July 13, 2015  
E-mail from Chancellor Joe Gow

Dear colleagues and students:

I hope everyone is having a productive and pleasant summer. Although our 2015-16 academic year won't begin for a few more weeks, I'm writing today to update you on the implications of the state 2015-2017 biennial budget that Governor Walker signed into law yesterday. Although there weren't any surprises from what we have been expecting, now that the state budget process is complete we can finally summarize what the state budget will mean to us here at UW-L.

The budget cuts to the UW System and to UW-L are substantial, and tuition will be frozen for another two years. As you know, we've been preparing for these major reductions in resources by formulating a budget-cutting plan with our Joint Planning and Budget (JP&B) Committee, and we will be making significant base-budget cuts. Thankfully, we are one of the few campuses able to plan for the entire two-year budget, and we won't need to make any additional cuts for the 2nd year (2016-2017) of the biennium.

Because the final state budget contains a UW System reduction slightly smaller than what Governor Walker initially proposed, UW-L now has approximately $768,000 in additional resources to utilize. Consequently, we look forward to meeting with our JP&B Committee to talk about how we'll modify our current budget reduction plan. We'll wait until mid-August to initiate these meetings in order to ensure that all the faculty, student and staff representatives on the JP&B are on campus and able to participate.

Regrettably, associated with the 2015-2017 Biennial Budget, the State of Wisconsin recently announced a substantial increase in health care deductibles that will start on January 1, 2016; as well as a small increase in the actual individual and family premiums, which won't be known until September. These changes to the State Group Health Insurance Program will result in increased costs to UW-L employees in several ways: added deductibles, increased out-of-pocket limits, coinsurance for certain prescription drugs, and office visit co-payments. In particular, our deductibles will increase by $500 for single employees and $1000 for families. We recognize the financial impact that our UW-L employees and families will take with these increased charges and know the increased burden this places on everyone—particularly lower and middle class families. I'm attaching additional information the State Department of Employee Trust Funds has released about these important changes.

Given the disappointing budget and benefits news we're receiving from Madison, it's all the more critical that we move forward with our planned 1% base pay adjustments at UW-L. All satisfactory or meritorious staff and faculty will receive a 1% increase to their base salaries, and we hope to be able to have that amount reflected by the October 1, 2015 paycheck. The distribution of the 1% to faculty will follow the recommendations our Faculty Senate has formulated.

Regardless of the continuing decline in support we are receiving from our legislators in Madison, here at UW-L we remain committed to fiscally sounds and responsible long-term budget planning, a transparent process, and fair treatment of our faculty and staff. In particular, we remain firmly committed to making compensation for UW-L staff and faculty as competitive as possible.

This has been a particularly arduous state budget process, and I'm very grateful for your patience as it has played out. Because we've all remained so firmly committed to our mission of educating the leaders of tomorrow and advancing the knowledge essential to improving our world, we'll be able to get through the current financial storm without damaging our operations too severely. But the high quality of the work being done each day at UW-L work deserves much greater support, and we'll continue to work all the more diligently to secure that support in future state budgets.

Best wishes,

Joe

Joe Gow, Chancellor  
University of Wisconsin-La Crosse