

## Mid-Year Budget Update

### Current Revenue Shortages

\$800K - \$1M	Non-resident shortfall of 80 FTE with respect to EM21 target in F02. The non-resident gap has continued to grow and is currently about 100 FTE.
\$300K	Sum04 under enrollment. The campus AFIR assigns \$2M in revenue to summer session. This corresponds to 12,000 SCH. Sum04 was 10471 SCH. UW-L have actually been below 12,000 SCH for the last several years.
\$210K	Fall04 under enrollment (105 FTE @ \$2K each).
\$210K	Spr05 continuing under enrollment.
\$350K	Differential tuition match. This counts as a shortage since it is essentially pre-encumbered revenue.

**Total** ~ \$1.9M - \$2.1M

These revenue shortages are being covered through \$800K of primarily instructional positions eliminated in the last biennium (communicated to the Faculty Senate in S03), \$450K in UW-System forgiveness (communicated to the Faculty Senate in S04) and \$900K in non-positional funds (communicated to the Faculty Senate this year). The \$800K and \$900K amounts remain in our budget but are currently unspent in order to balance the revenue shortfall. When enrollment targets are met these funds will again become available.

### Observations

It appears that UW-L, in addressing the last biennium state reductions, reduced instructional positions to a greater extent than other campuses.

In addition to state reductions we further cut instructional positions to deal with non-resident shortfall. Approximately 16 positions were cut because of a non-resident shortfall of 80 FTE.

Position reductions disproportionately affected instructional capacity.

Reduction in teaching positions due to non-resident shortfall created an instability. Reductions in teaching capacity cause reductions in opportunities for students to take classes, which in turn results in reduced revenue. Continued reductions in teaching capacity will not break this cycle.