



Memorandum

To: UWGB Community

From: Gary L. Miller *Gary L. Miller*

Date: April 15, 2015

Subject: Budget Reduction Update

GARY L. MILLER
Chancellor

As we announced in the April 8 LOG, I cancelled the Town Hall meeting scheduled for last week. While we continue to have very constructive conversations with our legislative colleagues both about the size of the reductions in state funding and about important flexibilities for the university system, because of the slower than expected pace of the legislative Joint Finance Committee, we will know little new about the state budget this week. Our Trustees and I continue to meet with legislators. I was in the capital two weeks ago and will be there again this week. We expect Joint Finance to take up the university budget near the end of their deliberations.

I am once more revising our internal planning schedule to correspond with legislative consideration. I now expect the university's final budget decisions to be made near the end of June at the earliest rather than mid-May as I projected in my March 30 memo to the university community. Given the fluid nature of the current deliberations, I cannot promise there won't be another adjustment to this schedule.

As I discussed in the March 30 memo, we continue to work with the UPIC to identify permanent budget reductions to be taken immediately and explore the fiscal implications of our program array, organizational structure and work model. Although I am hopeful there will be some reduction in the cuts to the university, I am not sanguine those reductions will relieve us from having to make tough decisions. As I have emphasized to the units with whom I have met, our challenge is not related solely to the proposed budget reductions. We also face ~~some~~ structural challenges related to our organization and practice which must be addressed if we are to grow and thrive after this budget crisis.

Board of Regents Meeting, April 9 - 10

The Regents focused primarily on two areas in their discussions last week: (1) flexibilities and (2) accountability. Even though legislative support for a Public Authority appears to be declining, we continue to have productive discussions with legislators about specific flexibilities for the university system which could be granted through legislation in the absence of the public authority. The system is seeking in particular the following specific flexibilities:

- Mechanism for a dedicated funding stream for the university to allow for rational budgeting and tuition planning.
- Board authority to develop their own compensation plans and to provide merit pay.

I N N O V A T I O N T R A N S F O R M A T I O N P L A C E

- More flexibility in the planning and construction of capital projects including revenue bonding authority.
- Authority to invest and manage program revenues.
- More flexibility in purchasing and procurement.

(Several chancellors were asked to give specific examples of how such flexibilities would save their campus money – it was not difficult to find examples!)

The flexibilities being sought are like those in nearly all other higher education systems in the country and have been sought by the system since the 1970s. Currently, the University of Wisconsin system is one of the top four most regulated higher education systems in the country.

Naturally, the discussion of more flexibility comes with calls for the university to be more accountable. Even though the university has a culture of reporting accountability metrics – currently, we submit over 40 separate accountability reports per year—there is a desire to simplify this reporting and add incentives to accountability outcomes. The Chancellors and the system staff continue to work to develop a more robust and simple accountability system which will give the legislature a sound understanding of how campuses compare to their peers.

We will continue to plan in order to support our students to the fullest extent possible. I will keep you informed as we receive new information. Thank you for your continued hard work and dedication to UW-Green Bay.