



Memorandum

To: University Community

GARY L. MILLER  
*Chancellor*

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

Date: June 10, 2016

Subject: One-time Distribution of Funds

President Cross notified the Chancellors on May 19 that the UW System experienced significant fringe benefit and utility savings in fiscal year 2015-16. Position reductions brought about by recent budget cuts and changes in the State's health insurance program instituted in January of 2016 resulted in fringe benefit cost savings of approximately \$34 million. Utility savings of \$23 million resulted from a warmer than average winter.

These funds are being distributed to the campuses to address two major objectives: increasing affordability for UW students and improving success which may include initiatives to reduce time to degree, student services, and recruitment and retention of key faculty and staff. We expect a distribution of \$2.7 million for UWGB.

Provost Davis and Vice Chancellor Van Gruensven are working in collaboration with the Cabinet, the Deans, the UPIC and the Council of Trustees to develop recommendations for the use of these funds in accordance with the President's directive.

At this point all of these funds are to be considered one-time funds and, thus, unavailable for base compensation adjustment or other ongoing costs. There is a possibility that a small portion of these funds may be deemed continuing funds but we will not have that information until later in the summer. I have asked the Provost and the Vice Chancellor for Business and Finance to consider contingency recommendations should that become an option for us.

It is extremely important that we all understand that these funds will not be used to supplant the \$2 million expense reduction we have planned for the coming fiscal year. That reduction is entirely a precaution against continued soft enrollment and, thus, must be continued until enrollment increases. Moreover, constraints placed on the use of current funds preclude their use in replacing the expense reduction.

This is an unexpected and exciting opportunity for us to make some progress on important student success initiatives. Please interact freely with members of the UPIC and the deans of your college as we develop recommendations.