

**Email from UW-La Crosse Chancellor Joe Gow —**

April 24, 2013

Dear colleagues and students:

If you've been following the process surrounding the development of the 2013-2015 Wisconsin state budget, then you've likely seen or heard media reports over the past few days about a so-called "surplus" in UW System tuition funds. Unfortunately, these reports are based on a very simplistic and misleading interpretation of how universities such as ours finance their operations. Contrary to what some people have said, we do not place unusually large amounts of tuition monies into "reserve accounts" and sit idly by as they accumulate. Rather, we make very careful decisions about the current and future needs of our university and then allocate the appropriate levels of tuition funds and spend them at the appropriate times.

Because our enrollment has steadily increased over the past few years, and because we have three special differential tuition programs, we've been fortunate to be able to allocate a total of \$27.7 million to the following activities:

Extra Class Sections & Curriculum Development	\$1.3 million
Online & Service Based Programs	\$1.9 million
Faculty Hiring Start-up Funding	\$1.3 million
Classroom & Lab Facilities	\$2.8 million
Classroom Equipment & Technology	\$2.6 million
Technology Infrastructure	\$2.8 million
Enrollment Initiatives	\$1.2 million
Differential Tuition Program Contingencies	\$13.8 million

As you'll notice, the largest activity by far, involving \$13.8 million, involves our Differential Tuition Program Contingencies. These funds are so large because they are used as an emergency fund for the 150 faculty and 52 staff positions UW-L pays through our "Growth, Quality and Access" (G,Q&A) differential tuition program. Because these positions, unlike all the others here at UW-L, have no state funding we must always have enough tuition money to pay them on our own. This \$13.8 million represents one year of payroll and benefits for these 202 employees. Because there's no guarantee enrollments will continue going up, we need these monies available to pay our people in the event of a decline in tuition revenues caused by a decline in enrollment. So this particular fund is really an insurance policy for the very valuable UW-L employees we've been able to add through our G,Q&A program.

I know these are very complex financial matters; however, I hope my brief overview provides you with a more complete picture of UW-L's financial practices. As I've said, many people currently have an erroneous impression of these practices; and as we enter a key phase of legislative deliberations regarding the future budget for the UW System in general and UW-L in particular, we are working very hard to clear up any confusion about how we use our tuition dollars. Please don't hesitate to let me know if you have any questions.

Best wishes,

Joe

Joe Gow, Chancellor  
University of Wisconsin-La Crosse