

Summary of UW-System Budget Reductions and UW-L Revenue Shortfalls

Biennial Reductions for Academic Years 2005-2006 and 2006-2007

The governor's original budget recommendation proposed a cut to the UW-System that would have resulted in a reduction to UW-L of \$1,275,000. The legislature increased by \$586,436. The total reduction to UW-L is \$1,861,436. The Chancellor, last spring, distributed a list of identified cuts totaling \$1,531,395 to respond to the state budget reduction. This leaves a difference of \$330,041.

Revenue Shortages for Academic Year 2004-2005

For the last few years UW-L has experienced revenue shortages attributable to missing various enrollment targets (non-resident, fall/spring targets, summer session). Last year these shortages totaled approximately \$2,150,000. These shortages were covered in several ways. In the last biennium \$800,000 was cut to account for a shortfall in non-resident students. This amount technically remains unspent in our budget to balance against revenue shortages. In fall 04 the Joint Planning & Budget committee was presented with a list of \$900,000 in cuts. In addition to these, UW-L obtained an agreement from UW-System to forgive approximately \$450,000 in revenue shortages.

Budget Situation for Academic Year 2005-2006

The current budget situation is probably easiest to understand in terms of changes from last year. The revenue shortage attributable to summer session increased by \$60,000 over the previous year (\$300,000 shortage last year, \$360,000 this year). Last fall UW-L fell short of its enrollment target by 105 students (target 8075, actual 7970). This year UW-L had an actual fall enrollment of 8358. This represents an increase in revenue of \$1,668,400. We are still short of our EM21 non-resident targets so that the net result of these changes, assuming that spring enrollment is at the historical 92% of fall enrollment, is that we are short approximately \$400,000 in revenue.

Balanced against this however we have the \$800,000 cut in the previous biennium, the \$900,000 list identified last year as well as the system forgiveness. This fall Joint Planning & Budget was informed that UW-L had negotiated with UW-System to increase the forgiveness amount to approximately \$800,000. This gives a total of \$2,500,000 to balance against the revenue shortages.

Budget Situation for Academic Year 2006-2007

UW-L's fall 06 enrollment target is 8500. If the increase were all in resident students this would represent an increase of at least \$635,500 in revenue at current tuition rates.