

Oct. 20, 2008 – UW Budget Update

Dear Colleagues,

Here is an update on the current state of the UW budget, based on the most accurate and up-to-date information I have on Monday, Oct. 20. When I spoke with you last Wednesday during the noon-hour WisLine, Governor Doyle had not made any public statement about the potential impact of the economic downturn on the 2009-11 budget. As many of you know, he did address this topic later on Wednesday afternoon.

Based on revenue projections through August 2008, the Governor is projecting as much as a \$3 billion dollar shortfall in the 2009-11 biennial budget. This revenue shortfall is being forecast before knowing the effect the recent economic woes will have on state revenues, so the shortfall could go higher when a more thorough analysis is conducted in late November.

Because of this uncertainty, Governor Doyle has asked all state agencies, including the UW System, to resubmit their 2009-11 biennial budget requests showing a 10 percent reduction in spending in the case that budgets are in fact cut. While I am not certain at this point, it is possible that there could be a reduction in funding to support the University of Wisconsin's Growth Agenda. The UW Colleges' and UW-Extension's major initiative in the Growth Agenda is the Adult Student Initiative, which is intended to increase nontraditional students' access to a baccalaureate degree.

As we look at possible revisions to our budget, I will try to safeguard, to the degree possible, our academic and mission-specific programs from cuts. Because we anticipated in our current budget planning that we might have to absorb some cuts, we set aside a modest amount of one-time funding to address this situation. At this point, I don't know if any cuts we might receive would exceed this one-time pool of available dollars. If they don't, it would be my intent to use these set-aside funds, to the extent feasible, to address any cuts.

We all know that these are very difficult economic times for us, but the Governor did indicate that he will try and hold as harmless as possible his top priorities, which include funding for schools and universities.

As we get a clearer picture of the challenges we will be facing in this budget cycle, Rosemary Potter, director of governmental relations for the UW Colleges and UW Extension, and I will be working intensely on a comprehensive advocacy

strategy to ensure that our various publics understand our value to the State of Wisconsin.

I will keep you updated on our strategy and our progress as the budget process continues. I also encourage you to e-mail me any ideas you may have about cutting costs or how UW Colleges and UW-Extension can become more efficient in their operations.

I sincerely appreciate the value each of you contributes to making university resources accessible to every person in Wisconsin. Thank you for your commitment to UW Colleges, UW-Extension and your fellow Wisconsinites.

Kind regards,

David Wilson, Chancellor