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The Biennial Budget Bulletin

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Overview

The Board of Regents' requested \$197.9 million GPR/Fees (\$142.2 million GPR and \$55.7 million fees) for the 2007-09 biennium. Of this amount, \$146.5 million (\$107.8 million GPR and \$38.7 million fees) was for cost-to-continue items. The remaining \$51.5 million (\$34.4 million GPR and \$17.1 million fees) was for proposed new initiatives to increase the number of baccalaureate degree recipients, improve recruitment and retention of faculty/staff, expand workforce development initiatives, and provide staff for the Wisconsin Covenant and veterans initiatives (UW Growth Agenda).

The Governor's budget provides a total of \$244.14 million GPR/Fees (\$182.67 million GPR and \$61.47 million fees) for the UW System to fund cost-to-continue and the Growth Agenda. GPR will increase by \$74.1 million in 2007-08 (an increase of 7.2 % over the base) and an additional \$34.4 million in 2008-09 (a 3.1% increase). See attached tables for more detail.

UW System Request --New Initiatives

I. The UW System requested \$10.7 million (\$7.4 million GPR and \$3.3 million fees) to:

- Provide staff for the Wisconsin Covenant program
- Provide staff for veterans outreach and assistance
- Recruit and retain faculty and staff.

The Governor recommended \$10 million GPR/Fees (\$6.9 million GPR and \$3.1 million fees) to support retention and recruitment of faculty and staff.

II. State Growth Agenda

- The UW System requested \$40.8 million GPR/Fees (\$27.0 million GPR and \$13.8 million fees) to:
 - Implement or expand programs on individual campuses to increase access to the University of Wisconsin System, increase the number of baccalaureate degree holders in the state, and help meet the skilled work force needs of Wisconsin's employers.
 - Enhance teacher education programming
 - Increase the number of nurse educators and new nursing graduates
 - Expand the applied research program
 - Reinstate the early math placement testing program
 - Implement Phase IV of the Transfer Information System

The Governor recommended \$33.8 million GPR/Fees (\$21.5 million GPR and \$12.3 million fees) to fund these initiatives, beginning in 2008-09. All Growth Agenda initiatives will receive some funding. Distribution decisions will be made by the Board of Regents. The Board of Regents is required to allocate

\$200,000 for the UW–Milwaukee School of Public Health, if the Board approves the establishment of this school.

The Governor did not provide any of the 341.35 positions requested by the Board of Regents; however the UW System will be able to use its current vacancies, along with its GPR position authority, to create positions needed to advance the Growth Agenda.

UW System Statutory Language Proposals

The UW System requested these statutory changes:

Assumption of cash management and investment responsibilities, management of cash balances for higher returns, and retention of interest on tuition balances.

Governor: Not included

Retention of proceeds from the sale of program revenue or gift buildings and land.

Governor: Extended this exception for the UW System through June 30, 2009

Eliminate two reports prepared by the UW Medical School and the Medical College of Wisconsin.

Governor: Not included

Exemption from sales tax for donations for preferential seating at UW System sporting events.

Governor: Not included

UW System Technical Correction Proposals

The UW System requested these technical corrections:

Broaden program revenue position creation authority.

Increase fees for specialty license plates and broaden the scholarship program to include UW Colleges.

Change the program revenue appropriations for laboratory modernization and Schools of Business to continuing appropriations.

Change the Universal Service Fund legislation to allow UW to pay Badgernet service providers directly.

The Governor did not recommend these changes.

Governor's Initiatives

Biomedical Technology Alliance. The Governor recommended a one-time increase in funding of \$2.5 million GPR in 2007-08 to provide a grant in support of the Biomedical Technology Alliance which consists of higher educational intuitions in southeastern Wisconsin and is designed to foster research collaboration and commercialization in biomedical technology.

Islet Transplantation Program. The Governor recommended \$400,000 GPR to provide funding for the Islet Transplantation program, in support of developing alternative treatments for Type 1, or juvenile, diabetes.

Nonresident Tuition for Certain Undocumented Persons. The Governor recommended requiring the UW System to provide a tuition remission for undocumented individuals who meet certain requirements.

Adjustment to the Tuition Remission for Veterans and Dependents. The Governor recommended the deletion of the requirement that children be enrolled fulltime. In addition, the Governor recommended that the current law be modified such that these children are eligible for tuition remissions at age 17.

Cost-to-Continue

Standard Budget Adjustments. The UW System requested \$121.8 million (\$94.3 million GPR and \$27.5 fees) to fund standard budget adjustment items including full funding of play plan increases, full funding of fringe benefits, and Smith Lever pay plan increases.

The Governor recommended full funding of these items.

Utilities and Debt Service. The Board of Regents requested \$7.5 million for fuel and utility reestimates.

The Governor recommended increasing the UW System's base budget by \$18.0 million to reflect a reestimate of debt service on authorized bonds and included \$35.5 million in the fuel and utilities budget for expected changes in commodities prices and operations adjustments for the cogeneration power plant and the fuel and utility requirements of new space.

Increases in Minority and Disadvantaged Financial Aid Programs. The Board of Regents requested \$2.3

million GPR to increase the Lawton Minority Retention grant and the Advanced Opportunity grant programs.

The Governor recommended \$2.1 million GPR for these programs. This does not constitute a budget cut, but rather a revised estimate based on a smaller estimated increase in academic fees.

Program Revenue Reestimate. The Board of Regents requested a Program Revenue reestimate of \$141.7 million to reflect the following:

- Student technology fee increases
- Application fee increases
- Growth in gift funds, auxiliary enterprise funds, and trust funds
- Expenditure authority for UW-Madison’s Intercollegiate Athletics program

The Governor recommended these adjustments.

UW System Affiliated Departments

State Laboratory of Hygiene

The Board of Regents requested \$604,900 PR-S and 3 FTE to increase resources to facilitate enforcement of Wisconsin’s Implied Consent laws.

The Governor recommended \$400,000 PR and 2 FTE for this program.

The UW System requested \$511,600 GPR to provide adequate public health laboratory capabilities in response to infectious disease outbreaks increases.

The UW System requested \$896,800 GPR and 4 FTE to provide capacity and laboratory support for coroners.

The Governor did not recommend funding these items.

Veterinary Diagnostic Laboratory

The Board of Regents requested \$400,000 PR-S and 2 FTE to provide additional support for the Avian Influenza Testing program.

The Governor recommended funding this request.

Other

Solid Waste Research Program. The Board of Regents requested \$240,000 of SEG fees and 4 FTE to expand the Solid Waste Research Program.

The Governor did not recommend this funding.

Items of Interest in Other Agencies’ Budgets

Department of Administration

The Wisconsin Covenant

The Governor recommended \$860,400 GPR and 2 FTE to establish the Office of the Wisconsin Covenant.

Annual Efficiency Savings

The Governor recommended an annual \$40 million transfer to the general fund to account for ongoing efficiencies by state agencies. It has not yet been determined how this will be done.

Department of Employee Trust Funds

Domestic Partner Benefits

The Governor recommended extending domestic partner benefits to all state employees, including University of Wisconsin faculty and academic staff.

Health Insurance Contribution

The Governor recommended modifying the effective date of the employer-required health insurance contributions to the first day of the third month of employment for eligible state employees insured under the state group insurance plan.

Higher Education Aids Board

WHEG

The Governor recommended \$26.4 million GPR to increase the WHEG statutory link and bring the amount of this grant to 50% of the resident undergraduate academic fees charged to attend the University of Wisconsin–Madison for the previous academic year.

Veterans Tuition Remission Reimbursement

The Governor recommended funding to partially reimburse the University of Wisconsin System campuses for the cost of tuition remissions to veterans and dependents.

Tuition Grants and Minority Undergraduate Retention Grants.

The Governor recommended a five percent increase in these programs by the end of the biennium.

Office of State Employment Relations

Collective Bargaining

The Governor recommended providing all University of Wisconsin academic staff and faculty with the right to bargain collectively over wages, hours and conditions of employment as provided to other state employees under the State Employment Labor Relations Act.

UNIVERSITY OF WISCONSIN SYSTEM 2007-09 BIENNIAL BUDGET

	2007-08 GPR	2007-08 Fee	2007-08 Total	Board of Regents Request			Biennial GPR	Biennial Fee	Biennial Total
				ONGOING					
	2008-09 GPR	2008-09 Fee	2008-09 Total						
A. Growth Agenda for Wisconsin									
I. Wisconsin Covenant Staff	71,500	38,500	110,000	143,000	77,000	220,000	214,500	115,500	330,000
II. Veterans Outreach	71,800	38,700	110,500	143,600	77,400	221,000	215,400	116,100	331,500
III. Recruitment and Retention of Faculty/Staff	2,307,600	1,025,700	3,333,300	4,615,300	2,051,400	6,666,700	6,922,900	3,077,100	10,000,000
IV. State Growth Agenda	4,634,300	2,357,000	6,991,300	22,401,900	11,397,200	33,799,100	27,036,200	13,754,200	40,790,400
SUBTOTAL: Growth Agenda For Wisconsin	7,085,200	3,459,900	10,545,100	27,303,800	13,603,000	40,906,800	34,389,000	17,062,900	51,451,900
B. Standard Budget Adjustments									
I. 2005-07 Classified Increases Over Pay Plan	5,279,000	1,752,700	7,031,700	5,279,000	1,752,700	7,031,700	10,558,000	3,505,400	14,063,400
II. 2006-07 Full Funding of April 1, 2007 Pay Plan	14,294,900	6,056,000	20,350,900	14,294,900	6,056,000	20,350,900	28,589,800	12,112,000	40,701,800
III. 2004-05 and 2005-06 Craftworker Adjustments	700,700	241,000	941,700	700,700	241,000	941,700	1,401,400	482,000	1,883,400
IV. Full Funding of Fringe Benefit Cost Increases	25,243,000	5,215,200	30,458,200	25,243,000	5,215,200	30,458,200	50,486,000	10,430,400	60,916,400
V. 2004-05 and 2005-06 PRAs and DCAs	1,375,700	473,000	1,848,700	1,375,700	473,000	1,848,700	2,751,400	946,000	3,697,400
VI. Smith Level Pay Plan Increases	269,700	0	269,700	269,700	0	269,700	539,400	0	539,400
SUBTOTAL: Standard Budget Adjustments	47,163,000	13,737,900	60,900,900	47,163,000	13,737,900	60,900,900	94,326,000	27,475,800	121,801,800
C. 2007-09 Utilities Increases	2,932,100	1,578,900	4,511,000	8,268,300	4,452,100	12,720,400	11,200,400	6,031,000	17,231,400
D. Minority/Disadvantaged Financial Aid Programs	738,400	0	738,400	1,521,000	0	1,521,000	2,259,400	0	2,259,400
E. Application Fee Increases	0	1,814,100	1,814,100	0	1,814,100	1,814,100	0	3,628,200	3,628,200
F. Student Tech Fee Increases	0	123,800	123,800	0	1,412,300	1,412,300	0	1,536,100	1,536,100
TOTAL (GROWTH AGENDA + COST TO CONTINUE):	57,918,700	20,714,600	78,633,300	84,256,100	35,019,400	119,275,500	142,174,800	55,734,000	197,908,800

UNIVERSITY OF WISCONSIN SYSTEM 2007-09 BIENNIAL BUDGET

	Governor's Budget								
	2007-08 GPR	2007-08 Fee	2007-08 Total	ONGOING			Biennial GPR	Biennial Fee	Biennial Total
				2008-09 GPR	2008-09 Fee	2008-09 Total			
A. Growth Agenda for Wisconsin									
I. Wisconsin Covenant Staff	0	0	0	0	0	0	0	0	0
II. Veterans Outreach	0	0	0	0	0	0	0	0	0
III. Recruitment and Retention of Faculty/Staff	2,307,600	1,025,700	3,333,300	4,615,300	2,051,400	6,666,700	6,922,900	3,077,100	10,000,000
IV. State Growth Agenda	0	0	0	21,455,600	12,298,600	33,754,200	21,455,600	12,298,600	33,754,200
SUBTOTAL: Growth Agenda For Wisconsin	2,307,600	1,025,700	3,333,300	26,070,900	14,350,000	40,420,900	28,378,500	15,375,700	43,754,200
B. Standard Budget Adjustments									
I. 2005-07 Classified Increases Over Pay Plan	5,279,000	1,752,700	7,031,700	5,279,000	1,752,700	7,031,700	10,558,000	3,505,400	14,063,400
II. 2006-07 Full Funding of April 1, 2007 Pay Plan	14,294,900	6,056,000	20,350,900	14,294,900	6,056,000	20,350,900	28,589,800	12,112,000	40,701,800
III. 2004-05 and 2005-06 Craftworker Adjustments	700,700	241,000	941,700	700,700	241,000	941,700	1,401,400	482,000	1,883,400
IV. Full Funding of Fringe Benefit Cost Increases	23,787,400	6,670,800	30,458,200	25,243,000	5,215,200	30,458,200	49,030,400	11,886,000	60,916,400
V. 2004-05 and 2005-06 PRAs and DCAs	1,375,700	473,000	1,848,700	1,375,700	473,000	1,848,700	2,751,400	946,000	3,697,400
VI. Smith Level Pay Plan Increases	269,700	0	269,700	269,700	0	269,700	539,400	0	539,400
SUBTOTAL: Standard Budget Adjustments	45,707,400	15,193,500	60,900,900	47,163,000	13,737,900	60,900,900	92,870,400	28,931,400	121,801,800
C. 2007-09 Utilities Increases	7,768,200	4,058,900	11,827,100	15,696,700	8,042,100	23,738,800	23,464,900	12,101,000	35,565,900
D. Minority/Disadvantaged Financial Aid Programs	738,400	0	738,400	1,353,100	0	1,353,100	2,091,500	0	2,091,500
E. Application Fee Increases	0	1,814,100	1,814,100	0	1,814,100	1,814,100	0	3,628,200	3,628,200
F. Student Tech Fee Increases	0	123,800	123,800	0	1,412,300	1,412,300	0	1,536,100	1,536,100
TOTAL (GROWTH AGENDA + COST TO CONTINUE):	56,521,600	22,216,000	78,737,600	90,283,700	39,356,400	129,640,100	146,805,300	61,572,400	208,377,700
Governor's Initiatives									
I. Biomedical Technology Alliance	2,500,000	0	2,500,000	0	0	0	2,500,000	0	2,500,000
II. Islet Transportation Program	200,000	0	200,000	200,000	0	200,000	400,000	0	400,000
III. Debt Service Reestimate	14,900,500	-48,900	14,851,600	18,064,400	-45,600	18,018,800	32,964,900	-94,500	32,870,400
SUBTOTAL: Governor's Initiatives	17,600,500	-48,900	17,551,600	18,264,400	-45,600	18,218,800	35,864,900	-94,500	35,770,400
TOTAL (GROWTH AGENDA + COST TO CONTINUE + GOVERNOR'S INITIATIVES)	74,122,100	22,167,100	96,289,200	108,548,100	39,310,800	147,858,900	182,670,200	61,477,900	244,148,100