8/21/2023

Colleagues:

The University of Wisconsin-Parkside has, since its inception, helped students transform their lives through the power of education. Our over 30,000 graduates are a true testament to a collective commitment to serve our students and region in an exemplary fashion. We can all be proud of our accomplishments.

One of the attributes that has allowed Parkside to fulfill its mission has been our ability to adapt to ever-changing circumstances. To address our current situation, we are tasked once again to adapt. In April 2023, UW-Parkside senior leadership provided an overview of our then financial position. I write today to offer a further update.

Our university continues to face trends affecting our finances that we cannot ignore, including:

- Declining enrollment due to fewer high school graduates as a result of demographic changes coupled with reduced higher education participation rates.
- Reduced state support making us more reliant on tuition, thereby forcing greater dependence on enrollment.
- A decade-long tuition freeze, which has caused us to consume precious reserves.
- High inflation, which has reduced the purchasing power of our available resources.

Acting in concert, it is estimated these factors will result in a budget shortfall of at least $4 million by the end of the current fiscal year. We therefore need to assess all options to conserve resources to cover the deficit. While our preliminary estimate for freshman and transfer enrollment looks promising for the new school year, it will likely take more than a year to recover from our current shortfall. As a result of our need to address our situation expeditiously, the following options are being considered for the current fiscal year:

- Using up to $1 million of our unused balances to fund a portion of the anticipated deficit;
- Filling only open positions identified as “critical need” and putting others on hold;
- Pausing all new initiatives;
- Implementing campuswide furloughs; and
- Reducing department budgets and spending across campus by approximately 10%.

We also will begin planning to position the campus to remain resilient in the decades ahead. Depending on that assessment, additional steps may be necessary. These actions could include:

- Consolidating and restructuring departments;
- Reviewing low-enrolled academic programs;
- Implementing staff reductions as needed depending on enrollment levels; and
- Creating an early retirement incentive.
We are currently assessing our options and will keep you updated as decisions are made, in consultation with shared governance and others, in the coming weeks. I appreciate that none of this is easy, but we owe it as stewards of this great university to take the necessary steps to ensure its long-term financial viability in furtherance of our student-centric mission.

Thank you for staying focused on our critical mission and for your dedication to student success. UW-Parkside remains an integral part of Southeastern Wisconsin and we continue to improve the lives of our students, graduates and community members. That will not change.

Sincerely,

Scott Menke
Interim Chancellor