

**UW-Extension Budget Reshaping Process
Continuing Education, Outreach and E-Learning**

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Continuing Education, Outreach and E-Learning (CEOEL) oversees a budget of \$89.4M. Of that, \$15.1M is GPR; the remaining \$74.3M is program revenue.

CEOEL has been asked to reduce its GPR budget by \$954,880.

Because CEOEL is a statewide operation with connections to all 26 campuses in the UW System, a significant portion of CEOEL GPR is at UW campuses.

To address the budget cut, the dean, associate dean, and budget director from CEOEL engaged the continuing education campus representatives from each UW institution in a conversation about the best means to absorb the reduction. The suggestion made by CEOEL to the campuses was that the budget cuts be made proportionate to the Extension GPR allocations to each campus. All campus representatives viewed that as a fair distribution of the budget reduction.

The primary concern expressed by the campus representatives was that they were likely to experience cuts from several directions, because only one part of their budgets came from UW-Extension; other parts came from campus sources, and those were also going to be cut.

To minimize the negative impact on campus continuing education units, CEOEL suggested--and campus partners agreed--that because campuses have significant carry-forward balances, the budget reduction could be managed most efficiently for FY10 as a "give-back" of carry-forward funds to CEOEL. This suggestion was made with the hope that a tuition increase and other efforts would off-set the budget reduction by FY11, and so by then the GPR would be restored (more or less) to its FY09 level. Campus partners were informed that if GPR was not restored (more or less) to FY09 levels by FY11, potential permanent GPR cuts would have to be made to campus partners. All partners viewed this as a very agreeable and fair approach.

To summarize, CEOEL has chosen not to pass the budget reduction / efficiency lapse onto UW campuses as part of the 2009-10 IIA Budget. Instead, CEOEL will take the budget reduction / efficiency lapse against its own budget in 2009-10. Each institution will return its calculated portion of the budget reduction / efficiency lapse from its carryforward funds (see attached). CEOEL strongly encouraged that carryforward funds

other than 104/132 (non-credit) sources of funds be used. Thus, there are 2 options for returning the funds to CEOEL: 1) Institutions initiate a budget transfer to CEOEL or 2) CEOEL invoices institutions.

Funds must be returned in fiscal year 2009-10, preferably in Fall-09. CEOEL will follow-up with campuses in late summer regarding the mechanism and timing for returning the funds. If the budget situation continues to worsen, or if a proposed tuition increase does not offset the budget reduction in the future, CEOEL may have to implement a GPR base cut in FY10-11.

The above process continues to support the strategic priorities of UW-System and UW-Extension to increase access to adult and nontraditional students to an array of programmatic options by minimizing the negative budget impact of the current budget cuts. CEOEL will continue to work with campuses across the UW-System to strategically invest in new program development (especially online) to expand markets, increase market-share, and increase the number of degree holders in Wisconsin.