

From: Chancellor Bernie Patterson
Sent: Wednesday, December 14, 2011 12:19 PM
To: Faculty/Staff List
Subject: Budget Update

Dear Friends,

The recent budget lapse announced by the Wisconsin Department of Administration has created unique challenges for UW-Stevens Point, not just because of the peculiar manner in which it was allocated, but equally because of the political signals surrounding its distribution. The fact that the UW System received 38 percent of the lapse amount despite comprising only 7 percent of the state GPR budget is troubling enough. Even more concerning are indications that this lapse amount may grow larger than initially suggested and that it will be continued statewide into the next biennium.

As many of you know, I asked a small group of university leaders to meet this past Monday and Tuesday at a Budget Summit in an effort to plan our response to these reductions. I'm writing today to update the university on the results of our discussions.

The simple fact that we held this summit at all is significant. In the past, such conversations often took place within the colleges, departments and other units, each of which was left to deal with its particular concerns in isolation from the rest of the university. The intent of the summit, by contrast, was to ensure that we approach the current situation collectively, and with the *university's* best interests in mind. In addition, my aim was to ensure transparency in our decision making. The summit included not just the university's principal budget managers—the vice chancellors and the deans—but also a representative of each of its other governance groups: faculty, academic staff, classified staff and students.

Perhaps most important, the summit was intended to move UW-Stevens Point away from simply *reacting* to our budget woes and instead allow us to plan *proactively* for our future, regardless of how much funding we receive from the state. During the summit, we reached the following conclusions:

- We arrived at a plan for dealing with the announced and potential budget lapses during the current fiscal year, primarily by relying on one-time savings from resignations, retirements and other reserves.
- We outlined a strategy to position the university to absorb a potential base reduction in the 2013-2015 biennium, a possibility that many UW and state political officials believe is likely. This will require preparing both to reduce expenditures and to increase revenues beginning in the next fiscal year.
- We agreed on several initiatives designed to maximize resources and improve our efficiency, including asking our provost, deans, and faculty members to re-examine our curricula, looking in particular at the number of credits in each major and the number of minors, concentrations and options within each academic department.
- We established a number of goals for managing our enrollment more strategically; both to increase revenue and to assist our departments in dealing with issues related to staffing and seat availability. For example, if by the 2013-14 academic year UW-Stevens Point were to increase the number of students enrolled by 264, it would generate an additional \$2,128,083.
- Finally, we discussed the importance of building on the university's recently approved strategic plan in order to set clear academic goals that result in significant fundraising opportunities.

There remains a great deal of uncertainty concerning the budget lapses proposed by the state. We still do not know, for example, how much revenue we will be required to give back this year. The exact amount of the lapse, in turn, will determine how we shape the budget next year and how we position the university for the next biennial budget process in 2013. Our hope is to learn more about the lapse once the state announces its next revenue forecast in January.

Nevertheless, I want you to know that we are determined to meet whatever challenges lie ahead, and to do so as collaboratively and transparently as possible. If we work together, I'm convinced that the brightest days are still ahead for our great university.

Bernie