

From: [Summers, Greg](#)
Subject: Academic Affairs Update, 06-25-20
Date: Thursday, June 25, 2020 1:04:46 PM

Colleagues,

I'll be writing again tomorrow with more details regarding our fall planning and the adjustments we need to make to the Timetable. However, I'm emailing today to provide an update on our Academic Affairs budget. The news that I have is predictably concerning. I don't wish to raise alarms, especially when everyone is working so hard to prepare for fall. However, I also want to be transparent about the financial challenges that lie ahead.

As you know, the pandemic has precipitated an economic crisis in addition to its health-related challenges. At UW-Stevens Point, our revenues will be impacted in two principal ways: first, the university will almost certainly face further budget reductions to help solve the state of Wisconsin's revenue shortfalls; and second, the pandemic is likely to have unpredictable impacts on the revenue we receive from tuition, residential, dining, and other fees.

As we expected, UW System has asked all institutions to plan budget scenarios that include short-term reductions of between 10-20%, and our budget office has begun these discussions at UW-Stevens Point. There is some good news to report. Our enrollment for next year still appears stable despite the pandemic, and many colleagues are working closely with our prospective and returning students to ensure we maintain strong entering and continuing classes. In addition, the budget training and discretionary spending restraints that we implemented over the past year have been hugely successful, netting more than \$5 million in GPR and program revenue savings that we have been able to apply to the university's general financial needs. As a result, despite absorbing a lapse of roughly \$2.1 million that we were asked to give back to the state, we will end this fiscal year with a net balance of roughly \$2.9 million. This by itself has been an impressive collective achievement.

Unfortunately, even with this small balance carried into the next fiscal year, we know the financial challenges associated with the pandemic will continue to mount and that our most significant issues lie in the fiscal years ahead. There is much work still to do. It will take time to know specific impacts. State revenue estimates for the end of this fiscal year will not be available until September, and of course, our enrollment will be more certain then as well. In addition, the legislature and governor may wait to decide needed budget repairs for the next fiscal year until after the November election.

Despite these uncertainties, we need to begin planning now. So, this week I asked the deans and directors in Academic Affairs to look closely at what a one-time 15% lapse in their GPR budgets might entail for the upcoming fiscal year. In Academic Affairs, this would amount to roughly \$6 million. Our hope, of course, is that we won't need to reduce spending this much,

either in the short-term next year or in the next biennial budget. But I would prefer to be proactive in preparing for all possible scenarios.

Please know this message represents neither a “decision” nor a “plan.” Rather, it is simply the next level of discussion and preparation for a year that we know will be irregular on many fronts. However, I wanted everyone to hear directly from me that these discussions are moving forward. I will email again in the weeks ahead as the financial aspects of the pandemic continue to clarify.

Thanks very much.

Greg

~~~~~

Greg Summers

Provost and Vice Chancellor for Academic Affairs | [UW-Stevens Point](http://UW-Stevens Point)

202D Old Main | 2100 Main Street | Stevens Point, WI 54481

Phone: (715) 346-4686 | [gsummers@uwsp.edu](mailto:gsummers@uwsp.edu)



(This message is being sent to the Academic Affairs Faculty/Staff List.)