions. We welcome any thoughtful suggestions that you may have in finding ways to make the university more effective and financially sustainable.

As this message is being circulated to the university community via email, I am meeting with the UBC, along with Vice-President Evans and Dr. Sigman, to establish the charge for the UBC’s work this year. It is my expectation that the UBC will confer widely and provide a set of recommendations to senior staff and me by early April 2010. Individual members of senior staff have been directed to submit budget proposals for their respective units that model potential changes to the delivery of their functions resulting in cuts at varying percentages of current funding. As in the past, it is these budget proposals

that the UBC will deliberate on and that will inform the committee's recommendations. Senior staff as a whole and I will review the recommendations, and working along the way with representatives of the trustees, prepare for the board of trustees meeting in early May, at which time I anticipate the 2010–11 budget will be addressed, deliberated and finalized.

Although our financial situation is not in crisis, it is important that we act quickly and decisively. If you are available, please join me at 3:15 p.m. today on the Arapahoe Campus, at the Student Center in the Administration Building, to discuss the implications of this course of action.

Shortly, I will provide further information about the workflow for this budget reduction initiative, and how all constituencies will be able to participate. I ask for your insights, patience and thoughtfulness, for a spirit of community to inform all of our decisions, and for gracious candor as we confront our current situation. We must position Naropa University for its best future. I believe that working together we can achieve a stronger and healthier Naropa University that serves both our mission and all members of the university community along the way.

In the spirit of service,

A handwritten signature in black ink, reading "Stuart C. Lord". The signature is written in a cursive style with a long, sweeping underline that extends to the left.

Stuart C. Lord  
President  
Naropa University