

May 7, 2009 – UW-Extension Budget Recommendations

Dear Colleagues:

Since last fall, I have been consistently updating you on the 2009-11 budget. In my April 13 email, I indicated that UW-Extension was working diligently to identify how it would deal with projected cuts. UW-Extension Provost and Vice Chancellor Christine Quinn led the UW-Extension deans and directors in a collaborative and transparent process to identify necessary budget modifications. Those recommendations were forwarded to the UW-Extension and UW Colleges Budget Planning Committee for further review and discussion, and then on to me. Below is a summary of those recommendations and my response to each.

Each UW-Extension division utilized the following core principles, which I indicated we would uphold as we made our way through these decisions.

Budget-Planning Principles

- The institutions care deeply about, and will work to avoid negative impacts to, our faculty and staff.
- Decisions will be made which are in the best long-term interest of UW Colleges and UW-Extension.
- We should be inclusive, collaborative, and consultative in our work and in our recommendations
- The cross-institutional nature of our discussion is inherently valuable and should not be overlooked or underappreciated.
- Transparency and communication will occur throughout the budget-planning process.
- Our work should focus on institutional missions; our decisions should minimize negative impacts to stakeholders, students, partners, and programs.
- We should balance short-term and long-term cost/benefit.
- This is not business as usual; we need to communicate value wherever possible.
- Ultimate decision-making authority rests with the chancellor.

Please note: All UW-Extension divisions have multiple funding sources. These recommendations only address GPR (state funding) cuts.

Cooperative Extension (Coop)

Base Reduction: \$ 149,239

Lapse Reduction: \$1,260,703

Recommendation #1: Keep vacant positions open longer to accumulate one-time resources.

Recommendation #2: Monitor spending on important initiatives and professional development.

Recommendation #3: No new initiatives will be introduced. Cooperative Extension's goal is to stabilize program coverage and to work with county partners to maintain a crucially important local presence. Cooperative Extension will continue the implementation of its strategic plan and continue to contribute to the UWC/UWEX institutional strategic plan.

I have accepted these recommendations and think they are prudent given the extensive and important work Cooperative Extension does in all 72 counties, while also being mindful of the macroeconomic condition. In accepting these recommendations, I know that more stress will be placed on existing county staff, because I am already hearing that the demand for our services has increased significantly. I know it will be very difficult to meet all the increased demand and we will continue monitoring the state budget picture, hoping for economic relief soon.

Division of Entrepreneurship and Economic Development (DEED)

Base Reduction: \$ 11,929

Lapse Reduction: \$100,775

Base Reduction Recommendations:

- Recommendation #1: Exclude campus-based Small Business Development Centers (SBDCs) from this cut because reductions would severely impact core services.
- Recommendation #2: UW-Madison Executive Education will receive a larger share of the cuts because long-term opportunities exist for the program to make adjustments.

Lapse Reduction Recommendations:

- Recommendation #1: Exclude campus-based SBDCs from this cut because reductions would severely impact core services.
- Recommendation #2: DEED received its pro-rata share of the reduction as well as the amount allocable to campus SBDCs.

- Recommendation #3: UW-Madison Executive Education and UW-Milwaukee Business & Management will receive their pro-rata share of the reduction.

I have accepted these recommendations, keeping in mind that with the many partners DEED has throughout the state, these recommendations achieve the goal to minimize negative impacts to partners and programs.

Continuing Education, Outreach, and E-Learning (CEOEL)

Base Reduction: \$101,071

Lapse Reduction: \$853,808

Recommendation: To minimize the negative impact on campus continuing education units, CEOEL suggested – and campus partners agreed – that because campuses have significant carry-forward balances, the budget reduction could be managed most efficiently for FY10 as a “give-back” of carry-forward funds to CEOEL.

Restated, CEOEL has chosen not to pass the budget reduction/efficiency lapse on to UW campuses during 2009-10. Instead, CEOEL will take the budget reduction/efficiency lapse against its own budget in 2009-10. Each institution will return its calculated portion of the budget reduction/efficiency lapse from its carry-forward funds.

I have accepted this recommendation. It is a wise use of resources, maintains important partnerships, and positions continuing education units throughout the UW System to be more entrepreneurial in this climate of dwindling state resources.

Broadcast and Media Innovations (BAMI)

Base Reduction: \$ 36,480

Lapse Reduction: \$308,166

Recommendation #1: GPR budget reductions in BAMI will be achieved by:

- Reductions in supply and internal capital budgets

- Delaying new initiatives

- Leaving vacant or eliminating administrative positions

- Leaving vacant or eliminating programmatic positions

Recommendation #2: BAMl will balance the FY10 budget by leaving portions of 3 FTE positions vacant.

I have accepted this recommendation as we strive to maintain the quality of Wisconsin's public broadcasting, which has won numerous national awards for its programming and reporting.

Let me reiterate that we are in an unparalleled period of economic uncertainty, and it is difficult to predict what the future holds. If the economic downturn continues (and I fully expect it will do so in the short term), it's possible that UW-Extension and the UW Colleges will need more reductions in the future. Later today, the Governor will release new budget deficit figures for the state of Wisconsin. As of this writing, I do not know the effect of these figures on the UW-Extension and the UW Colleges. I expect to have a clearer sense of the impact on us by early next week, and at that time will communicate with you again.

With that being said, please know that I value all your hard work and dedication on behalf of our many partners and constituents, who need our programs and services now more than ever.

Warm regards,

David Wilson, Chancellor