

2007-09 UW System GPR/Fee  
Biennial Operating Budget  
Request

BOARD OF REGENTS

That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the submission of its 2007-09 GPR/Fee Operating Budget request, totaling an ongoing increase of 120.1 million GPR/Fees, including the Growth Agenda, and Estimated Cost to Continue Requests; Program Revenue Requests; Statutory Language Changes; and Performance Measures. The Board's request for the 2007-09 biennium includes tuition revenue changes that would result in increases of 3% in 2007-08 and 1.96% in 2008-09. The Board delegates authority to the UW System President to make minor changes as needed to the Cost to Continue request prior to the September 15, 2006 submission date.

2007-09 UW System  
Biennial Capital Budget  
Request

BOARD OF REGENTS

Resolution:

That, upon the recommendation of the President of the University of Wisconsin System, the 2007-09 Capital Budget request consisting of

- \$135.1 million General Fund Supported Borrowing (GFSB), and
- \$240.5 million Program Revenue Supported Borrowing (PRSB), and
- \$104.9 million Gifts and Grants in 2007-09 for major projects; and
- \$108.8 million General Fund Supported Borrowing, and
- \$8.2 million Program Revenue Supported Borrowing, and
- \$2.0 million in Gifts and Grants in 2009-11 for major projects; and
- \$130 million General Fund Supported Borrowing, and
- \$25 million Program Revenue Supported Borrowing – All Agency Funds for maintenance, renovation, and land acquisition,

be submitted to the Department of Administration and the Building Commission.

The 2007-09 Capital Budget request includes the following:

1. Enumeration of eleven projects at a cost of \$135.1 million GFSB, \$5.9 million PRSB, and \$45.6 million Gifts/Grants in 2007-09; and \$108.8 million GFSB, \$8.2 million PRSB and \$2.0 million Gifts/Grants in 2009-11, with 2009-11 GFSB funding to become available on July 1, 2009.
2. Enumeration of sixteen projects funded by non-GFSB sources (\$234.6 million PRSB and \$59.3 million Gifts/Grants).
3. That the Board authorizes the UW System President to adjust individual project budgets as necessary in the development of the final 2007-09 Capital Budget with the Department of Administration.

Note: \$129.1 million of 2007-09 GFSB will become available on 07/01/07 for five projects which were advance enumerated in the 2005-07 Capital Budget.



**2007-09  
Biennial GPR/Fee  
Operating Budget  
& Capital Budget**

The University of  
Wisconsin System  
August, 2006

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# BOARD OF REGENTS 2007-2009 BIENNIAL BUDGET

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## A. EXECUTIVE SUMMARY AND BACKGROUND

## **2007-09 UW SYSTEM BIENNIAL BUDGET**

### **EXECUTIVE SUMMARY**

#### **BACKGROUND**

The 2007-09 Biennial Budget request for the University of Wisconsin System is titled, "A Growth Agenda for the State of Wisconsin." The Growth Agenda was first introduced by UW System President Kevin Reilly at the February, 2006 meeting of the Board of Regents. It was an outgrowth of themes established by the Board for the 2005-06 fiscal year. The Growth Agenda is a response to both state and regional needs.

In establishing the Growth Agenda, the Board sought to:

- Improve access to the UW System for all qualified students and keep higher education affordable for all Wisconsin people. This includes improving access for people of diverse backgrounds, low-income families, and non-traditional students.
- Increase the number of baccalaureate degrees in Wisconsin. Evidence establishes a link between a region's economic development and the number of baccalaureate degree holders.
- Improve the quality of the student experience on UW campuses and, thereby, increase success, as measured by retention and graduation rates.
- Strengthen and build relationships with stakeholders, including Wisconsin businesses.

The Governor's 2007-09 Major Budget Policies document reinforces the Growth Agenda as a priority for the state. Among the top priorities for the state, the Governor listed access to higher education for all Wisconsin citizens, implementation of a Grow Wisconsin Plan that supports high skill/high wage employment, and aggressive pursuit of federal funds. The Growth Agenda includes initiatives that directly address each of these priorities. The general 2007-09 budget instructions asked state agencies not to submit requests for increased state (GPR). However, in recognition of the UW System as a major engine of economic growth for the state, the budget instructions include a specific exemption that allows the UW System to submit initiatives for instruction and research activities focused on economic growth.

The Governor's and Department of Administration's (DOA) 2007-09 major policy guidelines are included in the reference section. The instructions require agencies to prepare plans to absorb a ten percent (10%) permanent base cut in administrative operations. The Board of Regents will review the UW System reduction plan in November, prior to the due date. State agencies are also directed to plan how they might reduce the size of the work force without layoffs. Making such reductions will be a significant challenge, given that the UW System spends 57% less than the national average per student for institutional support (higher education's definition of administration) and 28% less than the Midwest average in dollars per gross square foot for operations and maintenance of facilities. The UW System would need to increase funding for institutional support by \$100 million and funding for facilities operations by \$39 million in order to reach these averages.

## **GPR/FEE OPERATING BUDGET REQUEST**

This document includes the 2007-09 biennial budget proposal for GPR/Fee funded initiatives. This document includes Growth Agenda initiatives, cost to continue, statutory changes, capital budget requests, and performance measures.

Cost to Continue (Section B, Page B-24) are determined in consultation with DOA. These requests fund items that DOA has agreed are needed to maintain an agency's base budget for ongoing operations. The majority of these items are related to pay plan and fringe benefit increases previously approved by the Joint Committee on Employment Relations (JCOER). Estimated utility costs for new buildings and funding for maintenance of the UW-Madison-cogeneration plant are also included. These estimates do not include inflation factors, which will need to be added by DOA, to fully reflect cost increases for the 2007-09 biennium.

**The 2008-09 tuition revenue increases needed for cost to continue are \$1.2 million higher than the estimate presented at the August 2 Board meeting, resulting in a slight increase in tuition from 1.75% to 1.96%.**

## **GROWTH AGENDA FOR THE STATE OF WISCONSIN**

As noted, the Board of Regents and the Governor have identified access to higher education for all Wisconsin residents as a priority for the 2007-09 biennial budget. The Governor also prioritized the need to attract more federal dollars. The University of Wisconsin System has been, and will continue to be, a key player in meeting these goals. The GPR/Fee operating budget request focuses on Access, Growth and Affordability, with a particular emphasis on helping to grow the Wisconsin economy through expanded research and technology transfer initiatives.

### Wisconsin Covenant

One of the cornerstones of the Growth Agenda is improving affordability through the Wisconsin Covenant. The Board is committed to increasing access to the UW System for low income students. The Wisconsin Covenant, while not included in the UW System's biennial budget request, is a top priority for the Board of Regents. The Governor announced the Wisconsin Covenant in his State of the State address in January, 2006. It would provide funding for tuition and fees for Wisconsin students who pledge to maintain good grades and demonstrate good citizenship. The Wisconsin Covenant has been listed as a top state priority for the 2007-09 biennium and is expected to be introduced as a Governor's initiative this Fall.

The Wisconsin Covenant would provide funding for students attending a UW System, Wisconsin Technical College System or Wisconsin Association of Independent Colleges and Universities (WAICU) institution. The UW System Board of Regents passed a resolution in support of the Wisconsin Covenant in June, 2006 and, at its August, 2006 meeting, will consider a resolution in support of a Hold Harmless Tuition Grant proposal that would serve as the foundation for the Wisconsin Covenant. The Hold Harmless Tuition Grant proposal would cover funding for tuition and fees as a last grant during the 2007-09 biennium, and allow the state to begin setting aside resources for the full Wisconsin Covenant program under which the first cohort of students would enter college in the 2011-12 fiscal year.

## Tuition and Financial Aid

Affordability for low to middle income families is expected to be maintained through increased funding for the Wisconsin Higher Education Grant for UW Students (WHEG-UW), which is statutorily required to increase by the same percentage as tuition increases for UW institutions and through increased tax credits included in the 2005-07 biennial budget. The Wisconsin Covenant is also expected to include mechanisms to improve affordability for all Wisconsin families with demonstrated financial need.

To further improve affordability, the Governor and the Board of Regents have indicated their commitment to keeping tuition increases as a part of their 2007-09 biennial budget request at rates no higher than the rate of inflation. The Consumer Price Index for 2005 (the last full year recorded) increased 3.1%. In accordance with the Governor's request, and the Board's own concerns about affordability, the recommended request for the UW System includes revenue increases that would raise tuition by 3.0% in 2007-08 and 1.96% in 2008-09, for an average increase of less than 2.5% for the biennium.

## Meeting State Needs

The initiatives included in the 2007-09 Biennial Budget request would allow the UW System to grow enrollments by 2,025 full-time equivalent students, to address statewide needs for more teachers in high-demand areas like math and science, and to increase the number of nurse educators in the state to meet Wisconsin's need for nursing professionals. The initiatives target adult non-traditional students, who are more likely to remain in the state following graduation, using directions outlined by the Committee on Baccalaureate Expansion (COBE). The UW Colleges and UW-Extension, in particular, seek to increase adult student participation by developing seven (7) additional accessible degrees a year, including online courses, and working collaboratively with UW System four-year institutions. In addition, UW System institutions have worked, and will continue to work, collaboratively with the Wisconsin Technical College System to improve transfer opportunities. In 2005-06 alone, UW-Madison established three new transfer contracts with WTCS institutions, and UW-Stevens Point created a new collaborative agreement as well.

## Veterans

During the 2005-07 and 2007-09 biennia, the UW System plans to increase outreach to veterans and certain dependents of veterans. That outreach will include informing veterans about benefits available to them through the Veterans' Tuition Grants, which allow Wisconsin veterans to attend UW and WTCS institutions while paying only half of the cost of tuition and fees in the 2005-07 biennium, up to 128 credits. In 2007-09, Wisconsin veterans will not need to pay any tuition or fees for up to 128 credits within either system. Spouses and dependents of veterans who died or suffered a 30% disability are eligible to attend without paying tuition and fees in the current (2005-07) biennium. These benefits were generously provided by the Legislature and the Governor to recognize the sacrifice that Wisconsin veterans and their families have made to ensure the safety of all Wisconsin residents. The Higher Educational Aids Board is expected to request funding to support the Veterans' Tuition Grant for both UW System and WTCS

institutions. A resolution in support of the Veterans' Tuition Grant is expected to be acted upon at the August, 2006 Board of Regents meeting.

### Student Success

The budget request includes initiatives that would address the need to increase retention and graduation rates at four UW System institutions: UW-Parkside, UW-River Falls, UW-Superior and UW-Whitewater. These initiatives would improve productivity through the use of best practices and increase the number of baccalaureate degrees in the state without increasing the number of students enrolled on the campuses. These productivity increases would build upon previous gains in the UW System. The UW System was recently ranked by the National Center for Higher Education Management (NCHEMS) as fourth most productive nationally in the public research sector (UW-Madison and UW-Milwaukee) and fifth most productive nationally in the public comprehensive sector (the eleven four-year UW Comprehensive Universities) relative to resources.

The UW System has also demonstrated its productivity by increasing student enrollment by 3,182 students over the past 6 years while absorbing base budget reductions of \$225 million and reducing state funded positions by 1,020 full-time equivalent positions. The UW System is committed to searching for ways to improve productivity. However, to maintain the quality of a UW degree, further increases in enrollment need to be matched with increases in state resources

### Building Research Capacity

The final component of the UW System's budget request seeks to increase the university's research capacity. The "Powering Southeastern Wisconsin's Knowledge Economy" initiative addresses business needs in the seven-county area surrounding Milwaukee, and expands the Research Growth Initiative to permit UW-Milwaukee to compete more successfully for federal and other extramural funds. It also enhances the level of graduate and undergraduate education, research support and training at the UW's second largest public research institution. The request also seeks to increase NanoSTEM capacity in the Chippewa Valley (UW-Eau Claire and UW-Stout working in cooperation with the Chippewa Valley Technical College), and to match funding provided by WiSys to increase funding for Applied Research.

### Statutory Language Changes

Statutory Language Changes (Section B, Page B-27) include proposals that would enable the UW to use resources more efficiently, streamline procedures, eliminate costly duplication, and make technical corrections. With these increased efficiency measures, the UW System would be better equipped to manage resources effectively in an era of limited state resources.

## **CAPITAL BUDGET**

The 2005-07 Capital Budget represented a solid investment by the State of Wisconsin in UW System facilities. One-third of the funding for Major Projects in the state were for UW System facilities. In addition, The UW System received a significant investment in All Agency funds for maintenance, repair, and renovation for the third biennia in row.

During deliberations on the 2005-07 Capital Budget, the Division of State Facilities staff developed and presented to the state Building Commission a six-year plan for Major Projects funded with General Fund Supported Borrowing (GFSB). The plan recommended enumerations for the 2005-07 biennium and some advance enumerations for the two subsequent biennia. The plan also identified priority projects for advance planning in 2005-07 with enumeration anticipated in 2007-09. While the Building Commission supported advance planning, they did not guarantee enumeration. The 2007-09 Capital Budget instructions from the Department of Administration indicated that projects beyond those in the DOA six-year plan would not be considered.

This 2007-09 Capital Budget recommendation accomplishes the following:

- Adheres to the funding target for the UW System established by the Division of State Facilities' six-year plan presented to the Wisconsin State Building Commission.
- Constructs and/or renovates some academic space on every UW System campus for teaching and research.
- Renews and improves student life facilities at nine institutions enhancing the student experience.
- Funds seven priority projects that were not funded in the 2005-07 capital budget.
- Establishes a plan to complete the priority projects requested in 2005-07 Capital Budget for advance planning.
- Continues a commitment to maintain existing facilities and reduce backlogged maintenance.

The Capital Budget recommendation requests enumeration of 32 major projects in 2007-09 with funding totaling \$264.2 million GFSB, \$104.9 million Gifts, and \$268.3 million program revenue supported borrowing (PRSB); and \$137.1 million GFSB, \$2.0 million Gifts, and \$36.0 million PRSB in 2009-11. Individual projects and complete budget details can be found on pages C-3 and C-5 of the budget document. In addition, five projects that were requested in 2005-07 as Major Projects are now requested as All Agency Projects totaling \$30.3 million GFSB. The majority of Major Projects (28) either remodel existing space or demolish obsolete space as part of the project, therefore eliminating long-standing backlog maintenance conditions.

The Capital Budget recommendation continues the state's and university's commitment to maintenance, repair, and renovation of existing facilities by requesting \$130 million GFSB and \$25 million PRSB in All Agency funds.

## **PERFORMANCE MEASURES**

The DOA budget instructions (see Reference Section) require agencies to update the performance measures that were developed and submitted with each biennial budget request, beginning in 2003-05. This section (Section E, page E-1) includes updates for the following four performance measures:

- Enrollment: meet FTE enrollment targets established by the Board in enrollment management plans – target met in 2005-06.
- Retention of Students to the Second Year at Their Original Institution – retention increasing in 2005-06, but slightly below target.
- Graduation Rate – ahead of goal for 2005-06.
- Contribution to Wisconsin Income – slightly below target for 2005-06.

## **REQUESTED ACTION**

Approval of Resolutions I.A (operating budget), and I.B (capital budget), to advance these items to the Department of Administration in compliance with state statutes, to request funding increases for 2007-09, certain statutory changes, and to update performance measures.

## **RELATED REGENT POLICIES**

GPR Ranking Criteria for the 2007-09 Capital Budget (Resolution 9106, December, 2005)  
Long Range Plan for Facilities Maintenance Plan (Resolution 8277, December 2000)  
Funding of University Facilities Capital Costs (Policy 90-3)

**UNIVERSITY OF WISCONSIN SYSTEM**  
2006-07 Operating Budget

<b>Total Budget:</b>	<b>\$4.315 Billion</b>	
Less Federal Funds:	- 1.039	Federal Funds include funding for: educational opportunity grants, student loans, Pell grants, nursing loans, work study, federal indirect cost reimbursement and research.
Less Gifts, Grants & Contracts:	- .486	Gifts, Grants and Contracts include: gifts, grants and bequests for loans, for purposes laid out in the bequest; and grants for specific entities (forestry cooperatives, for example)
Less Auxiliaries, Hospitals, and Other Receipts:	- .836	Auxiliaries, Hospitals and Other Receipts include: housing, food services, student union, textbook sales, parking, and hospitals and athletics.
<hr style="width: 50%; margin: 0 auto;"/>		
<b>GPR/Fee Total:</b>	<b>\$1.954 Billion</b>	
GPR:	1.044 Billion	
Tuition:	.910 Billion	
Less Restricted GPR	- .284	Restricted GPR includes funding for: debt service, energy costs, State Lab of Hygiene, industrial & economic development research, distinguished professorships, Veterinary Diagnostic Lab, and Extension outreach.
<hr style="width: 50%; margin: 0 auto;"/>		
<b>Net for Educating Students:</b>	<b>\$1.670 Billion</b>	
<b>\$760 Million GPR</b>	<b>\$910 Million Tuition</b>	

**B. 2007-09 BIENNIAL OPERATING BUDGET REQUEST**

UNIVERSITY OF WISCONSIN SYSTEM  
2007-09 BIENNIAL BUDGET  
USING TRADITIONAL GPR/FEE SPLITS

PROPOSED NEW GPR/FEE FUNDED INITIATIVES

	FY 2007-08	FY 2008-09	Ongoing Base
	<u>Increase</u>	<u>Increase</u>	<u>Increase</u>
Wisconsin Covenant Staff	110,000	110,000	220,000
Veterans Outreach	110,500	110,500	221,000
Recruitment and Retention of Faculty/Staff	3,333,300	3,333,400	6,666,700
Increased Baccalaureate Degrees:			
Colleges/Extension	800,000	1,820,200	2,620,200
Green Bay	414,900	1,339,500	1,754,400
La Crosse	901,400	2,560,600	3,462,000
Oshkosh	828,300	1,773,300	2,601,600
Parkside	284,700	973,400	1,258,100
Platteville	248,300	320,200	568,500
River Falls	175,000	150,000	325,000
Stevens Point	197,500	69,200	266,700
Superior	88,500	1,042,100	1,130,600
Whitewater	102,600	278,900	381,500
Workforce Development Initiatives			
Milwaukee	1,296,000	8,704,000	10,000,000
Eau Claire and Stout	0	3,062,600	3,062,600
Teacher Education (Multi-Campus)	223,400	2,480,500	2,703,900
Nursing (Multi-Campus)	500,000	2,610,300	3,110,300
Applied Research	250,000	0	250,000
Other Proposed Initiatives			
Early Math Placement	185,000	-55,000	130,000
Transfer Information System Phase Four	495,700	-322,000	173,700
GPR Request	7,085,300	20,218,600	27,303,900
Fee (Tuition) Request	3,459,800	10,143,100	13,602,900
Tuition Excluding La Crosse	2,558,400	7,582,500	10,140,900
GPR/Fee Request	10,545,100	30,361,700	40,906,800

UNIVERSITY OF WISCONSIN SYSTEM  
2007-09 BIENNIAL BUDGET  
USING TRADITIONAL GPR/FEE SPLITS <sup>(1)</sup>

ESTIMATED COST TO CONTINUE REQUEST

	FY 2007-08	FY 2008-09	Ongoing Base
	<u>Increase</u>	<u>Increase</u>	<u>Increase</u>
2005-07 Classified Increases Over Pay Plan	6,757,300	0	6,757,300
2006-07 Full Funding of April 1, 2007 Pay Plan	20,376,700	0	20,376,700
2004-05 and 2005-06 Craftworker Adjustments	909,400	0	909,400
Full Funding of Fringe Benefit Cost Increases	31,598,500	0	31,598,500
2004-05 and 2005-06 PRAs and DCAs	1,848,700	0	1,848,700
Smith Lever Pay Plan Increases	266,700	0	266,700
2007-09 Utilities Increases	4,511,100	8,209,300	12,720,400
Return 146.42 Power Plant Positions	0	0	0
Minority/Disadvantaged Financial Aid Programs	738,400	782,600	1,521,000
Application Fee Increases	1,814,100	0	1,814,100
Student Technology Fee Increases	123,800	1,288,500	1,412,300
Veterans Tuition Grants (request in HEAB)	0	0	0
GPR Request	51,689,000	6,118,700	57,807,700
Fee (Tuition) Request	17,255,700	4,161,700	21,417,400
GPR/Fee Request	68,944,700	10,280,400	79,225,100

NEW INITIATIVES AND COST TO CONTINUE COMBINED

GPR Request	58,774,300	26,337,300	85,111,600
Fee (Tuition) Request	20,715,500	14,304,800	35,020,300
Tuition Excluding La Crosse and Application Fee	18,000,000	11,744,200	29,744,200
GPR/Fee Request	79,489,800	40,642,100	120,131,900

(1) The tuition share is reduced by \$4.1 million in 2007-08 in order to hold the estimated tuition increase to 3%. This amount is added to the GPR request.

## Wisconsin Covenant Staff

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	71,500	71,500	143,000
Fees (Tuition)	38,500	38,500	77,000
GPR/Fees	110,000	110,000	220,000

The Board of Regents has endorsed a proposal to establish the Wisconsin Covenant, a program designed to encourage more middle-school students to aspire to attend college. Students who sign up for the Covenant would take a rigorous high school curriculum to prepare themselves well for college. In return, the students would receive state grant funds that would cover tuition and fees.

Implementing the Covenant and making it work will be a significant challenge. Coupled with the Wisconsin Higher Education Grant program, the Covenant will be a key element in making college affordable for lower-income students. There are many details of the program to develop, and a major educational effort will be required to inform potential participants about the program, its requirements, and its benefits. The University of Wisconsin System is requesting \$220,000 in ongoing base funding and 2.0 FTE staff in order to plan, implement, and manage the Covenant and to address other financial aid issues for UW System institutions.

The new staff would work with:

- the Governor's office and other higher education institutions to design the program;
- the Department of Public Instruction to inform potential participants about the program, their obligations should they sign the pledge, and the benefits of participating in the Covenant;
- UW System institutions on policies and procedures for administering financial aid to Covenant participants; and
- other financial aid programs for UW System students.

These staff will play an important role in making the Wisconsin Covenant and other financial aid programs work effectively for participating students. These efforts will help make a baccalaureate degree accessible to more students, which will benefit the students and the State of Wisconsin.

## Veterans Outreach

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	\$71,800	71,800	\$143,600
Fees (Tuition)	\$38,700	38,700	\$77,400
GPR/Fees	\$110,500	110,500	\$221,000

The University of Wisconsin System requests funding to create three outreach positions to work both with veterans who are prospective or current students at our institutions and with their families, as well as with other concerned individuals and organizations. A fourth position would be created through an agreement between the UW System and the Wisconsin Department of Veterans' Affairs. These four positions would be located throughout the state such that each would serve a geographical area including multiple campuses (southeastern, southwestern, northeastern and northwestern sectors of the state). In addition, these individuals would serve as contact points for out-of-state veterans interested in attending UW System institutions. Originally seen as an outgrowth of the Wisconsin GI Bill program, it is anticipated that these individuals would assist veterans in their transition to academic life in a number of ways:

- Provide information about applications, benefits, and programs to returning veterans and their families through various means, including but not limited to attending premobilization and demobilization briefings, newsletters, websites, attendance at other veterans' and military functions;
- Provide information to County Veterans Service Officers (CVSOs) about the range of benefits and assistance available to veterans and their families at UW System campuses;
- Work with the Wisconsin Department of Veterans Affairs in obtaining all appropriate assistance for Wisconsin student veterans and their families at UW System institutions;
- Assist current campus veterans-certifying officials in disseminating veterans related information across each campus and in accessing state and Federal programs that benefit veterans;
- Assure that all veterans and their families understand and can access their benefits on campus;
- Work with veterans to ensure that each received appropriate credit for previous course work and military training, through, for example, the State of Wisconsin Department of Veterans Affairs ACME Program (Academic Credit for Military Experience), DANTES Credit-by-Examination Program, and the ACE (American Council on Education) Military Evaluation Program; and
- Identify and work to remove barriers to veterans in their reintegration into campus life and in their academic success.

The UW System welcomes the opportunity to increase the number of veterans on our campuses. Not only are programs such as the Wisconsin GI Bill a means to acknowledge the service and sacrifice of these individuals and their families, but they may bring valuable diversity to our campuses. Veterans will, in many cases, be more mature than our traditional student body. In addition, while Wisconsin's population is approximately 10% minority, veterans under the age of 45 are approximately 16% minority and those under 30 are approximately 18% minority.

Furthermore, while the number of female veterans in Wisconsin is growing, males still make up the majority of Wisconsin's military membership (over 80%). Thus, increasing the number of student veterans may also counteract to a small degree the problem of a declining male population at our institutions. Thus, any growth among student veterans can be an avenue to provide additional diversity and gender balance to our campuses. Combining this with the possibility of accessing teachers through the Troops to Teachers program would also address under-representation in our public school teaching community.

Finally, with an active system of veterans' outreach representatives in the state, Wisconsin may become an educational destination for out-of-state veterans as well, thereby bringing welcome Federal 'Montgomery' GI Bill and Troops to Teachers dollars into our state.

## **Recruitment and Retention of Faculty and Staff**

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	2,307,700	2,307,700	4,615,400
Fees (Tuition)	1,025,600	1,025,700	2,051,300
GPR/Fees	3,333,300	3,333,400	6,666,700

To help increase federal funds returning to the state of Wisconsin and provide access to higher education for all citizens, the UW System must continue to recruit and retain top faculty and staff. This requires competitive, market-based salaries. This budget initiative seeks \$6.7 million of ongoing GPR/Fee funds (\$4.6 million ongoing GPR/\$2.1 million ongoing tuition revenue) to help the UW System recruit and retain its top faculty and research academic staff.

The UW System annually reviews peer salary data from established peer groups and national reports on faculty salaries. The peer groups were established by the 1984 Governor's Faculty Compensation Study Group. This salary information is compiled both adjusted and unadjusted for cost of living.

The salaries of UW System faculty and staff fell significantly behind their peers' salaries in the mid-eighties and the state invested hundreds of millions of dollars to place staff closer to their peers. In subsequent years, the peer methodology was successful in keeping faculty and staff within range of their peers. At the end of the 2001-03 biennium, the UW System was within 4% of its peers. However, the increases provided in 2003-05, 0% in 2003-04 and 1% in 2004-05, were lower than peers, and the distance between UW System staff and their peers increased. An overall assessment of salary data indicates the UW faculty ended the 2003-04 fiscal year 5.5% behind its peers, when the salaries are adjusted for inflation. On an unadjusted basis, faculty were 6.12% behind their peers. This represents a 2% increase in the gap during the 2003-05 biennium.

Even with pay plan increases of 2%, and 4.3% in the 2005-07 biennium, the UW System has fallen further behind its peers and is expected to end the biennium 8.7% below the peer median. A gap of this magnitude would be very difficult to close in one biennium. The UW System will submit a pay plan request to the Office of State Employment Relations (OSER) later this year. In addition, this requests a separate fund to be set aside to allow institutions to compete with others in higher education to retain our faculty and research staff who are sought by other institutions, and allow UW institutions to be in the market for new, bright academic talent.

This funding would build upon the \$3.3 million of ongoing funding recommended by the Governor and approved by the Legislature in the 2005-07 budget. That funding has been helpful in retaining some faculty. The additional funding would only be provided in selective cases as needed to compete with other offers or to bring salaries that are significantly out-of-market closer to market in areas of high demand.

**UW Colleges/Extension: Adult Student Initiative**

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	520,000	1,183,100	1,703,100
Fees (Tuition)	280,000	637,100	917,100
GPR/Fees	800,000	1,820,200	2,620,200

The UW Colleges/Extension requests funding to establish its Adult Student Initiative. An additional \$250,000 of one-time funding for enhanced computer hardware and software is also requested. This initiative is an outgrowth of recommendations of the Committee on Baccalaureate Expansion, which identified the need to expand access to higher education in the state. The goal of the initiative is to meet the needs of the state by increasing the number of baccalaureate degree holders, as follows:

- identifying, recruiting, and better-serving potential adult learners;
- expanding opportunities for these students to obtain both associate and baccalaureate degrees via course re-design for accessibility, using both distance and hybrid course formats;
- making better use of prior-learning assessment to enhance degree completion and student success; and
- providing increased counseling, student services, and advising.

The proposed initiative will provide services and course delivery that are designed specifically to meet the needs of the adult working population. It is anticipated that headcount admissions to UW Colleges will increase by 650 in the first year and 1,140 in the second year of the initiative, with 7 additional accessible degrees added in each year.

Recent statistics indicate that Wisconsin's per capita personal income is below the national average and considerably lower than that of neighboring states. In response, Wisconsin must create significantly more high-paying employment opportunities within the state's economy, and the workforce must possess high levels of education to obtain these jobs. According to a 2005 report by the U.S. Census Bureau, the percentage of Wisconsin's population 25 and older with at least a baccalaureate degree was markedly below that of Minnesota and Illinois. Any improvement in these statistics is presently limited by the small percentage of working-age adults enrolled in college-level education and a declining number of high school graduates. This initiative is designed to counteract this trend by increasing the number of adult, non-traditional students who are working toward, and obtaining baccalaureate degrees.

**UW-Green Bay: Access Green Bay**

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	269,700	870,700	1,140,400
Fees (Tuition)	145,200	468,800	614,000
GPR/Fees	414,900	1,339,500	1,754,400

UW-Green Bay requests funding to increase its enrollment by 195 FTE by 2009-10, as part of a multi-biennium plan that would ultimately increase student headcount by 2,150 (1,841 FTE) by 2016-17. This growth would be supported by an increase in new freshmen and transfer students, as well as an increase in access to high demand programs. This would bring the institution's final target headcount enrollment to 7,500 and would permit efficient growth, by supporting more students on the marginal costs required to build on the existing foundation, without accruing additional indirect support costs.

This request would provide increased access to the university for residents of the community, most specifically students of color and first generation college students. In addition, as overall enrollments grow, the request will expand high-demand programs, such as business, education, and biology. This growth is vital because, for example, in the education program, over 15% of qualified applicants are denied admission due to resource constraints each semester. The majority of new funding for this initiative will support instruction of additional students; increase support for student and faculty technology and libraries; and increase student services geared specifically to students of color and adult students.

Brown County and the City of Green Bay have recently seen extensive demographic change. Within Wisconsin, Green Bay's growth rate of 6.1% from 1990 to 2000 was exceeded only by that of Madison. Diversity in the public schools of the area is also increasing, such that by 2015 the majority of students is expected to be "minority." While the population is growing, only about 22% of Brown County residents have a baccalaureate degree, a number which must be increased to enhance economic development in the area. Applications to the university have increased, but the admissions rate has declined because of limited resources.

The university is committed to this initiative to meet existing unmet demand from new students, lay the foundation to realize rising aspirations and success of students of color and first-generation college students, and to develop and expand programs in fields critical to the region's development. As a result, the region will benefit from a more highly educated, diverse workforce to fuel its economic development.

**UW-La Crosse Growth Agenda**

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	0	0	0
Fees (Tuition)	901,400	2,560,600	3,462,000
GPR/Fees	901,400	2,560,600	3,462,000

To capitalize on its reputation for high-quality programs and market position, UW-La Crosse requests authority to pilot an experimental tuition management program that will help fuel the economic engine of the state through a “brain gain” strategy. Specifically, the proposed tuition pilot will:

- 1) Accommodate planned and managed growth of resident and nonresident students;
- 2) Increase access and financial aid for students in the two lower economic quintiles; and
- 3) Generate revenue to support additional campus growth.

The proposed self-funded tuition program would require no additional GPR and would allow the campus to generate the financial resources needed to achieve the following outcomes:

- Increased access, particularly to those students in the lower two economic quintiles, by enrolling more resident and nonresident students and providing self-funded financial aid for those most in need.
- Increased number of baccalaureate and advanced degrees awarded.
- Continued increase in the number of diverse students within the campus community.
- Enhanced levels of academic excellence.
- Steady and/or improved retention and graduation rates.
- Planned and managed growth in niche curricula in the academic program array.
- No additional GPR would be required.

Over time, UW-La Crosse would set undergraduate tuition at the average of the Upper Midwest Comprehensive Peer Group, and set graduate tuition at “market levels” for each program. To keep tuition affordable for lower-income students, UW-La Crosse plans to use approximately 25% of the new revenue for increased financial aid when the program is fully implemented, or nearly \$4 million annually. Much of the financial aid and scholarships would be targeted to the two lowest economic quintiles.

UW-La Crosse plans to add 1,000 new students over the next several years, with total enrollment reaching 10,000. The additional financial aid funding will help UW-La Crosse to reach UW System averages in the percentage of new Wisconsin freshmen in the fourth and fifth economic quintiles. This would be an increase from about 150 new freshmen per year from those quintiles. UW-La Crosse plans to double its minority and disadvantaged population from around 500 to 1,000.

## UW-Oshkosh- Oshkosh Growth Agenda

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	538,400	1,152,600	1,691,000
Fees (Tuition)	289,900	620,700	910,600
GPR/Fees	828,300	1,773,300	2,601,600

UW-Oshkosh requests funding to provide enrollment growth and implement two new programs for graduates of the Wisconsin Technical College System (WTCS). Funding is requested to increase the number of graduates in high demand programs, increase collaborations, and develop new programs that will articulate with the needs of WTCS graduates. Current programs to be expanded include: biology/microbiology, medical technology, psychology, nursing, teacher education, and business. New programs to be developed are those designed for students who have already earned associate degrees from WTCS institutions (Bachelor of Applied Sciences, Bachelor of Fire and Emergency Response Management). It is anticipated that this funding will permit the campus to grow by 480 students by the end of 2007-09. Of these, over 130 will be in the new bachelors programs alone. This is part of a three-biennia program which will ultimately increase the number of students by 1,440.

The request will permit the institution to meet the increasing demand in popular majors such as biology/microbiology, criminal justice and medical technology. It will permit the university to increase the number of nursing students in the three active nursing collaborative programs, to expand the collaborative program in teacher education between UW-Oshkosh and UW-Sheboygan, and to provide the mechanism for an alternative licensure program for math and science teachers. The state has a critical need for additional teachers and nurses for the foreseeable future. The proposed expansion will help meet these needs.

Expansion in the College of Business Administration is in response to the needs of regional businesses for trained staff, specifically in underwriting. Development of an entrepreneurship emphasis will directly affect the long-term economic development of family and closely held businesses in the area. Additional regional business centers will improve the economic viability of the area by enhancing the development of sustainable business practices. Finally, new programs in applied studies and fire and emergency response management permit the institution to provide additional baccalaureate options for individuals with associate degrees, thereby meeting goals set by the Committee on Baccalaureate Expansion.

The campus growth will be accomplished by increases in both enrollments and retention.

**UW-Parkside: Foundation for Success**

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	185,100	632,700	817,800
Fees (Tuition)	99,600	340,700	440,300
GPR/Fees	284,700	973,400	1,258,100

UW-Parkside is a campus of opportunity within the UW System, providing access to large numbers of first-generation college students, students of color, and adult students; and giving students with limited prospects to earn bachelor’s degrees the chance to succeed at college. However, given this access mission, the campus serves a disproportionate percentage of students who graduated in the bottom half of their high school classes, who are at high risk of failing to complete a bachelor’s degree. These students face significant challenges in college. UW-Parkside requests funding for its “Foundation for Success” to address these challenges. While most of the funding is ongoing, there is also a need for \$145,000 of one time dollars to initiate the staffing process and to create a Student Success Center.

On a campus which is the UW System’s most ethnically diverse, on which 85% of students commute, over 20% are non-traditional, the majority are first generation college students, and 40% are from the lowest two income quintiles in the state, there is a need for a comprehensive, coordinated and seamless infrastructure to foster student success and increase retention and graduation rates. This request proposes a number of programs to provide assistance to its students and faculty/staff, such as: improved diagnostic procedures and tools to determine students’ needs and deficiencies; expanded, more comprehensive advising, especially to high-risk and transitional students; learning communities to build academic skills, learning assistance and first-year seminars; faculty/staff/peer mentoring programs specifically developed to help address the needs of high-risk students; improved orientation programs specifically for transfer and transitioning students; and improved campus-wide communication and access to information for all students. It is anticipated that these initiatives will increase retention, improve performance, reduce credits to degree, and raise graduation rates. As a result, the campus anticipates an increase of between 67 and 127 additional graduates per year.

The region served by UW-Parkside, particularly Racine and Kenosha Counties, needs workers with higher-level skills and training. This region lags behind many parts of the state in the percentage of its population age 25 years and older with a baccalaureate or higher degree. Because 85% of its graduates remain in the area, an increase in the number of UW-Parkside’s graduates will have a direct effect on the educational level of the local community. In addition, as the state grows, there will be increasing demand for professionals, executives, and community leaders from diverse backgrounds. UW-Parkside has the potential to prepare just such a diverse student body for employment and service in the state.

## UW-Platteville Engineering Education Initiative

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	161,400	208,100	369,500
Fees (Tuition)	86,900	112,100	199,000
GPR/Fees	248,300	320,200	568,500

UW-Platteville requests funding for the third phase of its collaborative efforts with UW Colleges to increase engineering degree options available to students throughout the state.

Phase I provides a mechanical engineering degree in cooperation with UW-Fox Valley, along with some courses in electrical engineering. It is fully operational and there are presently 170 students in this program. More recently, Phase II has begun providing an electrical engineering degree at UW-Rock County. Still in its startup phase, it has approximately 50 students at this time but is anticipated to grow in a manner similar to Phase I. Both programs cater to non-traditional students, working adults who are place-bound.

This request would fund Phase III, which will add a mechanical engineering professor in Rock County and use alternative delivery methods, such as streaming video technology to expand course offerings in electrical engineering in the Fox Valley and mechanical engineering in Rock County. As a result, both full degree programs will be offered at each site. The alternative delivery methods will permit the UW-Platteville courses to be transmitted to other UW Colleges throughout the state, as interest permits. Traveling laboratories will be developed for those campuses requiring additional laboratory resources.

This initiative will provide added undergraduate engineering degree programs and meet ongoing workforce development needs, without large investment in additional facilities. The initiative will add 200 students at UW-Fox Valley and UW-Rock County and as many as 300 additional students at other UW Colleges campuses. As a result, such education can be made available throughout the state and, specifically, to regions with relatively smaller population bases. Since the courses provided are those delivered at UW-Platteville, accreditation would automatically apply to the distance education programs.

**UW-River Falls: Excellence in First Year Experience and Students in Transition**

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	113,800	97,500	211,300
Fees (Tuition)	61,200	52,500	113,700
GPR/Fees	175,000	150,000	325,000

The University of Wisconsin-River Falls requests funding to become an “Institution of Excellence” in programming for the first-year experience and students in transition (FYE/ST). The institution will strive to challenge and support students new to the institution in their first college year through a comprehensive program grounded in their core values of integrity, academic excellence, inclusiveness, community and continuous improvement.

Funding will allow the institution to develop a coordinated, integrated and comprehensive first-year experience for all students new to the institution. UW-River Falls will create a centralized office to manage FYE/ST programs, assess the impact of those programs to ensure efficient use of resources, and will increase the interaction between faculty, staff, and students throughout the first year. Programs supported with this funding will include a year-long transitioning student workshop series, first-year curriculum development and implementation, emerging leaders program for first-year students, and parent communication tools. In addition, programming will include diversity awareness and community-building for all new students.

A better coordinated and integrated program will allow the institution to improve retention rates for first year and transfer students, including students of color. Currently, the institution retains 75.2% of first-year students to the second year. This request will help the institution reach its goal of 80%, which would mean an additional 60 students a year are retained to the second year.

**UW-Stevens Point: New Health Science Major**

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	128,400	45,000	173,400
Fees (Tuition)	69,100	24,200	93,300
GPR/Fees	197,500	69,200	266,700

The University of Wisconsin-Stevens Point requests funding to implement a new major in Health Science. This major is designed to prepare graduates for career advancement in health care-related industries, such as pharmaceutical sales, administration, and the health insurance industry; and placement in entry-level positions in diverse settings, including acute, outpatient, and long-term care facilities. The program will also assist students seeking graduate degrees in programs for physical therapy, occupational therapy, health care administration, or health care informatics. The program will accommodate 50 majors per year once fully implemented.

Funding will be used to hire 2.5 FTE faculty positions to teach the Health Science courses, advise students, and coordinate pertinent experiences with health care institutions. In addition, a 0.5 FTE program assistant will provide clerical support and coordination for the program. Funding for supplies and expenses to support the program is also requested.

According to projections from the US Department of Labor, Bureau of Labor Statistics for 2002-2012, nine of the ten fastest-growing occupations are in health-related fields. This program will serve the unmet needs of health professionals in central and northern Wisconsin, UW-Stevens Point's primary service area.

## UW-Superior: Liberal Arts Emphasis

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	57,500	677,400	734,900
Fees (Tuition)	31,000	364,700	395,700
GPR/Fees	88,500	1,042,100	1,130,600

UW-Superior is requesting funding to implement an initiative to further its mission as Wisconsin's public liberal arts college. In 2003, as part of UW-Superior's regular accreditation process, the Higher Learning Commission of the North Central Association of Colleges and Universities (NCA) raised concerns regarding the degree to which UW-Superior had fully "operationalized" its stated mission as a public liberal arts college. The NCA site team specifically recommended that UW-Superior implement "generally accepted features" of a liberal arts-based educational experience and that core features consistent with that experience be integrated across the curriculum. In response, the campus has developed a detailed initiative that would provide undergraduates with a distinctive set of experiences that will better integrate them into the campus and its public liberal arts mission. The components of this initiative fall into six broad categories:

- 1) Academic Service Learning, which entails community-based service opportunities that are embedded within credit-bearing courses and relate to course objectives.
- 2) First Year Experience/Freshmen First, a package of initiatives designed to integrate students into the campus community and its public liberal arts mission.
- 3) Global Awareness, which builds upon UW-Superior's existing strength in global studies to make global studies a centerpiece of the student experience at UW-Superior while also enhancing the language study, international programs, and global economic development areas of study.
- 4) Senior Experience. All undergraduate majors will have in place a required "Senior Experience" activity, which will ask each student to engage in a significant piece of scholarly or creative work. The public presentation of Senior Experience work will become a focal point for campus activity in the Spring semester with a particular emphasis on involving lower-division students.
- 5) Writing Across the Curriculum (WAC), which will stress direct service to students through an expanded writing center.
- 6) Increased institutional support in the areas of admissions, advising, and institutional research.

With additional liberal arts funding, UW-Superior would maintain its overall enrollment within the campus' traditional service area at a time of declining high school graduation rates, while also increasing the number of new freshmen and transfer students from outside UW-Superior's traditional service area by 16 students in 2008-09, and an additional 78 enrollments by 2013-14. In addition, UW-Superior would increase its second-year retention rate from 67.3% to 79.5% by retaining an additional 40 students per year.

**UW-Whitewater: Recruiting and Retaining Multicultural, Disadvantaged, and Disabled Students**

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	66,700	181,300	248,000
Fees (Tuition)	35,900	97,600	133,500
GPR/Fees	102,600	278,900	381,500

UW-Whitewater requests funding to support a series of initiatives focused on increasing access and success for multicultural, disadvantaged and disabled students. These six campus initiatives will support efforts related to Plan 2008 and the Equity Scorecard project and include: (a) recruiting multicultural, disadvantaged, and disabled students to UW-Whitewater and into individual programs, (b) providing intensive transitional support for these students both during the summer before their freshman year as well as during the freshman academic year, (c) providing a learning community program that includes smaller class sizes for students during their freshman year, (d) providing both smaller class sizes and supplemental instruction in specific “gateway courses” across the university, (e) providing faculty mentors/resource persons in targeted academic areas of education, business and science, and (f) providing on-campus employment and experiential opportunities.

The proposed initiative is based on activities that UW-Whitewater has found to be successful in the recruitment and retention of targeted students. The campus currently has three successful summer programs which bring students to campus to provide academic preparation and other transitional help to ensure a successful start to their academic career. Students who have participated in this program have a higher first-to-second-year retention rate than other entering students with similar profiles who do not participate in the program. UW-Whitewater has seen the same result for students who participate in learning communities on the campus. While UW-Whitewater does not currently have any supplemental instruction specifically for “gateway courses,” it has been seen nationally that programs that target “gateway courses” have proven to not only be effective in helping students to be successful in those courses, but to also allow access to a wider variety of majors.

Measurable outcomes of the proposed initiatives will include: (1) increasing by 50 the number of minority, disadvantaged, and/or disabled students enrolled at the university per year, (2) the retention of 40 additional second year students per year, and (3) an eventual six-year graduation rate of 50 percent for this group of students, which equates to 25 additional graduates per year.

**UW-Milwaukee: Powering Southeastern Wisconsin’s Knowledge-Based Economy**

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	1,192,400	7,577,500	8,769,900
Fees (Tuition)	103,600	1,126,500	1,230,100
GPR/Fees	1,296,000	8,704,000	10,000,000

UW-Milwaukee proposes expanding its research capacity/infrastructure and training to develop the type of highly skilled and diverse workforce necessary to support a vibrant knowledge-based economy in Southeastern Wisconsin. This will, in turn, both strengthen the existing business environment and attract new businesses to the area. This initiative will leverage a plan to grow enrollments to approximately 30,000 students on the campus by 2010. With this funding, the campus will:

- expand its present Research Growth Initiative to permit the campus to compete more successfully for extramural research funds;
- develop a broad-based program in medical imaging research by hiring twenty leading faculty in the field; and
- enhance the level of graduate and undergraduate education, research support and training.

Since 2000, the Milwaukee area has lost approximately 3,000 jobs, experienced a 15% drop in household income, and a 5% increase in poverty. Transition to a knowledge-based economy is essential to the development of the region. No significant metropolitan area has made such a transition without a research-based university at its core. Metropolitan Milwaukee’s research and development infrastructure is insufficient at present to serve as the catalyst for this economic development. This initiative is envisioned to fill the gap.

The campus requests resources to leverage existing research potential with seed funding. The goal is to leverage each dollar with three dollars in additional extramural research funds. In addition, the campus will hire a cluster of faculty to establish a program in medical imaging research to work collaboratively with the Medical College of Wisconsin and area biomedical and healthcare corporations. Finally, the campus will enhance its level of graduate education and support, and the opportunities it provides for undergraduate research.

UW-Milwaukee currently provides 42% of the UW System’s bachelor’s degrees to African American students, 45% of its master’s degrees to African American students and 37% of its Ph.D.s to African American students. Enhancing undergraduate and graduate education will have a direct effect on the success of the UW System’s diverse student body.

**UW-Eau Claire/Stout: Chippewa Valley NanoSTEM Initiative**

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	0	2,209,700	2,209,700
Fees (Tuition)	0	852,900	852,900
GPR/Fees	0	3,062,600	3,062,600

Funding is requested to develop the *Chippewa Valley NanoSTEM Initiative*, a collaboration between UW-Eau Claire, UW-Stout, and the Chippewa Valley Technical College (CVTC) to provide the education and training needed for the Chippewa Valley region to embrace important emerging technologies in science, technology, engineering, and mathematics (STEM). The proposed initiative offers a unique combination of strengths with the specific goals of:

- 1) Educating more students in advanced STEM disciplines, including nanotechnology, biotechnology, polymer engineering and computer and electrical engineering;
- 2) Providing access to state-of-the-art science and engineering facilities and expertise for both students and regional businesses and industry as more public-private partnerships are promoted and sustained in the Chippewa Valley region;
- 3) Building a three-pronged workforce skill set of science, engineering, and technology through which to attract and retain the high-end employers of tomorrow.

UW-Eau Claire, UW-Stout, and the Chippewa Valley Technical College will capitalize on existing expertise and partnering in the development and enhancement of degree programs that focus on the triad of nanotechnology, nanoengineering and nanoscience education. These multidisciplinary, integrated programs will provide a well-educated work force uniquely skilled in the integration of innovative nanoscale science and technology applications into a wide range of industries in the upper Midwest, particularly those along the I-94 corridor.

Additionally, in order to address the low numbers of students from underrepresented groups pursuing baccalaureate degrees in various STEM disciplines, UW-Eau Claire and UW-Stout will expand their undergraduate recruiting efforts in nearby population centers that contain significant numbers of underrepresented students. UW-Stout is also working with Bradley Tech High School to develop a Summer Technology and Engineering Preview at Stout (STEPS) program for girls aimed at getting more women and minorities into engineering programs such as those proposed in the *Chippewa Valley NanoSTEM Initiative*.

With funding for the proposed *Chippewa Valley NanoSTEM Initiative*, UW-Eau Claire and UW-Stout will enroll 172 new students in 2008-09. Between 2009-10 and 2012-13, the two campuses will enroll an additional 482 students in the proposed programs.

## **Teacher Education (Multi-campus)**

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	145,200	1,612,300	1,757,500
Fees (Tuition)	78,200	868,200	946,400
GPR/Fees	223,400	2,480,500	2,703,900

The University of Wisconsin System is requesting funding to address the teacher education needs of the State of Wisconsin through:

- 1) Enhancing Cultural and Social Competencies for Teacher Education Students: This effort will sustain the UW System Institute for Urban Education model across the state and expand it to rural areas to increase and improve professional development opportunities for UW System students who want to be prepared to work in urban and/or rural education. This will serve to improve the depth and quality of the applicant pool for Wisconsin public schools, as well as improve the ability of the UW System to place pre-service teachers in urban and rural settings during their training.
- 2) Recruiting and Retaining a Diverse Student Body in Teacher Education and Enhancing Program Capacity to Meet the Needs of the State

Using statewide data on teacher supply and demand and Plan 2008 as guides, additional funding is requested to enhance campus efforts to recruit and retain students from diverse backgrounds into teacher education. The requested funding would be distributed among UW System campuses and each campus would be expected to work collaboratively with others in their region, including their K-12 colleagues, to most efficiently work to recruit and retain minority students. They will also address the unique supply and demand issues consistent with various geographic areas of the state.

- 3) Assessment and Evaluation of UW System Teacher Education Programs

State of Wisconsin teacher education rules (PI 34) require UW System education preparation programs to assess the proficiency of their graduates, including documenting the acquired knowledge, skills and dispositions that are aligned with state educational standards. To assess how well teacher education programs are meeting the needs of the state and the impact of quality teachers on student learning using valid and reliable measures, the UW System requests new state funding to develop a systemwide database and common process for collecting and disseminating data.

## Nursing Initiative

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	325,000	1,696,700	2,021,700
Fees (Tuition)	175,000	913,600	1,088,600
GPR/Fees	500,000	2,610,300	3,110,300

The University of Wisconsin System requests funding to increase the number of nurse educators and new nursing graduates for the state of Wisconsin. This request will leverage work already being done by UW System Schools and Colleges of Nursing through two Federal grants and will enhance and expand opportunities for accelerated nursing degrees, off-site programs to reach new areas of the state, and on-line distance education to reach place-bound students.

The request has two goals: One, to increase the number of master's-prepared nurses and advanced practice nurses committed to faculty/clinical educator positions in the state of Wisconsin and two, to increase the number of baccalaureate-prepared nurses for the state of Wisconsin. This request seeks funding to help achieve those goals through a number of innovative and creative strategies. These strategies include:

- Expanding off-site programs at UW-Eau Claire, UW-Oshkosh, UW-Green Bay, and UW-Milwaukee to reach areas of the state that currently do not have access to nursing programs. These areas include Marshfield, Wausau, Rhinelander, and Washington County.
- Developing new accelerated programs at UW-Eau Claire and UW-Madison to serve students who already have a bachelor's degree in other fields but who want to make a career change.
- Increasing the capacity in graduate programs at UW-Oshkosh, UW-Milwaukee and UW-Madison to increase the pipeline of future nursing faculty and clinical instructors.

Recruitment into the nursing profession has become a priority for nursing schools and employers alike in Wisconsin. The good news is that there has been a dramatic increase in the number of applications to nursing programs. The bad news is that there are inadequate numbers of nurse educators to meet the rapid acceleration in demand. In addition to nurse educator shortages, projected nursing shortages will also affect Wisconsin. In the next 15 years, the demand for nurses in the state will exceed supply by 13 percent. Both of these factors mean the UW System must build the capacity of its educational institutions by increasing academic and clinical faculty, and preparing more baccalaureate nurses who, in turn, have the potential to become nurse educators.

### Applied Research Program

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	250,000	0	250,000
Fees (Tuition)	0	0	0
GPR/Fees	250,000	0	250,000

The Applied Research Program was established as part of the 1987-89 biennial budget. It is designed to encourage faculty and academic staff from all academic disciplines throughout the UW System to apply their expertise and scholarship to support applied research activities that are likely to improve connections between knowledge and practice and that promote positive change in the economy of the state of Wisconsin. These may include fostering business expansion and improving profitability, creating jobs and enhancing workforce quality, reducing costs and increasing efficiency, and improving the quality of Wisconsin's products and services.

Each proposal should include a commitment for fiscal support from a private sector partner or partners; have appropriate and significant student participation; demonstrate sustainability or potential of funding for further development; and be interdisciplinary or involve more than one UW System institution.

Presently, this program is funded at approximately \$425,000. Over the last ten years, the UW System has been able to award an average of 12 grants per year, with individual grants not to exceed \$50,000. The UW System has been offered a grant of \$250,000 per year for four years, if matching funds can be provided. As a result, UW System is requesting an additional state investment of \$250,000 per year to provide for this match. This increased level of funding would permit expansion of this program and funding of multi-year grants as well.

**Early Math Placement Test (Multi-campus)**

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	185,000	-55,000	130,000
Fees (Tuition)	0	0	0
GPR/Fees	185,000	-55,000	130,000

The University of Wisconsin System is requesting funding to revamp the Early Math Placement Testing (EMPT) program. The EMPT is designed to measure the current math skills level of college bound high school juniors by:

- 1) Informing students about their level of math skills versus college math placement, the math requirements of college, and math requirements of specific majors;
- 2) Providing a preview of UW placement testing similar to the PSAT or PACT;
- 3) Encouraging students to take a mathematics course during their senior year, as well as take math more seriously; and
- 4) Assisting with college preparation by providing individualized feedback reports and post-test counseling by math teachers.

The EMPT was developed in the mid-eighties as a result of the large number of incoming University of Wisconsin students who required remedial mathematics attention. As a consequence of being placed in remedial math, students must take extra courses which do not apply toward their degree requirements as well as pay a fee for these courses in addition to their regular tuition. Thus, a deficiency costs a student both time and money.

The original EMPT was discontinued in 2001, not for of a lack of satisfaction with the test, but because of a lack of funding. In follow-up studies in each of the years that the EMPT was administered, it was found that for those students who participated in the EMPT and then enrolled at a UW institution, there was a distinctly lower percentage scoring in the remedial range on the UW Math Placement Test.

The re-configured EMPT would be administered through a computer interface. High school teachers could choose to use the test class-wide or could offer it to individual students. In addition, the EMPT would self-score and provide feedback to the student on the spot.

**Transfer Information System (TIS) Phase IV (Multi-campus)**

	<u>2007-08</u>	<u>Increase in 2008-09</u>	<u>Ongoing Base Increase</u>
GPR	495,700	-322,000	173,700
Fees (Tuition)	0	0	0
GPR/Fees	495,700	-322,000	173,700

The University of Wisconsin System is requesting funding to implement Phase IV of the Transfer Information System (TIS), which would provide degree audits that summarize progress toward an intended degree to potential transfer students to help guide them in their academic planning and preparation. TIS Phase IV would have the capability to electronically transfer student records. The opportunity to request and receive an unofficial degree audit from a remote site (whether in Wisconsin, Minnesota or elsewhere) is a function also included within the scope of TIS Phase IV.

**Summary of the UW System's Preliminary GPR/Fee 2007-09 Cost-To-Continue Request  
(in ongoing amounts) follows:**

<b>2005-07 Classified Increases above 2%, 2% and 2.25%</b>	<b>\$6,757,300</b>
Certain Titles in Classified Bargaining Units received increases above the 2%. 2% and 2.5% in the 2005-07 Bargaining Agreements. This item fully funds those increases.	
<b>2006-07 Pay Plan Increases for 75% of April 1, 2007 2.25%</b>	<b>\$20,376,700</b>
The 2006-07 Pay Plan was phased in and the portion paid out on April 1, 2007 will only be paid for three months of 2006-07. For this reason DOA has requested that the remaining 75% be requested as a DIN.	
<b>2004-05 and 2005-06 Craftworker Prevailing Rate Increases Above GWA</b>	<b>\$909,400</b>
This item requests the unfunded balance of the craftworker pay plan for 2004-05 and 05-06 above the amounts approved for non-represented staff based on prevailing rate increases for craftworkers.	
<b>Full Funding of Fringe Benefit Cost Increases</b>	<b>\$31,598,500</b>
This item requests full funding of DOA approved fringe benefit rate changes from the 2005-07 approved rates to the new 2007-09 rates.	
<b>2004-05 and 2005-06 PRAs and DCAs</b>	<b>\$1,848,700</b>
This item requests funding for the 2004-05 and 2005-06 Performance Recognition Awards (PRAs) and Discretionary Compensation Adjustments (DCAs).	
<b>Smith Lever Pay Plan Increases</b>	<b>\$266,700</b>
This item requests funding approved by the Joint Committee on Employee Relations (JCOER) for the difference between the state compensation plan and federally funded compensation for Cooperative Extension Smith Lever funded positions. The state funding is required if the federal government does not provide sufficient funding to cover the federal share of the pay plan for these employees.	
<b>2007-09 Utilities Increases for New Space and the Co-Generation Plant</b>	<b>\$12,720,400</b>
This item requests increases in the university's utilities appropriation for new and expanded facilities. It also includes increases in debt service, operating and maintenance costs of the Co-Generation plant at UW-Madison.	
<b>Increases for Minority and Disadvantaged Financial Aid Programs</b>	<b>\$1,521,000</b>
This item requests increases for financial aid programs at the average increase for graduate and undergraduate tuition in the 2006-07 fiscal year.	
<b>Student Technology Fee Increases</b>	<b>\$1,412,300</b>
This request increases the special technology fee to provide funding for student technology fee initiatives. The special technology fee is a percentage of tuition and increases as general tuition revenue grows.	
<b>Application Fee</b>	<b>\$1,814,100</b>
This item requests an increase in undergraduate and graduate application fees, last increased in 1998.	
<b>Veterans Tuition Grants (request in HEAB)</b>	<b>\$0</b>
<b>Cost-To-Continue Total</b>	<b>\$79,225,100</b>

**Summary of the UW System's 2007-09 Preliminary Program Revenue Request  
(in ongoing amounts) follows:**

<b>Projected Increases in Gift Funds</b>	<b>\$24,645,300</b>
Based on historical trend analysis and projected growth, this item provides for growth and cost increases in gift funds based on a 5-year average of percentage increases in budgeted gift funds.	
<b>Projected Increases in Trust Funds</b>	<b>\$1,776,300</b>
This request provides for projected growth and estimated cost increases for Trust Fund income. The 2007-09 projected increases are based on an analysis of budgeted Trust Fund income for the past ten years.	
<b>Projected Increases in General Operating Receipts and Auxiliary Enterprises</b>	<b>\$46,206,900</b>
This budget request increases program revenue spending authority each year of the 2007-09 biennia for programmatic needs of other operating receipts and auxiliary programs based on the estimated three-year average of Wisconsin disposable income per capita of 4.2% per year.	
<b>Increase for Solid Waste Reseach Grants</b>	<b>\$120,000</b>
The request provides an increase in funding for the Solid Waste Research Council to provide additional research grants and to expand the program's undergraduate research component.	
<b>Total Program Revenue Request</b>	<b>\$72,748,500</b>

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**Summary of Other Requests**

<b>UW-Madison Intercollegiate Athletics</b>	<b>\$7,116,100</b>
The request provides an increase in spending authority for the UW-Madison Division of Intercollegiate Athletics. Athletic expenses represent the costs of 23 intercollegiate athletic programs, University Ridge Golf Course operations, band and spirit squads, and athletic camps.	
<b>State Lab of Hygiene - Implied Consent Drug Testing</b>	<b>\$355,400</b>
The passage of 2003 Wis. Act 97, the "Baby Luke" Law, 346.63(1)(am) has created additional demand for drug testing and expert consultation at the State Lab of Hygiene under the OWI Statutes. This DIN requests increased resources to meet that increased demand.	

**Summary of the UW System's 2007-09 Preliminary Program Revenue Request  
(in ongoing amounts) follows:**

(Continued)

<b>State Lab of Hygiene - Communicable Disease Capacity *</b>	<b>\$586,000</b>
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This request will provide for retaining extensively trained staff, expensive diagnostic reagents and supplies, sophisticated diagnostic equipment maintained through service contracts, and training of and supplies for laboratory partners. These needs recently have been threatened by the loss of Federal CDC Cooperative Agreement funding previously committed.

<b>State Lab of Hygiene - Coroner's Death Investigation Services *</b>	<b>\$206,500</b>
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This request will allow the State Lab of Hygiene to resume its traditional role in providing free services to coroners and Medical Examiners in the areas of forensic toxicology after losing this designated state funding in the 1995-97 biennial budget. The Lab has continued to offer toxicology testing services at no charge since 1995-97, but with fewer staff and with slower response times.

<b>State Lab of Hygiene - Microbial Testing for WI's Coroners &amp; Medical Examiners *</b>	<b>\$226,400</b>
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This request will provide for development and delivery of training, supplies and materials for testing, additional FTE to perform the testing, and new technology needed.

<b>Veterinary Diagnostic Lab - Avian Influenza Testing</b>	<b>\$200,000</b>
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The Veterinary Diagnostic Lab is requesting an increase in their program revenue appropriation as the result of increased Avian Influenza testing in the upcoming biennia.

<b>Total Program Revenue Request</b>	<b>\$8,690,400</b>
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\* GPR Funding Request

## STATUTORY LANGUAGE CHANGE REQUESTS

1. ASSUMPTION OF CASH MANAGEMENT AND INVESTMENT RESPONSIBILITIES, MANAGEMENT OF CASH BALANCES FOR HIGHER RETURNS, AND RETENTION OF INTEREST ON TUITION BALANCES

The Department of Administration (DOA), via the State Treasurer and Investment Board, currently holds and manages all UW System cash, other than trust funds. While the UW System's auxiliary enterprises and federal financial aid appropriations are credited with interest earnings, tuition and other program revenue balances are not. By maintaining, managing and investing all program revenue balances and employing longer-term and/or more diversified investments where appropriate, the UW System could increase its investment returns. This would be consistent with the operations of other higher educational institutions nationally. The UW System proposes that it reimburse the state for the amount of interest it is now earning on UW appropriations. In addition, the UW System requests that it receive its GPR appropriation in 12 monthly installments, as is the case at other Big 10 institutions.

2. RETENTION OF PROCEEDS FROM THE SALE OF PROGRAM REVENUE OR GIFT BUILDINGS AND LAND

Currently, the proceeds from the sale of state buildings or state land are credited to the Joint Committee on Finance's supplemental appropriation established in s. 20.865(4)(a), Wis. Stats. Under s. 13.101(13)(b), Wis. Stats., if the building or land was used by a single agency, the Joint Committee on Finance may, upon request of the agency, transfer no more than half of the proceeds back to the agency.

Many parcels of land held by the Board of Regents were received as gifts or purchased using campus funds, such as parking revenues or student user fees. The Board of Regents seeks authority to retain and reinvest all of the proceeds from the sale of buildings or land acquired or built with program revenue or donated funds. Currently, if the UW System were to sell a facility funded through program revenue, it would lose its initial investment, adversely affecting the budget of the related auxiliary. If the UW System were to sell gift property, it would lose the value of the donor's gift. It is logical that the proceeds from the sale of such properties be retained to be used to support university programs, preventive building maintenance and other operating costs.

3. ELIMINATION OF TWO REPORTS PREPARED BY UW MEDICAL SCHOOL AND THE MEDICAL COLLEGE OF WISCONSIN

This proposal would eliminate the following two biennial reports: medical school enrollments and graduate placement and the financial summaries of the UW Medical School and the Medical College of Wisconsin. There is no evidence that

the Legislature or the Executive Branch utilizes these reports and their preparation is time-consuming for members of the medical school staff.

4. SALES TAX EXEMPTION FOR DONATIONS FOR PREFERENTIAL SEATING AT UW SYSTEM SPORTING EVENTS

The UW System recommends a modification to Wis. Stats. 77 to exempt from state sales tax those donations made for preferred seating at certain university athletic events. The change does not seek to exempt actual ticket or luxury suite sales from the sales tax. The exemption proposed, which currently applies to the Green Bay Packers, would apply to ticket sales for certain athletic events at UW-Madison, UW-Milwaukee, UW-Green Bay, Marquette University and other colleges and universities. The Department of Revenue and the Governor are also supportive of this change.

Although a percentage of these donations are already deductible for the purposes of state and federal income taxes, as a result of a Department of Revenue audit, they do incur state sales tax. This has had a negative financial impact on the UW-Madison Athletic Department which receives no GPR dollars and which estimates an unbudgeted required payment of nearly \$400,000 in the first year as a result of this ruling. In addition, the university system is concerned that with a sales tax applied to donations to Athletics, other donors might have concerns about the future tax deductibility of donations to other endeavors.

## **TECHNICAL CORRECTIONS**

1. BROADEN PROGRAM REVENUE POSITION CREATION AUTHORITY: EXTEND NON-GPR POSITION AUTHORITY TO SERVE PAYING CLIENTS PROMPTLY

Section s.16.505(2m), Wis. Stats., gives the UW System authority to create positions funded by a number of program revenue funded appropriations without the approval of the Governor or the Joint Committee on Finance. This proposal would extend this position creation authority to additional program revenue appropriations and to positions funded by academic student fees, without being limited to those generated by increased enrollment or from courses for which the academic fees or tuition charged equals the full cost of offering the courses. This would treat tuition funded positions in a manner in keeping with the other PR appropriations.

Position creation through DOA or legislative approval can take a significant amount of time. Current law relating to position creation prevents institutions from responding to workload and program changes in a timely way to meet the needs of students and other UW clients who are paying for services. This proposal would enable the university to address changing needs quickly.

2. INCREASE IN FEES FOR SPECIALTY LICENSE PLATES AND BROADEN THE SCHOLARSHIP PROGRAM TO INCLUDE UW COLLEGES

The UW System requests legislation to permit an increase in the donation fee assessed for specialty university license plates and to include the UW Colleges in this program. Current statutes permit the Department of Transportation to issue special license plates for all four-year campuses of the UW System. At present, an annual fee of \$20 is assessed for these plates. These funds serve as a donation to the financial aid program of the respective institution. The UW System wishes to assure that this fee will increase as application fees for other specialty license plates increases. The UW System also requests a change to s. 341.14(6r), Wis. Stats., to allow the UW Colleges to be represented in this program as well, to increase funding available for scholarships for UW Colleges' students.

3. CHANGING THE PROGRAM REVENUE APPROPRIATIONS FOR LABORATORY MODERNIZATION AND SCHOOLS OF BUSINESS TO CONTINUING APPROPRIATIONS

The UW System recommends a modification of the appropriations for laboratory modernization [s. 20.285(1) (Lm)] and the schools of business [20.285(1)(Ls)] to create continuing appropriations. Both of these appropriations are funded with academic student fees which is a continuing appropriation. The current lack of flexibility in these appropriations creates difficulties for programs supported with these resources as the timing of projects (especially for laboratory modernization) and of funding matches can delay construction and expenditure.

4. CHANGE UNIVERSAL SERVICE FUND LEGISLATION TO ALLOW UW TO PAY BADGERNET SERVICE PROVIDERS DIRECTLY

The UW System recommends a modification to the Universal Service Fund language that provides funding to pay the Department of Administration for telecommunications services provided under s. 16.972(1) to the campuses of the University of Wisconsin System at River Falls, Stout, Superior and Whitewater.

The business model of the new BadgerNet Converged Network is fundamentally different from that of the original BadgerNet and requires payment directly to the service provider. Therefore the following change is proposed to allow the UW to continue to use the Universal Service Fund to help pay the bills:

“To pay the **BCN\* service providers** for telecommunications services provided under s. 16.972(1) to the **campuses of the University of Wisconsin.**”

\*BCN stands for BadgerNet Converted Network

## 5. GIFT CERTIFICATE PROGRAM – TECHNICAL CHANGES

2005 Act 77 authorizes the University of Wisconsin System to implement a gift certificate program for nonresident tuition and academic fees. In order to establish the most efficient and effective program, the University of Wisconsin System requests minor technical amendments to the present statutes.

- Section 36.53(2)(b) should be modified, as follows, to reflect the fact that funds for study-abroad programs are appropriated to 20.285(1)(h), not 20.285(1)(im):

All moneys received by the board from the sales of gift certificates under this section shall be credited to the appropriation account under s. 20.285(1)(im) or (1)(h) as appropriate.

- In order to make our program comparable to other existing gift certificate programs (which permit transferability), Section 36.53(1)(b) should be repealed.
- Finally, the allowable processing fee for each gift certificate should be expanded to include the costs of shipping and handling. Section 36.53(2)(a) should be amended to read:

The board may charge no more than the actual ~~processing~~ processing, shipping and handling costs of processing, shipping and handling as a fee for each sale of a gift certificate.

C. 2007-09 BIENNIAL CAPITAL BUDGET REQUEST



## 2007-09 CAPITAL BUDGET RECOMMENDATIONS

### Overview

The 2005-07 Capital Budget represented a solid investment by the State of Wisconsin in UW System facilities. The final budget included approximately \$150,000,000 in General Fund Supported Borrowing (GFSB) for UW Major Projects and \$128,000,000 of GFSB of All Agency funds for maintenance, repair, and renovation. Major Projects are those individually enumerated in the statutes. All Agency funds are enumerated as a lump sum with the individual projects recommended by the UW System and approved by the Board of Regents and state Building Commission. Additionally, the budget included approximately \$170,000,000 Program Revenue Supported Borrowing (PRSB) for Major Projects and \$24,000,000 PRSB for All Agency projects.

During deliberations on the 2005-07 Capital Budget, the Division of State Facilities staff developed and presented to the state Building Commission a six-year plan for Major Projects funded with General Fund Supported Borrowing. The plan recommended enumerations for the 2005-07 biennium and some advance enumerations for the two subsequent biennia. The plan also identified priority projects for advance planning in 2005-07 with enumeration sought in 2007-09. While the Building Commission supported advance planning, they did not guarantee enumeration. The 2007-09 Capital Budget instructions from the Department of Administration included this statement from Secretary Bablitch. *Given continuing budget pressures and the state's policy to limit debt service between 3.5% and 4.0% of statewide General Purpose Revenue (GPR) expenditures it is unlikely that major projects requiring GFSB that were not included in the statewide Six-Year plan reviewed by the Commission will be included in the 2007-09 recommendations.* This instruction serves as the "Maximum Request Guideline" issued by DOA in the last biennium.

This Capital Budget recommendation accomplishes the following:

- Adheres to the funding target for the UW System established by the Division of State Facilities' six-year plan presented to the Wisconsin State Building Commission.
- Constructs and renovates academic space on every UW System campus for teaching and research.
- Renews and improves 17 student life facilities at nine institutions enhancing the student experience.
- Funds seven priority projects that were not funded in the 2005-07 capital budget.
- Establishes a plan to complete the priority projects requested in 2005-07 Capital Budget for advance planning.
- Continues a commitment to maintaining existing facilities and reducing backlog maintenance.

**2007-09 Capital Budget Recommendation  
Funding Summary**

<u>Major Projects</u>	GFSB	Gift/Grants	PRSB
New Major Projects using GFSB	\$135.1	\$45.6	\$5.9
New Major Projects without GFSB		\$59.3	\$234.6
Advance Enumerations from 2005-07	\$129.1		\$27.8
<u>All Agency Funds</u>			
Maintenance/Repair/Renovation	\$130.0		\$25.0

**2009-11 Advance Enumeration Recommendation  
Funding Summary**

<u>Major Projects</u>	GFSB	Gift/Grants	PRSB
New Major Projects using GFSB	\$108.8	\$2.0	\$8.2
Existing Advance Enumerations from 2005-07	\$28.3		\$27.8

The 2005-07 Capital Budget funded 13 of the UW System's 20 prioritized projects, in whole or in part, or by advance enumeration. Seven high priority projects were not funded, but remain critical to UW System institutions. Because accomplishing these seven projects were not included in planning framework presented to the state Building Commission by the Division of State Facilities (DSF), this capital budget request recommends funding five of these carryover projects from the All Agency maintenance fund. Specifically, it is recommended that these five projects be itemized within the All Agency allocations. These projects are appropriately funded from the All Agency budget for maintenance, repair, and renovation because they construct zero or little new space and address significant backlog maintenance.

This capital budget recommendation also includes a plan to accomplish major projects that have been waiting for several biennia. The plan enumerates seven major academic facilities in 2007-09 with the GFSB spread over two biennia and will accomplish all but one project from the Board of Regents 2005-07 Capital Budget Priority List. Funding for the seven projects would utilize the \$105,000,000 GFSB in 2007-09 specified by DSF toward the first four projects already in planning and \$108,762,000 GFSB in 2009-11.

This funding method would create a more seamless four-year budget for projects allowing them to move forward by accessing the amount of funding needed in the first biennium with complete funding in the following biennium. Another advantage is that these seven projects bring a total of \$45,576,000 in matching gifts funds.

However, this plan would commit \$137.1 M in advance enumerations for 2009-11 including \$28.3 M for UWM – Columbia St. Mary's.

**2007-09 Capital Budget Recommendation GFSB Major Projects**

Inst	Project Name	2007-09				2009-11		
		Total Cost	GFSB	Gift/Grants	PRSB	GFSB	Gift/Grants	PRSB
<b>ADVANCE ENUMERATIONS (alpha order)</b>								
MSN	Biostar IV - WI Institute for Discovery (WID)	\$31,000,000	\$31,000,000					
MSN	University Square Redevelopment	\$39,850,000	\$39,850,000					
MSN	Sterling Hall Renovation	\$20,000,000	\$20,000,000					
MIL	Columbia/St. Mary's Hospital	\$112,165,000	\$28,265,000		\$27,800,000	\$28,300,000		\$27,800,000
PLT	Tri-State Initiative (Engineering)	\$10,000,000	\$10,000,000					
	<b>Sub-Totals:</b>	\$213,015,000	\$129,115,000	\$0	\$27,800,000	\$28,300,000	\$0	\$27,800,000
<b>2005-07 CARRYOVERS (in 2007-09 Priority Order)</b>								
STO	Harvey Hall Renovation - Phase I Theater*	\$5,139,000	\$5,139,000					
OSH	Elmwood Center Remodeling*	\$8,464,000	\$8,464,000					
GBY	Rose Hall/Wood Hall Remodeling*	\$6,734,000	\$6,734,000					
MIL	Physics Building North Wing Remodeling*	\$3,969,000	\$3,969,000					
STP	Military Science Relocation	\$1,585,000	\$1,585,000					
STP	Maintenance and Materiel Remodeling/Addition	\$2,122,000	\$2,122,000					
OSH	Facilities Maintenance Relocation/Acquisition*	\$6,296,000	\$5,946,000		\$350,000			
	<i>*All Agency Total</i>		-\$30,272,000					
	<b>Sub-Totals:</b>	\$34,309,000	\$3,687,000	\$0	\$350,000	\$0	\$0	\$0
<b>SYSTEMWIDE PROGRAM PROJECTS</b>								
SYS	Utility Improvements	\$24,704,000	\$19,889,000		\$4,815,000			
SYS	Classroom Renovation/IT Improvements	\$6,500,000	\$6,500,000					
	<b>Sub-Totals:</b>	\$31,204,000	\$26,389,000	\$0	\$4,815,000	\$0	\$0	\$0
<b>TWO BIENNIA ACADEMIC CLASSROOM PROGRAM</b>								
SUP	Academic Building	\$31,143,400	\$24,143,400	\$7,000,000				
LAC	Academic Building	\$34,200,000	27,500,000	6,000,000	\$700,000			
PKS	Communication Arts Renovation & Addition	\$34,176,000	\$32,100,000	\$2,076,000				
OSH	Academic Building	\$48,000,000	\$40,000,000	\$8,000,000				
	<i>05-07 Academic Building Shortfall</i>		-\$18,743,400			\$18,743,000		
EAU	Education and Student Services Building	\$35,145,000				\$35,145,000		
MSN	Human Ecology Addition & Renovation	\$47,950,000		\$22,500,000		\$22,500,000		\$2,950,000
RVF	Health/Human Performance/Recreation Building	\$39,588,000				\$32,374,000	\$2,000,000	\$5,214,000
	<b>Sub-Totals:</b>	\$270,202,400	\$105,000,000	\$45,576,000	\$700,000	\$108,762,000	\$2,000,000	\$8,164,000
	<b>Totals</b>	\$548,730,400	\$264,191,000	\$45,576,000	\$34,365,000	\$137,062,000	\$2,000,000	\$35,964,000

## General Fund Supported Borrowing Major Projects

### In Priority Order

Project	Rank in Group	GFSB Funding	GFSB Cumulative Total
University Square		\$39.8	\$39.8
Sterling		\$20.0	\$59.8
WI Institute for Discovery		\$31.0	\$90.8
Milwaukee - Columbia		\$28.3	\$119.1
Platteville - Tri State Init.		\$10.0	\$129.1
Utilities		\$20.0	\$149.1
Classrooms		\$6.5	\$155.6
Superior - Academic	1	\$24.1	\$179.7
La Crosse - Academic	2	\$27.5	\$207.2
Parkside - Academic	2	\$32.1	\$239.3
Oshkosh - Academic	4	\$40.0	\$279.3
Stevens Pt. - Military Science	5	\$1.6	\$280.9
Stevens Point - Maintenance	6	\$2.1	\$283.0
Planning Shortfall (2009-11)		-\$18.7	\$264.3

#### All Agency Funded

Stout - Harvey Hall Theater	1	\$5.1	\$5.1
Oshkosh - Elmwood	2	\$8.5	\$13.6
Green Bay - Rose Wood Halls	3	\$6.7	\$20.3
Milwaukee - Physics	4	\$4.0	\$24.3
Oshkosh - Facilities Bldg. Reloc.	5	\$6.0	\$30.3

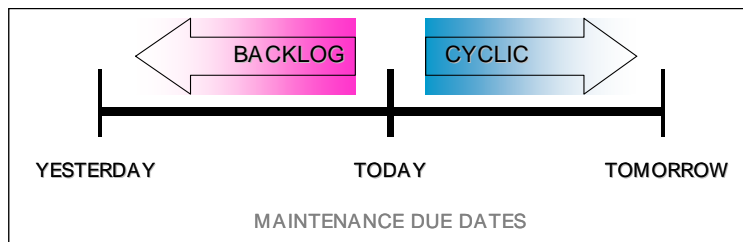
## 2007-09 Program Revenue and Gift-Funded Major Project Recommendations

<b>Inst</b>		<b>Project Name</b>	<b>Total Cost</b>	<b>GFSB</b>	<b>Gifts/Grants</b>	<b>PRSB</b>
EXT	2007-09	Lowell Hall Guestroom Remodeling	\$3,600,000			\$3,600,000
LAC	2007-09	Stadium and Fields	\$14,600,000	\$600,000	\$11,500,000	\$2,500,000
MSN	2007-09	Parking Ramps Expansions Lots 36 and 46	\$7,132,000			\$7,132,000
MSN	2007-09	Chadbourne and Barnard Halls Renovation	\$7,823,000			\$7,823,000
MSN	2007-09	Lakeshore Residence Hall Development - Phases I and II	\$67,815,000			\$67,815,000
MSN	2007-09	Music Performance Building	\$43,865,000		\$43,865,000	
OSH	2007-09	Softball Stadium	\$500,000		\$500,000	
OSH	2007-09	Residence Hall - Oshkosh	\$34,000,000			\$34,000,000
PKS	2007-09	Union Parking Lot Reconstruction/Expansion	\$1,173,000			\$1,173,000
RVF	2007-09	Field South Fork Suites Additions	\$14,586,000			\$14,586,000
STP	2007-09	Residence Hall - Stevens Point	\$36,205,000			\$36,205,000
STP	2007-09	Residence Halls Renovation	\$19,995,000			\$19,995,000
STO	2007-09	Price Commons Second Floor Renovation	\$2,713,000			\$2,713,000
WTW	2007-09	Drumlin Dining Hall Renovation	\$1,275,000			\$1,275,000
WTW	2007-09	Residence Hall - Whitewater	\$33,300,000			\$33,300,000
WTW	2007-09	Multi Sport Complex - Phase II	\$5,886,000		\$3,436,000	\$2,450,000
<b>Totals:</b>			\$294,468,000	\$600,000	\$59,301,000	\$234,567,000

## MAINTENANCE FUNDING FOR 2007-09

Several factors influence the university's biennial maintenance needs, including: cyclic life, age and size of physical plant, capital maintenance and renewal funding levels, operational maintenance staffing and the condition of the physical plant inventory. As these factors evolve and change, the university's funding recommendations respond accordingly. The factors influencing the university's maintenance needs are summarized into two categories, cyclic maintenance and maintenance backlog.

Cyclic Maintenance represents future maintenance need. As capital assets reach the end of their useful lives, if those items are not repaired or replaced, they are classified as maintenance backlog.



Maintenance Backlog represents the current maintenance need. It is not only acceptable, but expected that the university will always have some level of maintenance backlog to address.

Addressing the most maintenance in the shortest time frame possible has the lowest long term cost. Since limited funding is available, it is critical the university address its most pressing maintenance needs in a timely and responsible fashion. This has led to the current approach to capital budget planning.

Maintenance Planning: Understanding the maintenance issues facing the university is paramount to managing and planning solutions. The university no completes a documented long range maintenance plan at each institution, integrated into the long range building development plans. This comprehensive planning approach provides facilities supporting our educational mission. This approach ensures proposed projects address relative backlog and cyclic maintenance issues in the context of functional and programmatic issues. Projects developed from sound functional and maintenance perspectives are unlikely to prematurely undo or redo the same work again.

### 2007-09 GPR MAINTENANCE FUNDING PLAN

Based on the cyclic life data and recent physical plant condition assessments, it is recommended UW System's maintenance approach for 2007-09 include All Agency funds sufficient to fund the most pressing maintenance needs (\$130,000,000 All Agency Funds). The funding received will be applied to the maintenance and renovation needs based on relative priority, logical sequence in relation to pending major projects, and overall project impact. Projects will be developed for the repair and renovation of facilities and utility systems, as well as projects related to health, safety and environmental protection.

**All Agency Funds Needed in 2007-09    \$130,000,000 Maintenance and Remodeling**

# 2007-09 Capital Budget Major Project Descriptions

## Funding Sources

GFSB-General Fund Supported Borrowing  
PRSB-Program Revenue Supported Borrowing

Gifts-Gift and/or Grant Funds  
BTF-Building Trust Funds

## Advance Enumerations

(Enumerated in 2005-07 with funding available 7/01/07)

- 1. UW-Madison                      University Square Redevelopment                      \$39,850,000 GFSB**  
(\$17,000,000 PRSB 2005-07 +  
\$39,850,000 GFSB 2007-09 = \$56,850,000)  
229,779 GSF New Space  
(of 1,104,656 GSF total development)

Construction of the University Square Redevelopment by Executive Management, Inc. (EMI), a private developer, began mid-June 2006. This condo arrangement will provide consolidated clinical, counseling, and administrative offices for University Health Services; a visitor center; offices for the bursar, registrar, Student Financial Services, and a student activities center. The retail spaces, parking ramp, and student housing will remain under private ownership. Occupancy of the university office tower is anticipated in December 2008.

- 2. UW-Madison                      Sterling Hall Renovation                      \$20,000,000 GFSB**  
(\$17.5 million GFSB 2005-07 + \$2.0 million Gifts +  
\$20.0 million GFSB 2007-09 = \$39.5 million)  
161,100 GSF Remodeling

The Chamberlin Hall Renovation project will consolidate Physics at Chamberlin and enable renovation of Sterling Hall for the departments of Astronomy and Psychology. All space in Sterling Hall, with the exception of the nuclear accelerator space, will be renovated, and a new AAALAC-accredited vivarium will be constructed on the lower level. Once Psychology relocates into Sterling Hall, the Brogden Psychology building will become available for re-use until it is demolished to site a future phase of WID.

This amount of GFSB was included in the 2005-07 Capital Budget but was deferred by UW-Madison to reduce overall borrowing.

- 3. UW-Madison**                      **WI Institute for Discovery – BioStar IV**                      **\$31,000,000 GFSB**  
(\$19.0 million GFSB 2005-07 + \$100,000 Gifts/Grants +  
\$31.0 million GFSB 2007-09 = \$151.0 million)  
300,000 GSF New Space

This project will construct the first phase of the Wisconsin Institute for Discovery (WID) and the fully gift-funded Morgridge Institute for Research. The two research institutes will be constructed with a combination of public and private dollars and will operate separately while providing opportunities for collaboration. The design and construction of both institutes must be done concurrently because their academic and research functions are interrelated. As a condition of the gifts, construction will be managed by WARF as the developer. Upon completion, the public institute will be turned over to UW-Madison for operation, while operations for the Morgridge Institute for Research will be privately supported. This initiative provides a home for existing faculty interdisciplinary programs specializing in basic research that offers relevant discoveries to researchers in the Medical School’s Interdisciplinary Research Complex and a smooth transition from basic discovery, to medical development, to clinical trials. The WID and Morgridge Institute for Research facilities will strengthen the state’s leadership position in science and technology and promote the state economy with new jobs and investments.

- 4. UW-Milwaukee**                      **Columbia/St. Mary’s Hospital**                      **\$28,265,000 GFSB**  
\$28,265,000 GFSB 2007-09 + \$27,795,000 PRSB +                      **27,795,000 PRSB**  
\$28,265,000 GFSB 2009-11 + \$27,795,000 PRSB =                      **\$56,060,000 Total**  
\$112,120,000

Columbia-St. Mary’s Hospital (CSM) will build a new replacement facility for both hospitals on another site in Milwaukee with completion targeted for 2009-11. The immediate adjacency of CSM to the UW-Milwaukee campus provides a rare opportunity to acquire contiguous property for a major campus expansion. Acquisition of this property and reconstruction will address long-standing deficiencies in on-campus housing and parking as well as unmet space needs for instruction, student services, and research activities.

- 5. UW-Platteville**                      **Tri-State Initiative (Engineering)**                      **\$10,000,000 GFSB**  
\$10,000,000 GFSB 2005-07 + \$23,100,000 PRSB  
2005-07 + \$7,515,000 Gifts/Grants + \$10,000,000  
GFSB 2007-09 = \$50,615,000  
108,100 GSF New Space

This project will construct a new Engineering Building to accommodate the College of Engineering, Mathematics, and Science (EMS); technology-based programs in the College of Business, Industry, Life Sciences and Agriculture (BILSA); and new programs of Micro-Electro-Mechanical Systems (MEMS) and Bio-Medical Engineering. Although engineering space has been expanded in Ottensman Hall, that building is no longer adequate to support the growth that has occurred and the changes in engineering programs that have evolved into areas of higher technology. Approximately 22 labs, nine classrooms, and 32 faculty offices will address current and projected enrollment growth, all as part of the Tri-State Initiative.

## Two Biennia Enumerations for Academic Buildings

The first four projects (in priority order) were approved for advance planning)

<b>1. UW-Superior</b>	<b>Academic Building</b>	<b>\$24,143,000 GFSB</b>
	145,000 GSF New Space + 3,000 GSF	<b>1,200,000 BTF</b>
	Greenhouse addition to Barstow Science Bldg	<b><u>7,000,000</u> Gifts</b>
		<b>\$32,343,000 Total</b>

This project will construct a new academic building to replace substandard classrooms throughout campus and provide replacement space for Sundquist Hall (converted residence hall) and McCaskill Hall (former campus school), both of which will be demolished as part of this project. An instructional greenhouse will also be constructed as an addition to the Barstow Science Building. Ten departments will move from Sundquist Hall, McCaskill Hall, and Old Main into this new building. This project is necessary as the first step of a long-range plan to replace deficient classrooms and improve computer labs, provide relief to overcrowded areas, efficiently consolidate functions, and eliminate deficient facilities and the associated backlog maintenance.

<b>2. UW-La Crosse</b>	<b>Academic Building</b>	<b>\$27,500,000 GFSB</b>
	156,500 GSF New Space	<b>6,000,000 Gifts</b>
		<b><u>700,000</u> PRSB</b>
		<b>\$34,200,000 Total</b>

A new academic building will be constructed to addresses critical campus-wide building space issues. Three old residence Halls—Baird, Trowbridge, and Wilder (now used for administrative functions) will be demolished to create the site. New general access classrooms will replace deficient classrooms that are scattered throughout the campus and will provide the quantity and quality of general assignment classroom space required for instruction. Various academic and student services departments will relocate into this new building, including Communication Studies, International Studies, and Military Science. Computer labs will be developed for program and student use, and a serving kitchen and a storage area will accommodate gatherings for international students and associated organizations and families in the English as a Second Language program.

<b>3. UW-Parkside</b>	<b>Communication Arts Renov. &amp; Addition</b>	<b>\$32,100,000 GFSB</b>
	48,200 GSF Addition and	<b><u>2,076,000</u> Gifts</b>
	79,600 GSF Remodel	<b>\$34,176,000 Total</b>

This addition and remodeling project will address a significant deficit in the quantity and quality of instructional lab space for the fine arts that was identified as the most pressing space issue in a 2001 comprehensive space use assessment. The addition and renovation in the Communication Arts Building will provide space for the fine arts and modern classrooms. This project also will complete the relocation of 3-D Art programs (sculpture, ceramics, and fibers/metals lab) to renovated space in Molinaro Hall. Music, Theatre Arts, and 2-D Art programs will be reconfigured and expanded within the Communication Arts Building, and a multi-purpose choral rehearsal/recital space for music will be constructed.

Instructional

<b>4. UW-Oshkosh</b>	<b>Academic Building</b>	<b>\$40,000,000 GFSB</b>
	203,200 GSF New Space	<b>\$ 8,000,000 Gifts</b>
		<b>\$48,000,000 Total</b>

This project will construct a new academic building to house the offices and associated lab spaces for the College of Business Administration, the College of Letters & Science departments of Economics, Geography, & Urban Planning, History, Journalism, Political Science, Psychology, Sociology and programs of Environmental Studies, International Studies and Women’s Studies. In addition, a PC computer teaching classroom and general access open lab will be included as well as student study spaces; a faculty/staff lounge; 44,422 ASF of general access classrooms, and various support spaces for the building occupants.

Technology Support will be relocated from Communication Arts to available space in Wyllie Hall, opening up space in Communication Arts for use by arts programs. Also included will be an improved entrance; an extension of the internal campus concourse system into the new space; construction of an exterior sculpture/ceramics laboratory; and renewal and updating of building systems, equipment, furnishings, and finishes.

<b>5. UW-Eau Claire</b>	<b>Education &amp; Student Services Building - Planning</b>	<b>\$35,145,000 GFSB</b>
	149,000 GSF New Space	<b>464,000 BTF</b>
		<b>\$35,609,000 Total</b>

This project will construct a building to replace space in the Campus School, which will be demolished as part of this project, and Brewer Hall, which will be demolished in the future. The building will replace deficient instructional space in the Campus School and Brewer Hall currently occupied by the School of Education, and will move the Department of Psychology from Hibbard Hall, freeing up space there to relieve overcrowding in the College of Arts and Sciences. This project also consolidates Student Development and Diversity offices from scattered locations into this facility, and replaces deficient general assignment classrooms. It is the first step in a long-range plan to eliminate deficient facilities, relive overcrowding, and consolidate functions.

<b>6. UW-Madison</b>	<b>Human Ecology Addition &amp; Renovation - Planning</b>	<b>\$22,500,000 GFSB</b>
	80,000 GSF	<b>2,950,000 PRSB</b>
		<b>22,500,000 Gifts</b>
		<b>\$47,950,000 Total</b>

This project will construct an addition to the School of Human Ecology Building (SoHE). The addition is constructed on the site of the existing Preschool Laboratory and Human Development and Family Studies Building. These structures are demolished as part of this project. The building addition is linked to the existing building. This project allows three of the school’s departments to be programmed with contiguous accommodations for faculty, departmental, instructional, and project assistant staff offices. Further, special teaching environments associated with each department can be co-located with the other main functions of the department.

<b>7. UW-River Falls</b>	<b>Health/Human Performance/ Recreation -</b>	<b>\$32,374,000</b>	<b>GFSB</b>
	<b>Planning</b>	<b>5,214,000</b>	<b>PRSB</b>
	185,700 GSF Addition + 8,100 Remodeling	<u><b>2,000,000</b></u>	<b>Gifts</b>
		<b>\$39,588,000</b>	<b>Total</b>

This project will construct an addition to the Hunt/Knowles complex to house the Health and Human Performance programs that are currently located in the Karges Physical Education Center, the Nelson Building, and the Hunt/Knowles complex. Space in the Hunt/Knowles complex will be remodeled as necessary to support the addition, and upgrading will be done in the complex to renew backlog maintenance. In addition to being housed in scattered locations, the space now being used in Karges and Nelson is deficient in quantity and quality, and not capable of being renovated to meet current needs. This space will be demolished after the construction of the addition. The existing parking lot will be expanded by 230 spaces in order to support the new building. The current project scope is the result of careful investigation of a number of alternatives. This alternative has been shown to be the most cost effective proposal that could meet the program needs.

**Carryover Projects**  
(Unfunded 2005-07 Priorities)

<b>1. UW-Oshkosh</b>	<b>Elmwood Center Remodeling and</b>	<b>\$8,464,000</b>	<b>GFSB</b>
	<b>Addition for Student Support Services</b>		
	31,400 GSF Remodeling 4,500 GSF New Space		

This project will completely remodel the entire Elmwood Commons facility to house a new Student Support, Development and Referral Center. Remodeling will provide typical offices for combined functions of student advising, counseling services, career services and a new referral unit to help students access the satellite support services on campus, such as specialized tutoring. Work will also renovate and upgrade utility systems, such as, plumbing, HVAC and electrical. The building has not been remodeled or renovated since it was originally constructed 36 years ago as the first food service commons on the campus. Elmwood was vacated due to consolidation of all board dining services into another facility. Once the project design is underway, the A/E team may find the cost benefit of new construction may outweigh the cost of remodeling plus an addition.

**2. UW-Green Bay                      Rose Hall/Wood Hall Remodeling                      \$6,734,000 GFSB**  
36,848 GSF Remodeling

This project is the third step in a sequence of projects, following construction of Cofrin Hall and the Lab Sciences project, to provide the minimum amount of space needed to solve all significant building space issues on campus. Work will consist of extensive interior demolition and remodeling of significant portions of office and classroom space. Rose Hall will accommodate campus administrative offices, which will relocate from the seventh and eighth floors of the Cofrin Library. Wood Hall will accommodate the offices of the academic program in Social Work; the NEW Partnership for Children and Families, which provides training and continuing education for social services professionals; the Office of Outreach and Adult Access; and the Phuture Phoenix community partnership program. Classroom spaces, corridors, and lounges will be reconfigured to create four to six new classrooms that meet current occupancy codes, improve efficiency and sightlines, and change aspect ratios.

**3. UW-Stout                              Harvey Hall Renovation - Phase I Theater                      \$5,139,000 GFSB**  
12,000 GSF Remodeling

This is the first of two projects that will renovate and upgrade the building infrastructure and remodel space to renew the service life and functionality of 90-year old Harvey Hall, which is listed on the National Register of Historic Places. Phase I will upgrade the theater, support spaces, and related infrastructure including accessibility improvements; ventilation, electrical, plumbing, and furnishing upgrades; seating replacement; asbestos abatement; and lead paint removal. The current theater and support space is outdated and has deteriorated to the point that the theater, which is the only one on campus, cannot support the arts courses that use that space, and thus gets very little use. A future project will be requested to address the remainder of the building infrastructure. Harvey Hall is the second oldest building on the main campus and is expected to continue as an intensively used academic building for the foreseeable future.

**4. UW-Stevens Point                      Military Science Relocation                      \$1,585,000 GFSB**  
8,560 GSF Addition + 1,620 GSF Remodeling

This project will construct two additions and remodel space to enable relocation of the Military Science Department from the Park Student Services Center (SSC) to the Health Enhancement Center. One addition will provide offices, support space, a classroom, lab, and storage. The second addition will replace an old, pre-fabricated metal storage building. The relocation of Military Science will provide suitable space and release space in the SSC for partial reassignment of Nelson Hall occupants. Nelson Hall is a 90-year-old former student residence hall that is structurally sound but has antiquated building systems. The state will not support renewal of this facility, and the high probability of building systems failures may force a building shut-down.

**5. UW-Milwaukee      Physics Building North Wing Renovation      \$3,969,000 GFSB**  
 16,400 GSF Remodeling

This project will renovate the 1966 north wing to provide a completely refurbished instructional facility. The first floor north wing general assignment tiered lecture halls seating 128, 130, and 252 persons will be refurbished and upgraded. Asbestos-containing floor tile will be removed, and new seating, lighting, audio-visual equipment, fixed equipment, ceiling, wall and floor finishes, and ADA accessibility will be provided. In addition, the 65-seat Manfred Olson Planetarium, which serves community outreach activities, will be refurbished and upgraded, including supplementary project, sound equipment, and an ambient lighting system. All of the project surfaces of the dome will be cleaned, and the walls will be repainted. Mechanical systems will be updated and emergency exits and restroom improvements will be made.

**6. UW-Stevens Point      Maintenance and Materiel Remodeling      \$2,122,000 GFSB**  
**and Addition**  
 10,775 GSF Additions + 10,300 ASF Remodel

Additions to and remodeling of the Maintenance & Materiel Building are needed to meet organizational, safety, and space needs. A north-end addition will provide the equipment storage needs of the Grounds Department for front-end loaders, lawnmowers, seeders, trucks, etc. An addition at the southwest corner will provide a new electrician shop, welder shop, and a painter/carpenter/welder materials transfer-loading area. Secure storage space will be available to locksmiths, and irreplaceable building plans and specifications will be protected. The project also will provide expansion of the central receiving dock, repair of the building's mechanical system, and installation of safety equipment such as eye wash stations.

**7. UW-Oshkosh      Facilities Maintenance Relocation/      \$5,946,000 GFSB**  
**Acquisition      350,000 PRSB**  
 65,400 GSF Building/Land Acquisition      **\$6,296,000 Total**

This is a substitute carryover project for the 2005-07 AxelTech Facilities Management Remodeling project since the AxelTech property has not been acquired. This project will provide acquisition of a remodeled, former grocery store to enable the relocation of the Facilities Maintenance operation, Central Stores, Document Services and Postal Service departments. Currently, the UW Oshkosh Foundation has a five-year lease agreement with a purchase option for this building. The large parking lot will continue to be used by parking services to address residence hall long-term parking needs. The existing Facilities Management building will be demolished to create a site for the proposed new academic building.



## Non-GPR Major Projects

(In alphabetical order)

- |                        |  |                         |
|------------------------|--|-------------------------|
| <b>1. UW-Extension</b> | <b>Lowell Hall Guestroom Remodeling</b><br>28,000 GSF Remodeling | <b>\$3,600,000 PRSB</b> |
|------------------------|--|-------------------------|

This project will renovate existing office space and associated common corridors into 52 new guestrooms at the Lowell Center, one of the UW-Extension Conference Center facilities. The proposed work is confined to portions of four floors of the existing building and includes new and/or renovated bathrooms for each guestroom, finishes, heating and ventilation, electrical and plumbing upgrades as necessary.

The UW-Extension Conference Center operations are currently housed in three different locations: Lowell Center, Pyle Center, and the Friedrich Center. This remodeling project will allow for the consolidation of conference operations into two facilities that will be geographically located closer together (Pyle Center and Lowell Hall). The consolidation is expected to reduce operating inefficiencies, duplication, operational costs, and space and equipment redundancy.

- |                        |   |   |
|------------------------|---|---|
| <b>2. UW-La Crosse</b> | <b>Stadium &amp; Fields</b><br>41,000 GSF New Space | <b>\$11,500,000 Gifts</b><br><b>2,500,000 PRSB</b><br><b><u>600,000</u> All Agency</b><br><b>\$14,600,000 Total</b> |
|------------------------|---|---|

This project consists of the demolition of the existing stadium structure, running track, and stadium lighting system, and the construction of a new 10,000 seat stadium complex, an artificial playing surface football field, a nine-lane rubberized competition running track and area for field events, and a new stadium lighting system. It will also include the relocation of all the exterior natural turf competition, practice, and recreation fields, the installation of lighting systems related to those fields, and the construction of permanent seating for the competition soccer field. The project will add approximately 41,000 GSF of space under the stadium for classrooms, locker rooms, training rooms, and a fitness center. This project is partially supported by student segregated fees. The student body approved a referendum in February 2006 to allow segregated fees and an existing cash reserve to commit \$2,500,000 toward the funding of this project.

- |                      |  |                         |
|----------------------|--|-------------------------|
| <b>3. UW-Madison</b> | <b>Parking Ramps Expansion Lots 36 &amp; 46</b><br>Lot 36 Ramp = \$2,450,000 Total<br>Lot 46 Ramp = \$4,682,000 Total<br>Additional 367 parking spaces | <b>\$7,132,000 PRSB</b> |
|----------------------|--|-------------------------|

This project will provide additional parking in the east and central campus areas to replace surface parking spaces lost to proposed construction and redevelopment projects. The project will add 117 stalls to the Lot 36 (Steenbock) Parking Ramp by building out the third level and adding a fourth level to the existing ramp. The project will also add 250 stalls to the Lot 46 (southeast campus) Parking Ramp by construction of an additional two levels to the existing ramp.

- 4. UW-Madison                      Chadbourne and Barnard Halls Renovation                      \$7,823,000 PRSB**  
42,700 GSF Remodeling  
4,500 GSF New Space

This project will renovate areas of Chadbourne and Barnard Halls to improve the overall efficiency and usability of the space which is currently hampered by mechanical failures and little flexibility of design. Typical project work will include construction of new elevator hoistways and installation of new elevators, creation of more modern bathroom spaces, expansion and renovation of floor lounges, HVAC and electrical replacements and upgrades, as required, and appropriate site work. The work will be phased to allow occupancy during the academic year.

- 5. UW-Madison                      Lakeshore Residence Hall Development                      \$67,815,000 PRSB**  
**Phases I and II**  
\$44,007,000 PRSB (Phase I)  
\$23,808,000 PRSB (Phase II)  
251,820 GSF New Space  
6,000 GSF Additional Space

This is a two-phase, multi-year project that will increase residence hall capacity and significantly improve housing and food service facilities in the west lakeshore area of campus by constructing three new residence halls with a total capacity of 504 beds, a new food service facility, and a new commons space. Phase I of the project will include the construction of one building (approximately 171,820 GSF) that will include two residence halls and a new food service facility, and the construction of a modest addition to Bradley Hall (approximately 3,000 GSF) and related renovations. Phase II of the project will complete the project with the construction of a new building (approximately 80,000 GSF) that will include the third residence hall and area-wide program and student services spaces, the demolition of Holt Commons, and a modest addition (approximately 3,000 GSF) and related required renovations to Cole and Sullivan Halls.

- 6. UW-Madison                      Music Performance Building                      \$43,865,000 Gifts**  
55,000 GSF New Space

This building is the first of two new facilities planned for the School of Music, the first being the Music Performance Facility, the second, a Music Instructional Facility that will be requested in the future. This project will construct a 55,000 GSF three-story Music Performance Facility building at the corner of Lake Street and University Avenue which will include an 800-seat Concert Hall, a 350-seat Recital Hall, and key front and back-of-the-house support spaces. Included in this project is construction of a main plaza that will also serve the Chazen Museum of Art. This project will include demolition of commercial properties owned by the university in order to provide a site for this project. The two facilities for the School of Music will replace deficient space that is currently located in the Mosse Humanities Building, which will be demolished in the future.

**7. UW-Oshkosh                      Softball Stadium                      \$500,000 Gifts**  
3,300 GSF New Space

This project will create a 3,300 GSF softball stadium facility at the Oshkosh Athletic Complex. The new facility will provide integrated grandstands, public restrooms, concessions and storage for the softball field. Federal Title IX anti-discrimination legislation mandates gender equity in college athletic program funding and support. Construction of a men’s baseball grandstand and support building in the previous biennium has created a potential in-equity which construction of this facility will address.

**8. UW-Oshkosh                      Residence Hall                      \$34,000,000 PRSB**  
148,000 GSF New Space

This project will construct a new 148,000 GSF residence hall facility that will consist of apartment/suite-style living accommodations for approximately 400 students. The design of the residence hall supports the expectation of today's students that residence hall living will provide individual privacy as well as a physical layout that promotes a positive sense of community to enhance their academic experience. The planning of this project will involve an analysis of the existing housing inventory to determine the best site for the new structure.

**9. UW-Parkside                      Union Parking Lot Reconstruction/  
Expansion                      \$1,173,000 PRSB**  
659 Spaces

This project will construct a 639 stall parking lot that includes reconfiguration and expansion of the existing Union parking lot by 48 stalls, and construction of approximately 1,300 lineal feet of new roadway. In addition to replacing a parking lot that is at the end of its useable life, this project will enable the implementation the first of several phases of traffic circulation improvements that were recommended in the recently completed campus master plan.

**10. UW-River Falls                      Field South Forks Suites Additions                      \$14,586,000 PRSB**  
75,000 GSF New Space

This project constructs two additions to the existing George R. Field South Fork Suites to accommodate 240 students in 60 four-person suites. The additions will match the design of the existing building, which was completed in 2005, and will be constructed in locations identified during the planning of the original building. The project will also expand an existing parking lot by 120 stalls to serve the residents of the new suites. This project is a response to increasing demand for on-campus housing that has resulted in the use of temporary solutions to accommodate demand.

**11 UW-Stevens Point      Residence Hall      \$36,205,00 PRSB**  
181,500 GSF New Space

This project will construct a 500 bed suite style housing complex as part the Allen Residence quad on the east side of campus. 125 units will be in a suite-style configuration with 4 single occupancy rooms and include two baths and a shared study/common room plus a kitchen. 75 of those units (200 beds) will be in the same style but with kitchenettes. To make room for the project, Hyer Hall, the smallest residence hall at UW-Stevens Point at 180 beds and 40,400 GSF will be demolished.

**12 UW-Stevens Point      Residence Halls Renovation      \$19,995,000 PRSB**

This project will renovate four residence halls in the south DeBot quadrangle: Baldwin, Neale, Steiner, and Hansen. The halls comprising a total of 216,100 GSF will receive limited renovation with window replacement, room lighting upgrades, and ADA modifications including an elevator. A fire sprinkler system will be installed throughout and individual heating control valves added to each sleeping room. Updates and upgrades to existing finishes include replacement of carpet tile, window treatments, and closet side panels. This project is a result of a campus wide housing master plan completed summer of 2006.

**13. UW-Stout      Price Commons Second Floor Renovation      \$2,531,000 PRSB**

This project will address the complete abatement of all remaining asbestos containing material (ACM) in the ceilings, floors, piping, and ductwork of Price Commons. Most of this abatement will occur on the second floor, but selective abatement will also occur on the first floor in the mechanical room, hallway, freight elevator, and employee restroom. The mechanical systems (HVAC, fire protection and above floor plumbing) and the electrical systems (power and lighting) will be upgraded or renovated as required. These systems are past the end of their usable lives and require replacement. This project will provide updated floor and ceiling finishes in those areas where abatement will occur in order to provide a more appealing dining experience. In addition, the servery areas, which date to the original 1967 construction, will be updated to serve current food service standards.

**14 UW-Whitewater      Drumlin Dining Hall Renovation      \$1,275,000 PRSB**

This project will remodel the 33,407 GSF Drumlin Hall Dining Hall, which was constructed in 1965 and serves student residents on the west side of the campus. Work will include a new front entrance that will include an elevator and stairway on the east side of the building and the second floor balcony located on the east side of the building will be restored. This project will also include upgrades to the current HVAC system. Drumlin Hall primarily serves the six low-rise dorms on the west side of campus and two low-rise residence halls located on the south side of Starin Road, although it is open to all students.

<b>15. UW-Whitewater</b>	<b>Residence Hall</b> 198,700 GSF New Space	<b>\$33,300,000 PRSB</b>
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This project will build two suite style residence halls for 450 student located in the academic core of the campus. They will be single occupancy bedrooms in suite-style arrangements to meet the market demand. The possibility of a single residence hall with a slightly smaller budget will be investigated during the design phase. Four-bedroom suites will be provided, with a common area, kitchenette with sink, microwave and refrigerator, and bathroom facilities dedicated to only that suite. The project will also include common areas such as lobby, mail rooms, laundry rooms and gathering space on the first floor and lower level to support the building occupants.

<b>16. UW-Whitewater</b>	<b>Multi-Sport Facility – Phase II</b> 11,547 GSF New Space	<b>\$2,450,000 PRSB</b> <u><b>3,436,000 Gifts</b></u> <b>\$5,886,000 Total</b>
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This project will reconfigure a portion of the 40-acre West Campus Athletic Fields Complex this area, constructing Phase II of the Multi-Sport Athletic Facility on approximately 17 acres within the complex. The project will complete the fields at the van Steenderen Softball Complex and will provide new irrigation systems for the softball fields and for Prucha Field. The project will also construct new bleachers at the softball area and provide a new scoreboard for the van Steenderen Varsity Softball field. This project will construct a new Softball Support Building (1,200 GSF) and a new Track/Soccer Support Building (10,347 GSF) that will contain a concessions area, public restrooms, team locker rooms, working and meeting spaces, and an athletic training area. The project will provide a new irrigation system and new field lighting for softball, baseball, and the combined track and soccer facility.

This project is partially supported by segregated fees. The Segregated University Fee Allocations Committee (SUFAC) approved \$3,734,000 for Phase I (\$1,284,000) and Phase II (\$2,450,000) of the Multi-Sport Facility project on April 26, 2006. The SUFAC later confirmed the fee impact of \$35.32 necessary to support the project. The fee implementation will be \$17.76 beginning with 2007-08, increasing to \$26.64 in 2008-09, and then increasing to \$35.32 in 2009-10. This calculation was based on a twenty year payback.

## **2007-09 Capital Budget – Informational Materials**

### UNIVERSITY OF WISCONSIN SYSTEM CAPITAL ASSETS

The University of Wisconsin System has approximately 2,300 structures and over 1,200 buildings totaling 60 million gross square feet of space with replacement costs of nearly \$7.3 billion. This accounts for 63% of the total state-owned facilities in Wisconsin. The Board of Regents holds title to approximately 18,000 acres of land throughout Wisconsin, the majority of which has been donated to the university and is deed restricted for research and nature preserves. About 4,600 acres comprise the main campuses of the system's 13 universities.

While the portfolio of UW System facilities includes buildings from the mid-1800's, approximately 70% were constructed in the last 30 to 40 years. Most of these buildings were built to 30-year life expectancy standards and are in need of significant maintenance and renovation.

The UW System has approximately \$700 million of deferred maintenance needs. Although the state of Wisconsin and UW institutions have made significant investment through biennial capital budgets in recent years, the backlog continues to grow. In addition to providing funding for maintenance, the state and universities are investing in major remodeling projects of entire facilities to eliminate backlog maintenance.

### THE CAPITAL BUDGET PROCESS

The quality of education depends on careful integration of curriculum, faculty, and facilities. Long range physical planning for campuses of the University of Wisconsin System is an ongoing process designed to provide appropriate facilities in response to the dynamics of higher education. Each university has a Campus Development Plan that defines overall land use patterns, identifies potential construction needs, and serves as an illustration to ensure cohesive, aesthetic development compatible with the community and environment.

The Capital Budget is generally the mechanism for universities to receive funding for facilities needs. Those needs defined within the parameters of the Campus Development Plan, are more specifically stated in a Six Year Facilities Plan.

The Six Year Facilities Plan aids the campus by identifying long-term program directions and describing their effect on the institution's facilities needs. The Six Year Plan is required for each institution by Sections 16.84(6) and 13.48(6) of the Wisconsin Statutes.

Because the Campus Development Plan and Six Year Facilities Plan reflect the needs of students, faculty and staff, and the local communities, extensive participation in the preparation of the plans is warranted. Each campus has established Campus Planning Committees that involve the various affected entities within the institution. Additionally, separate committees are established for individual major projects. Those committees include representatives of the user groups of the proposed facility.

The UW System Office of Capital Planning and Budget is responsible for formulating a biennial capital budget request for consideration by the Board of Regents. Once approved by the Regents, the budget request is submitted to the Department of Administration's Division of State Facilities (DSF). The division prepares a capital budget request for all state agencies and introduction by the Governor in the biennial budget process. There are three primary sources of funding for capital projects.

- General Fund Supported Borrowing (GFSB) 20-year state-issued bonds repaid with GPR
- Program Revenue Supported Borrowing (PRSB) 20-year state-issued bonds repaid with UW PR
- Gift and Grant funds

Construction and maintenance projects are approved in two chief categories:

- Major Projects – require specific enumeration and cost \$500,000 or more.
- All Agency Projects – require Building Commission approval from a fund for capital maintenance

### THE ROLE OF THE WISCONSIN STATE BUILDING COMMISSION

The State of Wisconsin Building Commission is an eight-member body consisting of the Governor, three senators and three representatives, and one citizen member who is appointed by the Governor.

The Commission is subdivided into two subcommittees: a Higher Education Subcommittee and an Administrative Affairs Subcommittee. The Higher Education Subcommittee is responsible for reviewing building program requests of the University of Wisconsin System. The Administrative Affairs Subcommittee is responsible for reviewing building program requests of all other state agencies.

Every two years, as part of the biennial budget process, the Building Commission recommends a state building program to the Legislature that includes a list of projects and funding sources to meet the state's capital improvement and maintenance needs over the following two-year budget cycle.

The All Agency program, provides funding to the Building Commission to support general categories of repair and renovation projects. The UW System is given a funding allocation from which to request specific projects for construction. The UW System manages these requests on a competitive basis and submits projects to the Division of State Facilities and state Building Commission for approval.

As required under WI Stats. s. 13.48 (7), the Building Commission's capital budget recommendations are forwarded to the Legislature's Joint Committee on Finance by the first Tuesday in April. The Committee reviews the recommendations and may modify them before incorporating the capital budget into the biennial operating budget. Both houses of the Legislature take up the capital budget as part of their deliberations on the biennial budget.

### IMPLEMENTATION OF THE BUILDING PROGRAM

After projects are approved in the capital budget the Building Commission must again review and approve each project. Upon recommendation of the campus and System Administration, the Division of State Facilities advertises for, hires and contracts with an Architectural or Engineering firm (AE) to prepare preliminary designs. When the preliminary design work reaches 35%, a design report is prepared that describes the proposed design, budget and schedule. Before construction can proceed, the Building Commission must approve the design report. If it is approved, the A/E firm completes final construction documents DSF solicits construction bids. State statutes require that contracts be awarded to the lowest qualified responsible bidder, unless the Building Commission has approved an alternative method.

All building projects in excess of \$100,000 must be approved by the Building Commission prior to construction. For projects under this threshold, The DSF is authorized under the Small Projects Program (13.48 (10), (29)) to design and bid projects upon request of the UW institution.

**CRITERIA FOR RANKING  
STATE GENERAL FUND MAJOR PROJECTS  
REQUESTED BY UW SYSTEM INSTITUTIONS**

**BACKGROUND**

Each biennium, the Board of Regents establishes criteria to be used by System Administration staff in ranking proposed GPR major projects that would require specific enumeration in the upcoming capital budget. Using approved criteria in preparing capital budget submissions was established in 1999-2001 and the criteria have been updated biennially to reflect current systemwide initiatives, priorities, and goals of the Board of Regents. The intended use of these criteria is to create a priority list that addresses the greatest needs, highest academic priorities, and most cost-effective solutions to various facility problems.

**REQUESTED ACTION**

That the Board of Regents adopts Resolution I.3.j., authorizing the use of criteria as defined in Appendix A for ranking state general fund major projects for enumerated planning or construction.

**DISCUSSION**

The proposed criteria for ranking major capital projects emphasize extending the useful life of existing facilities and functionality. They also support goals of improving the quality of education by providing effective learning and teaching environments with appropriate technology. Strong consideration is given to the academic significance of the program(s) served by each project, as well as any operating efficiencies to be realized. Consideration is also given to the institutional priority of each project established by the respective Chancellor. All general fund projects requiring enumeration must be supported by a completed Campus Space Use Plan.

A critical change is the prioritization of capital projects for which enumerated planning will be requested in the current biennium with the expectation of construction funding following in the subsequent biennium. This process provides the necessary linkage to accomplish rational programming and initial design that should produce more realistic cost estimates and capital budget submissions. It also gives credence for effective long-range planning efforts. Four major projects were enumerated for planning in 2005-07 and comprise a significant portion of our capital budget request for funding in 2007-09.

Given the magnitude of capital budget needs, each major project proposal will be ranked using the recommended criteria to determine its overall placement on a prioritized Systemwide list for Regent approval in the next capital budget.

System Administration has not yet received capital budget instructions from the Department of Administration. It is expected that additional guidelines, which may be established by the Department of Administration, will be addressed in the context of the foregoing framework.

## RANKING CRITERIA FOR STATE GENERAL FUND MAJOR PROJECTS

CRITERIA	DEFINITION	MAX. PTS.
<b>Facility Considerations</b>		<b>100 Total</b>
<b>Group 1</b>	<b>Maintenance, Safety, Environment and Accessibility</b>	35 Total
Maintenance	Renews backlogged maintenance items or eliminates backlogged maintenance through demolition	0-20
Health, Safety, Environment, & Accessibility	Eliminates health hazards, safety hazards, non-code-complying conditions, and accessibility barriers. Remediates hazardous materials	0-15
<b>Group 2</b>	<b>Functionality</b>	50 Total
Functionality	Eliminates functional obsolescence, improves functionality, and/or updates technology.	0-15
Space Utilization	Improves utilization of space and/or makes use of under-utilized space.	0-10
Space Adequacy	Relieves overcrowding and/or provides sufficient space to accommodate intended functions.	0-15
Operating Efficiencies	Accomplishes consolidation of services or reduces operating resources required (maintenance, custodial, support, energy consumption, or supplies).	0-10
<b>Group 3</b>	<b>Sustainability</b>	15 Total
Reuse of Facilities	Reuses existing space.	0-5
Infrastructure Impact	Makes use of existing utility, road and site infrastructure/ minimizes need for additional infrastructure construction.	0-5
Sustainable Design	Incorporates sustainable design principles (site, water, energy, and material conservation, indoor environment)	0-5
<b>Institutional Significance</b>		<b>55 Total</b>
Institutional Mission	Directly supports institution's mission and goals	0-10
Academic Goals	Directly supports academic goals	0-15
Student Services	Improves access to student services	0-10
Programs	Addresses program needs that currently cannot be met, including program accreditation	0-10
Other	Other benefits to the institution, including benefit to support and administration areas.	0-10
<b>Long Range Planning</b>		<b>45 Total</b>
Development Plan Consistency	Identified in previous long-range development plan. Yes = 10, No = 0	0 or 10
Campus No. 1 Priority in 2003-2005	Yes = 5 points, No = 0 points	0-5
Campus No. 1 Priority in 2005-2007	Yes = 5 points, No = 0 points	0-5
Campus Number One Priority	Yes = 5 points, No = 0 points	0-5
Sequence of Project	Must be implemented before other projects in long-range plan can occur.	0 or 10
Timing of Project	Delaying project would jeopardize occupants, programs, operations, building integrity, or availability of external funding.	0-10
<b>Total Possible Points = 200</b>		

## D. PERFORMANCE MEASURES

**DOA Required 2007-09 Biennial Budget Performance Measures  
for the University of Wisconsin System**

**Measure I: Enrollment**

**Goal: Provide service to meet or exceed the current full-time-equivalent student enrollment plans.**

<b>Year</b>	<b>Enrollment Plans</b>	<b>Actual</b>
<b>1997-98</b>	<b>127,374</b>	<b>125,393</b>
<b>1998-99</b>	<b>127,768</b>	<b>128,370</b>
<b>1999-00</b>	<b>128,156</b>	<b>129,961</b>
<b>2000-01</b>	<b>130,986</b>	<b>131,385</b>
<b>2001-02</b>	<b>131,387</b>	<b>133,701</b>
<b>2002-03</b>	<b>133,211</b>	<b>135,653</b>
<b>2003-04</b>	<b>135,343</b>	<b>135,798</b>
<b>2004-05</b>	<b>134,885</b>	<b>135,186</b>
<b>2005-06</b>	<b>135,841</b>	<b>136,883</b>
<b>2006-07</b>	<b>136,319</b>	
<b>2007-08</b>	<b>136,918</b>	
<b>2008-09</b>	<b>138,104</b>	

2007-08 and 2008-09 enrollment plans are contingent upon funding included in the 2007-09 Biennial Budget Request.

**Measure II: Persistence Rate (Students retained at original institution)**  
**Goal: Retain 82 percent of new freshmen to the second year of study.**

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<b>Year (Cohort)</b>	<b>Goal</b>	<b>Actual</b>
1995-96 (1994)		76.6%
1996-97 (1995)		77.6%
1997-98 (1996)		78.3%
1998-99 (1997)		78.5%
1999-00 (1998)		78.6%
<hr/>		
2000-01 (1999)	78.4%	78.7%
2001-02 (2000)	78.9%	78.8%
2002-03 (2001)	79.5%	79.5%
2003-04 (2002)	80.3%	80.1%
2004-05 (2003)	81.1%	79.7%
2005-06 (2004)	82.0%	80.7%
2006-07 (2005)	82.0%	
2007-08 (2006)	82.0%	

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**Measure III: Graduation Rate (Students graduating from any UW institution)**  
**Goal: Graduate 64 percent of new freshmen within six years of matriculation.**

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<b>Year* (Cohort)</b>	<b>Goal</b>	<b>Actual</b>
1995-96 (1989)		60.0%
1996-97 (1990)		57.6%
1997-98 (1991)		57.0%
1998-99 (1992)		58.5%
1999-00 (1993)		59.6%
2000-01 (1994)	59.0%	59.3%
2001-02 (1995)	60.4%	60.6%
2002-03 (1996)	60.7%	61.7%
2003-04 (1997)	61.0%	62.1%
2004-05 (1998)	61.5%	62.2%
2005-06 (1999)	61.8%	63.5%
2006-07 (2000)	62.0%	
2007-08 (2001)	62.5%	
2008-09 (2002)	63.0%	
2009-10 (2003)	63.5%	
2010-11 (2004)	64.0%	

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\*Year denotes the reporting year not the academic year the degree was completed.

**Measure IV: Contribution to the State of Wisconsin's Economy**

**Goal: Contribute at least \$300 million to Wisconsin earnings annually.**

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<b>Year (Graduating Class)</b>	<b>Goal</b>	<b>Actual</b>
<b>1999-00 (1998-99)</b>		<b>\$ 300 Million</b>
<b>2000-01 (1999-00)</b>	<b>\$ 320 Million</b>	<b>\$ 327 Million</b>
<b>2001-02 (2000-01)</b>	<b>\$ 340 Million</b>	<b>\$ 363 Million</b>
<b>2002-03 (2001-02)</b>	<b>\$ 370 Million</b>	<b>\$ 374 Million</b>
<b>2003-04 (2002-03)</b>	<b>\$ 390 Million</b>	<b>\$ 402 Million</b>
<b>2004-05 (2003-04)</b>	<b>\$ 420 Million</b>	<b>\$ 415 Million</b>
<b>2005-06(2004-05)</b>	<b>\$ 420 Million</b>	<b>\$ 412 Million</b>
<b>2006-07 (2005-06)</b>	<b>\$ 420 Million</b>	
<b>2007-08 (2006-07)</b>	<b>\$ 420 Million</b>	

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E. REFERENCE



**JIM DOYLE**  
**GOVERNOR**  
**STATE OF WISCONSIN**

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May 26, 2006

Dear Agency Head:

Wisconsin's economy is again on the move, creating jobs and expanding exports. Families are moving to Wisconsin, taking advantage of our highly desirable quality of life, which is the product of top-notch public schools, world-class university and technical college systems, abundant natural resources, an extensive and well-maintained transportation network combined with a below-average cost of living.

Much progress has been made since I took office over three years ago. Inheriting the largest budget deficit in the state's history and a weakened economy, we set priorities and made tough decisions.

First and foremost, we did not raise taxes to offset the excessive spending of prior administrations. In fact, state taxes will be cut by over \$600 million by 2009. Seniors no longer have to pay taxes on social security income, disabled veterans and their families are receiving tax credits to pay all their property taxes, and middle class families have had their taxes reduced to help offset high gas prices, college tuition and health care costs. Targeted business tax cuts, including the single sales factor in the corporate income tax, incentives for venture capital and broadband investment, and tax credits for farmers and manufacturers, have helped spur job creation and economic expansion.

Second, we have worked hard to make state government more cost-effective and responsive. Over the last three years, we have cut almost \$700 million from state agency operations, eliminated nearly 4,000 state positions, eliminated unnecessary contracting and sold 1,000 state cars. We have eliminated regulatory red tape for businesses and improved privacy protections for the public.

Finally, we have made education and health care a priority. SeniorCare and BadgerCare have been protected and improved. Two-thirds funding of schools has been restored, helping to freeze local property taxes. Financial aid for University of Wisconsin students has more than doubled.

While much progress has been made, we need to remain vigilant in the expenditure of public dollars. Continued reductions by the federal government in health care and other services, along with unfunded federal mandates, will place increasing pressure on the state budget. Declining federal support combined with the legacy of

overspending by past administrations and Legislatures will continue to create fiscal constraints. As a consequence, all agencies must continue to be innovative, efficient and effective in managing their programs, delivering services and using technology to lower costs to Wisconsin's taxpayers.

The Major Budget Policies and Budget Instructions call for most agencies to hold their overall fiscal year 2007-08 and fiscal year 2008-09 GPR budgets to fiscal year 2006-07 levels. The same targets will apply to the SEG-funded administrative operations of the Departments of Transportation and Natural Resources, and the Lottery. These targets are necessary to ensure state government lives within its means.

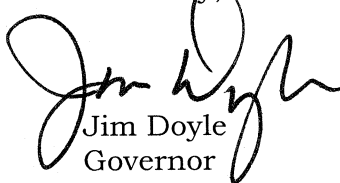
In addition, most agencies will be required to submit plans to reduce all nonfederally-funded state administrative operations appropriations by ten percent. These plans should look to retool and reorganize programs to increase both efficiency and service.

There are no easy solutions to the legacy of unfettered spending – no quick fixes or formulas. We must continue to put prioritizing programs, improving performance and utilizing technology effectively above asking for more funding. And we need to retool programs that are not doing well and consider eliminating programs that are no longer high priorities.

Agency budget requests are due September 15. Please review the Major Budget Policies and Instructions carefully as you prepare and prioritize your requests. Technical budget instructions will not be printed this year, but will be available on the Internet at [www.doa.state.wi.us/debf/index.asp](http://www.doa.state.wi.us/debf/index.asp).

Before 2003, state government had lost its way. But it's a new day in Wisconsin. Wisconsin is back on track – growing our economy, putting kids first, supporting local services and ensuring cost-effective health care access for all. I am confident that you and your employees will continue to meet these challenges and continue to deliver important services to Wisconsin citizens.

Sincerely,



Jim Doyle  
Governor

cc: Agency Budget Contacts

## **MAJOR BUDGET POLICIES 2007-09**

The Governor has identified the following themes as the core concepts for constructing the 2007-09 biennial budget. These themes build upon our state's existing strengths and position Wisconsin to better protect and improve our families, communities, businesses and natural resources.

### **REDUCE THE TAX BURDEN**

One of the Governor's top priorities is to continue reducing the tax burden on Wisconsin's citizens. Due to the Governor's efforts to erase the state's budget deficit without raising taxes, Wisconsin's state tax ranking is out of the top ten, falling to 15 in 2005.

### **INVEST IN EDUCATION**

The Governor's 2007-09 budget will focus resources on improving Wisconsin's educational system. Success in school and access to higher education for all Wisconsin citizens through the Governor's Wisconsin Covenant will be a top priority for the Governor.

### **REFORM HEALTH CARE**

Wisconsin's economy, like the rest of the nation's, is challenged by increasing health care costs. The Governor's budget will focus on preserving access to home-based care and prescription drugs for Wisconsin's seniors; making health insurance more affordable to families and businesses; containing costs; addressing federal mandates; and streamlining the health care delivery system. These issues will be addressed through the Governor's Family Care Statewide, BadgerCare Plus – Health Insurance for all Kids, eHealth and Healthy Wisconsin initiatives.

### **GROW WISCONSIN**

Major elements of the Governor's Grow Wisconsin plan in support of high-skill, high-wage employment were enacted by the last two sessions of the Legislature. The 2007-09 budget will continue implementation of these initiatives and seek to increase training opportunities for Wisconsin's businesses and work force, as well as support the efforts of entrepreneurs. The Governor was also able to push forward regulatory relief in support of Wisconsin business without compromising Wisconsin's high environmental standards. The 2007-09 budget will focus on further streamlining burdensome regulations while maintaining Wisconsin's pristine environment.

### **ENERGY EFFICIENCY**

The Governor's 2007-09 budget will continue to implement measures to reduce state agency energy consumption and expand research and development efforts in support of alternative energy sources. Energy conservation measures in state buildings and expanded use of alternative fuels generally will help to reduce costs and boost Wisconsin's economy.

## **CARE FOR WISCONSIN'S KIDS**

High educational attainment and the future success of Wisconsin's economy depend on ensuring that our kids are protected and cared for. Continued implementation of the Governor's KidsFirst initiative will be a top priority in the 2007-09 budget.

## **SUPPORT LOCAL GOVERNMENT**

The Governor's 2007-09 budget will continue to protect a fair and equitable shared revenue system for local governments in order to limit property taxes and ensure quality local government services which are critical to Wisconsin's citizens. Efforts to improve cooperation between state and local governments, improve efficiencies in delivery of services, and control property taxes will be top priorities in the budget.

## **PROTECT WISCONSIN'S CITIZENS**

The Governor's 2007-09 budget will continue efforts to decrease the overall cost of incarceration in Wisconsin, while maintaining the safety of our citizens. The budget will also include on-going support for the newly created Office of Privacy Protection. Technology enhancements and improved coordination of state and local law enforcement remain key goals in all of these efforts.

## **ENHANCE WISCONSIN'S NATURAL RESOURCES**

The Governor understands that the success of Wisconsin's economy is tied directly to protecting and enhancing Wisconsin's pristine environment and natural resources. The budget will continue to make the Warren Knowles - Gaylord Nelson Stewardship 2000 Program a priority, along with other measures including Conserve Wisconsin, that ensure natural resource protection and environmental quality.

## **SECURE FAIR SHARE OF FEDERAL DOLLARS**

Federal funds comprise approximately 26 percent of the state budget. The state has a goal of increasing the receipt of federal funds where consistent with state program goals. The Governor will continue to aggressively pursue federal funds so that Wisconsin taxpayers are treated fairly relative to their financial contributions.

## **STREAMLINE STATE GOVERNMENT**

The 2007-09 budget will continue to improve state government efficiency. Through prudent technology investments, co-location of government services and elimination of low-priority programs, services to citizens will be enhanced through efficient use of state resources.

## **BUDGET TARGETS**

- Agencies should prepare their 2007-09 biennial budget requests based on 100 percent of their fiscal year 2006-07 adjusted base level.
- The 2007-09 biennium will present many fiscal challenges. Addressing these challenges will be the overriding factor in GPR spending decisions for the next budget. As such, there will need to be restraint in most GPR appropriations in the next budget.
  - Agencies should assume there will be zero growth in overall GPR appropriations in each fiscal year during the 2007-09 biennium, and specific program needs should be managed within this general constraint.
  - Exceptions will occur only for K-12 school aids; required cost-to-continue needs for the state's institutions, i.e., the Department of Corrections and the Department of Health and Family Services institutions; entitlement and related assistance programs in the Departments of Health and Family Services (e.g., Medical Assistance) and the Department of Workforce Development's Division of Vocational Rehabilitation; the University of Wisconsin System instruction and research activities that are focused on economic growth; and housekeeping adjustments like standard budget adjustments, fuel and utilities, and debt service.
- The zero growth policy will also apply to the SEG-funded administrative operations appropriations of the Department of Transportation, Department of Natural Resources and Lottery.
- Funding requests for other types of appropriations and other funding sources in both years should be limited to revenue availability and prioritized programmatic needs.
- Except for standard budget adjustments, routine budget items should be handled in agencies' base budgets regardless of fund source. Consistent with overall targets, agencies should limit requests to spending items associated with significant policy and operational changes.
- Proposals that transfer functions or programs, including related costs and staff, between agencies should result in zero growth in overall state appropriations (i.e., the transferring agency should have lower overall appropriations to offset the increase at the receiving agency). All agencies involved in the transfer should notify the State Budget Office of any such proposal to facilitate review of the request and allocation of any projected savings between the agencies.

## **PLANNING FOR OPERATIONS REDUCTIONS**

- Agencies with state operations administrative appropriations, including the administrative activities of the University of Wisconsin System, should prepare plans to absorb a ten percent permanent base cut. This reduction should equal ten percent of all non-FED sum certain state operations administrative appropriations in an agency, excluding debt service and fuel and utilities appropriations.
- Reduced base budget plans are due Monday, November 13, 2006.

- To prepare for these cuts, agencies should look beyond trying to absorb the reduction as an across-the-board appropriation cut. This should not be an exercise to tweak the status quo, instead you should use this exercise to fundamentally review your agency's missions and priorities, exploring opportunities to reallocate resources, integrate programs and consolidate functions.
- Where reductions and efficiencies in state operations result in reductions in positions, agencies should plan to accomplish this reduction without layoffs.
- Any areas needing additional staff must be met through base reallocations.
- Agencies should not include decision items related to new or expanded enterprisewide administrative initiatives in budget requests or budget reduction plans. Savings and required investments related to these efforts will be incorporated into the Governor's budget.

Note: Agencies must receive approval from the State Budget Office before proposing to use funding sources in another agency to stay within budget targets, to absorb operations' reductions or to fund any new initiatives.

## **BASE BUDGET REVIEW**

The Department of Administration secretary is required under s. 16.423, Wisconsin Statutes, to select one-third of all state agencies each biennium and require those agencies to provide a description of each programmatic activity performed by the agency and the expenditure, by revenue source, for each activity area. Expenditures must be reported for the last three fiscal years, with detailed breakouts of expenditures occurring in the third and fourth quarters of those fiscal years. Agencies not selected in the last two biennia will need to meet this requirement this biennium.

Agencies' Chapter 20 appropriation schedules will be used to identify programmatic activity areas and to categorize the expenditure information. Agencies required to report for the 2007-09 biennium must submit their reports no later than Monday, September 18, 2006. The State Budget Office will provide selected agencies with the base expenditure information and a standard format for agencies to describe their programmatic activity and spending patterns.

## **PERFORMANCE MEASUREMENTS IN BUDGETING**

- Agencies are asked to continue to report on the performance measures they identified for previous biennial budgets. These measures should relate to agencies' broad Chapter 20 budget programs. If needed to capture significant shifts in agency function, additional measures could be added; however, only a few measures should be presented so there is a clear focus on results.
- For the 2007-09 budget, agencies need to report actual outcome measures through fiscal year 2004-05 and fiscal year 2005-06. Planned outcome measures should be listed for fiscal year 2006-07, fiscal year 2007-08 and fiscal year 2008-09. Agencies should track and maintain data going forward to present actual performance data for a fiscal year compared to planned performance. (A calendar year may be used if data is collected on that basis. Please note where calendar years are used.)

The State Budget Office will include performance measures developed by an agency in the Executive Budget Book, and agencies should reference measures in decision items, where relevant. The information that needs to be presented for each broad Chapter 20 budget program where measures are reported includes:

- The key goals and objectives for each program.
- The outcome measure(s) selected for the program, including past actual outcomes and the planned outcomes over the next two years.
- Statewide data can be presented, as well as comparing different regions. Data showing that one region is lagging behind other regions in Wisconsin, for example, may suggest a geographical reallocation is appropriate. The agency should also identify what external factors may influence program outcomes, since many factors can impact program success. Finally, the agency should be prepared to address how it could adjust programming to improve results.
- Because many factors enter into budget decisions, the traditional program budget decision information and format will continue to be presented. However, outcome measures can provide a rationale to add, reduce or reallocate budget resources. Measures should be taken into consideration when funding decisions are made. They should be cross-referenced in decision items, where applicable, but the agency should not rely on requests for new funding to reach a planned outcome goal. Better alternatives may include reallocating existing base funding, consolidating similar programs or identifying other means to improve outcomes within current program funding.
- Agency descriptions and performance measures will be E-mailed to each agency budget contact for updating. It is important for agencies to follow the prescribed format to ensure consistency and compatibility. The information should be submitted electronically in Microsoft Word software format, to facilitate inserting the information into the Executive Budget Book.

## **BUDGETING FOR INFORMATION TECHNOLOGY**

Requests for funding of information technology projects should identify the link between the project and the state's business goals and provide specific information about each project. Consistent with information technology strategic planning, project definitions must include a standard return on investment (ROI) calculation.

## **BUDGETING FOR DEPARTMENT OF ADMINISTRATION RATE CHANGES**

Agencies should not reflect anticipated rate changes, including any charges related to the Integrated Business Information System (IBIS), from the various divisions within the Department of Administration in their 2007-09 budget requests. Forecasting of rates and impacts on individual agency budgets will be addressed by the Department of Administration in developing the Governor's 2007-09 budget.

## **INCREASING FEDERAL FUNDS**

Federal funds comprise approximately 26 percent of the state's resources. The state has a goal of increasing the receipt of federal funds where the use of federal funding is consistent with state program goals. In order to increase the amount of federal funds received, agencies should conduct the following review:

- Examine existing grant awards to ensure that they are fully utilized and consistent with agency priorities. If unexpended grant authority is available, the agency should reallocate the funds to other activities to the extent possible under state and federal rules.
- Agencies may also identify, in the form of a policy paper submitted on September 15, additional federal grant opportunities that were not included in the agency's request. Such opportunities may be considered for funding by the State Budget Office during budget deliberations.

The Department of Administration's Division of Intergovernmental Relations will work with agencies to develop current issues to be included in the Governor's Federal Issue Agenda to increase the receipt of federal funds.

## **STATUTORY LANGUAGE GUIDELINES**

- Agencies should seek to limit policy items unrelated to appropriation changes for inclusion in the Governor's budget.

Note: Please contact your State Budget Office analyst to discuss whether a particular initiative is appropriate for submission as a budget request.

- Agencies should not submit extensive lists of technical or housekeeping changes for inclusion in the Governor's budget. Proposed changes for separate nonbudget legislation can be submitted to the Department of Administration for review and approval, separate from the budget request.

Note: Please contact your State Budget Office analyst if these types of changes are sought.

- As in past budgets, prior to September 15, agencies may work directly with the Legislative Reference Bureau in preparing statutory language items related to the budget. After September 15, all drafting and redrafting requests related to the budget must come from the State Budget Office.
- The Legislative Reference Bureau strongly discourages agencies from submitting budget bill drafts that agencies have drafted. Instead, agencies should submit memoranda identifying what they are seeking to accomplish.
- The detailed budget instructions will provide more information on statutory language submittal requirements.

## **BUDGET SUBMITTAL DUE DATES AND PROCEDURES**

- Formal budget requests, including statutory language related to decision items, are due Friday, September 15, 2006. Send four (4) copies to the State Budget Office and two (2) copies directly to the Legislative Fiscal Bureau.
- Agency budget directors will be required to include with their budget submittals a signed Budget Checklist of budget elements completed. This will help ensure all required materials have been included in the budget. The formal instructions for 2007-09 will include this checklist.
- State Budget Office staff will also meet with individual agencies to explain budget policies and procedures and discuss any agency concerns.

## **INFORMATION ON THE WEB**

- The Budget Instructions, along with various budget forms, will only be available on the State Budget Office Web site at <http://www.doa.state.wi.us/debf/index.asp>.
  - Periodic information updates will be posted to this Web site so agencies should check it regularly.



**JIM DOYLE**  
**GOVERNOR**  
**STATE OF WISCONSIN**

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August 1, 2006

David Walsh, President  
University of Wisconsin Board of Regents  
Foley & Lardner  
150 East Gilman Street  
Madison, WI 53701

Kevin Reilly, President  
University of Wisconsin System  
1720 Van Hise Hall  
1220 Linden Drive  
Madison, WI 53706

Dear President Walsh and President Reilly,

The University of Wisconsin System is one of our state's greatest assets. The UW is known worldwide for leadership in research and academics, and is an indispensable part of our state's economy. Our proud UW tradition did not develop overnight; generations have made major investments to achieve the quality system we have today and we need to continue making those investments.

However, times have changed and we are now facing new challenges. Enrollment among students from low-income families at the UW has been declining over the past ten years. The federal government has failed in its commitment to help finance higher education, as federal financial aid programs continue to be slashed in Washington. Interest on federal loans has risen substantially, federal work-study funding has been underfunded, and federal Pell Grants have been capped at \$4,050 for five years in a row while eligibility calculations have changed so that fewer students are eligible for Pell Grants in the first place.

Despite facing the worst fiscal crisis in state history, we have done much together at the state level to address these challenges. Since I have been Governor, we doubled state's commitment to financial aid for UW students over the last four years, increased the tuition tax deduction, expanded the EdVest college savings program, and increased the maximum higher education grant that UW students can receive. Together, we are embarking on an exciting new initiative – the Wisconsin Covenant – that seeks to raise the aspirations of Wisconsin's children to go to college and ensure that, if they earn a B average, take rigorous coursework, are good citizens, and graduate from high school, they will have a place in higher education and the resources to be able to afford to attend.

While we have made major strides forward, we must do even more to make sure that the UW remains affordable for Wisconsin families, including the middle class. The cost of college has risen faster than inflation for the past two decades. Holding down tuition is one way that we can help to ensure that higher education remains affordable for families. Therefore, I am calling on the Board of Regents to approve at their August 2006 meeting a 2007-09 biennial budget request that will limit tuition increases to a level no greater than the rate of inflation.

As you know, while the Governor and the Legislature are responsible for the development of the state budget, the Board of Regents is responsible for setting tuition rates. Maintaining both quality and access at our great UW System are top priorities of mine. I welcome the opportunity to work with you during the biennial budget process to find ways to advance the Wisconsin Covenant and the UW Growth Agenda, while holding down tuition for Wisconsin students and families at the same time.

Supporting our state university system and making college more affordable and accessible are some of the best investments we can make in Wisconsin's future. I know that we share these priorities, and I look forward to working with you on these issues and to make the dream of a UW education a reality for more Wisconsin students and families.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Doyle". The signature is fluid and cursive, with a large initial "J" and "D".

Jim Doyle  
Governor

Cc: Members, University of Wisconsin Board of Regents

UNIVERSITY OF WISCONSIN SYSTEM  
SHARE OF STATE GPR

	<u>UW GPR</u> <u>EXPENDITURE</u>	<u>STATE OF</u> <u>WI GPR</u> <u>EXPENDITURE</u>	<u>UW AS %</u> <u>OF STATE</u>
1973-74	278,743,147	1,933,571,053	14.42%
1974-75	298,522,282	2,166,752,155	13.78%
1975-76	310,446,570	2,307,619,718	13.45%
1976-77	340,074,169	2,470,900,111	13.76%
1977-78	363,899,880	2,634,551,777	13.81%
1978-79	390,977,741	3,148,901,910	12.42%
1979-80	420,677,864	3,278,297,185	12.83%
1980-81	434,183,806	3,446,856,743	12.60%
1981-82	478,941,747	3,450,863,890	13.88%
1982-83	508,368,220	4,078,030,140	12.47%
1983-84	540,472,131	3,977,740,308	13.59%
1984-85	555,568,482	4,588,188,276	12.11%
1985-86	583,885,301	4,868,026,430	11.99%
1986-87	594,259,601	5,070,256,284	11.72%
1987-88	633,625,206	5,246,094,384	12.08%
1988-89	660,137,195	5,451,877,458	12.11%
1989-90	698,155,838	5,802,999,036	12.03%
1990-91	740,757,863	6,364,528,649	11.64%
1991-92	759,887,369	6,650,683,407	11.43%
1992-93	771,832,665	6,922,128,169	11.15%
1993-94	814,538,009	7,276,614,107	11.19%
1994-95	849,762,860	7,789,976,441	10.91%
1995-96	847,482,297	8,131,598,722	10.42%
1996-97	853,360,473	9,283,406,651	9.19%
1997-98	883,660,451	9,694,461,511	9.12%
1998-99	903,691,964	10,009,395,000	9.03%
1999-00	953,800,000	11,293,969,000	8.45%
2000-01	1,047,000,000	11,077,681,000	9.45%
2001-02	981,400,000	11,265,100,000	8.71%
2002-03	1,063,800,012	11,047,900,000	9.63%
2003-04	1,002,787,626 (a)	10,955,622,800 (b)	9.15%
2004-05	992,904,091 (c)	11,949,718,200 (b)	8.31%
2005-06	991,370,721 (a)	12,771,230,100 (d)	7.76%

(a) UW System Redbook

(b) Wisconsin Act 33, including the compensation reserve

(c) 2004-05 Operating Budget and Fee Schedules, UW System

(d) Wisconsin Act 25, including the compensation reserve (via Dave Lopnow)

# RULES OF THUMB

## GPR

UW System 2006-07 GPR Base (Annual Budget Document)	=	\$1,044.9 million
1% Increase is GPR Support	=	\$10.4 million

## TUITION

UW System 2006-07 Tuition Base (Annual Budget Document)	=	\$909.3 million
1% undergrad resident increase, same dollar increase for all other students	=	\$6.0 million

## TOTAL GPR/FEE BASE

UW System 2006-07 GPR/FEE Base (Annual Budget Document)	=	\$1,954.2 million
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## PAY PLAN

UW System 1% Pay Plan Increase for faculty	=	\$5.0 million
UW System 1% Pay Plan Increase for unclassified staff (including faculty)	=	\$9.2 million
UW System 1% Pay Plan Increase for classified staff	=	\$3.2 million
UW System 1% Pay Plan Increase for all staff	=	\$12.4 million

**TUITION POLICY PRINCIPLES**

**Board of Regents**  
**GUIDING PRINCIPLES**

1. Tuition and financial aid in the UW System should balance educational quality, access, and ability to pay.
2. As a matter of fiscal and educational policy, the state should, at a minimum, strive to maintain its current GPR funding share (65%) of regular budget requests for cost-to-continue, compensation and new initiatives, and fully fund tuition increases in state financial aid programs.
3. Nonresident students should pay a larger share of instructional costs than resident students, and at least the full cost of instruction when the market allows. Nonresident rates should be competitive with those charged at peer institutions and sensitive to institutional nonresident enrollment changes and objectives.
4. Where general budget increases are not sufficient to maintain educational quality, supplemental tuition increases should assist in redressing the imbalance between needs and resources.
5. Tuition increases should be moderate and predictable, subject to the need to maintain quality.
6. GPR financial aid and graduate assistant support should "increase at a rate no less than that of tuition" while staying "commensurate with the increased student budget needs of students attending the UW System." In addition, support should also reflect "increases in the number of aid eligible students."
7. General tuition revenue (to cover regular budget increases under the standard 65% GPR and 35% Fees split) should continue to be pooled systemwide. Special fees may be earmarked for particular institutions and/or programs increasing those fees.
8. When considering tuition increases beyond the regular budget, evaluation of doctoral graduate tuition should consider impacts on multi-year grants and the need to self-fund waivers or remissions from base reallocation within departmental budgets.

**MAJOR STATE PROGRAMS**  
**General Purpose Revenue (GPR) Expenditures, 1975 - 2006**  
(Dollars in Millions)

Year Ending 6/30:	UW System		Local Assistance						Medical Assistance		Total GPR Expenditures <sup>a</sup>	
			School Aid		Shared Revenues, Property Tax Credits		Subtotal <sup>a</sup> -Local Assistance					
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% Inc. Over Prev. Year
1975	\$298.8	13.7%	\$485.8	22.3%	\$677.7	31.1%	\$1,322.4	60.7%	\$151.2	6.9%	\$2,177.1	14.1%
1976	310.6	13.4%	530.9	22.9%	664.0	28.7%	1,379.0	59.5%	172.0	7.4%	2,316.6	6.4%
1977	340.4	13.8%	564.5	23.0%	701.9	28.5%	1,446.9	58.9%	202.4	8.2%	2,458.6	6.1%
1978	363.9	13.7%	599.0	22.5%	718.9	27.1%	1,544.2	58.1%	218.4	8.2%	2,656.5	8.0%
1979	340.4	10.8%	670.8	21.3%	783.4	24.9%	1,703.3	54.1%	259.0	8.2%	3,148.9	18.5%
1980	420.7	12.8%	799.0	24.4%	790.1	24.1%	1,858.7	56.7%	295.6	9.0%	3,278.4	4.1%
1981	434.2	12.8%	844.3	24.8%	710.1	20.9%	1,865.5	54.9%	354.4	10.4%	3,398.6	3.7%
1982	478.9	13.9%	784.6	22.7%	758.4	22.0%	1,831.2	53.1%	356.8	10.3%	3,450.9	1.5%
1983	508.4	12.5%	1,135.0	27.8%	917.9	22.5%	2,364.5	58.0%	372.1	9.1%	4,078.0	18.2%
1984	540.5	13.6%	969.0	24.4%	819.6	20.6%	2,130.3	53.6%	398.6	10.0%	3,977.7	-2.5%
1985	555.6	12.1%	1,182.0	25.8%	1,004.2	21.9%	2,577.5	56.2%	431.9	9.4%	4,588.2	15.3%
1986	583.9	12.0%	1,293.5	26.6%	1,049.0	21.5%	2,778.0	57.1%	436.3	9.0%	4,868.0	6.1%
1987	594.3	11.7%	1,352.4	26.7%	1,083.5	21.4%	2,906.8	57.3%	468.6	9.2%	5,070.3	4.2%
1988	633.6	12.1%	1,476.0	28.1%	1,098.6	20.9%	3,056.2	58.3%	470.2	9.0%	5,246.1	3.5%
1989	660.1	12.1%	1,496.8	27.5%	1,110.7	20.4%	3,112.6	57.1%	532.1	9.8%	5,451.9	3.9%
1990	698.2	12.0%	1,619.1	27.9%	1,126.7	19.4%	3,289.0	56.7%	588.6	10.1%	5,803.0	6.4%
1991	740.8	11.6%	1,843.3	29.0%	1,154.9	18.1%	3,609.6	56.7%	659.9	10.4%	6,364.5	9.7%
1992	759.9	11.4%	1,942.4	29.2%	1,213.3	18.2%	3,753.6	56.4%	759.3	11.4%	6,650.7	4.5%
1993	771.8	11.1%	2,025.2	29.3%	1,230.3	17.8%	3,907.3	56.4%	801.4	11.6%	6,922.1	4.1%
1994	810.1	11.1%	2,175.3	29.9%	1,248.0	17.2%	4,090.8	56.2%	834.6	11.5%	7,276.6	5.1%
1995	849.8	10.9%	2,450.8	31.5%	1,291.6	16.6%	4,468.1	57.4%	843.3	10.8%	7,790.0	7.1%
1996	847.4	10.4%	2,683.4	32.7%	1,331.9	16.3%	4,767.2	57.6%	877.1	10.8%	8,141.8	4.5%
1997	853.4	9.2%	3,527.6	38.5%	1,585.7	14.7%	5,609.8	61.0%	865.6	9.3%	9,283.5	14.0%
1998	876.8	9.0%	3,662.2	37.8%	1,477.9	15.2%	5,847.4	60.3%	904.8	9.3%	9,694.5	4.4%
1999	903.6	9.0%	3,859.7	38.6%	1,577.9	15.8%	6,022.4	60.2%	927.8	9.3%	10,009.4	3.2%
2000	953.8	8.4%	4,173.3	37.0%	1,477.9	13.1%	6,405.1	56.7%	971.0	8.6%	11,294.0	12.8%
2001	1047.0	9.5%	4,413.2	39.8%	1,488.5	13.4%	6,679.6	60.3%	993.2	9.0%	11,077.7	-1.9%
2002	981.4	8.7%	4,552.8	40.4%	1,488.5	13.2%	6,792.0	60.3%	1,070.5	9.5%	11,265.1	1.7%
2003	1063.8	9.6%	4,756.1	43.0%	900.2	8.1%	6,438.0	58.3%	1,038.6	9.4%	11,047.9	-1.9%
2004	949.0	8.8%	4,759.0	44.1%	1,069.0	9.9%	6,506.2	60.3%	688.7	6.4%	10,784.0	-2.4%
2005	996.9	8.4%	4,789.0	40.4%	1,221.0	9.9%	6,671.6	56.3%	1,608.8	13.6%	11,859.7	10.0%
2006 <sup>b</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
% Change Over:												
5 Yrs. ('00-'05)	4.5%		14.8%		-17.4%		4.2%		65.7%		5.0%	
10 Yrs. ('95-'05)	17.3%		95.4%		-5.5%		49.3%		90.8%		52.2%	
20 Yrs ('85-'05)	79.4%		305.2%		21.6%		158.8%		272.5%		158.5%	

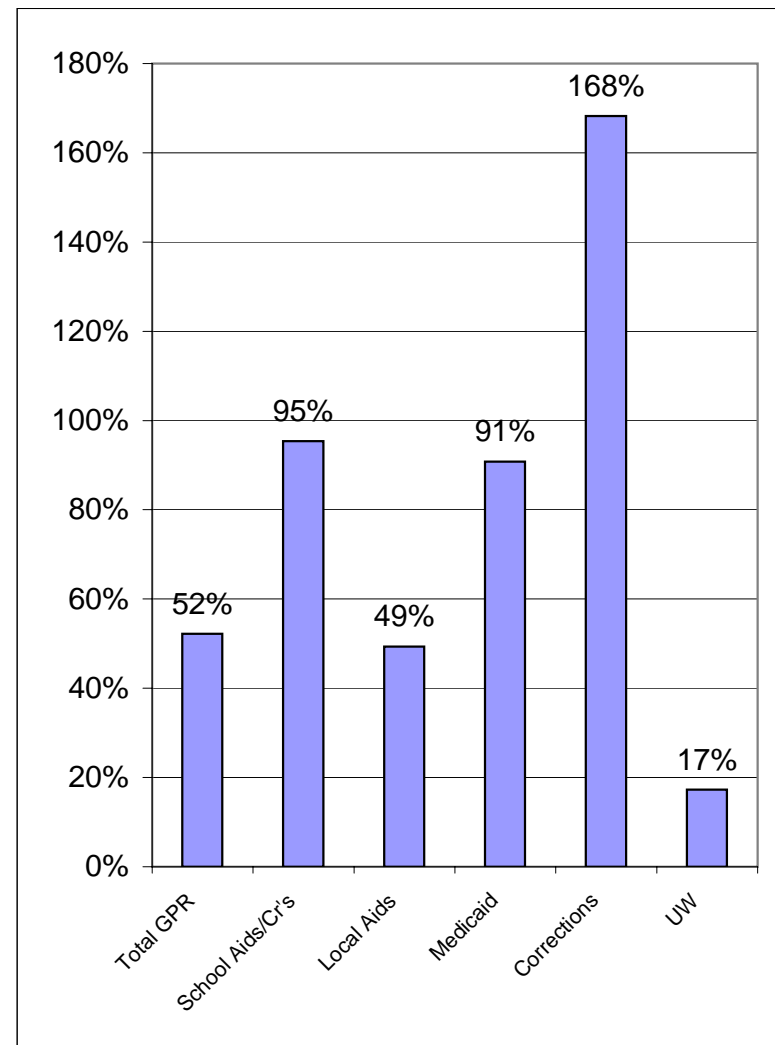
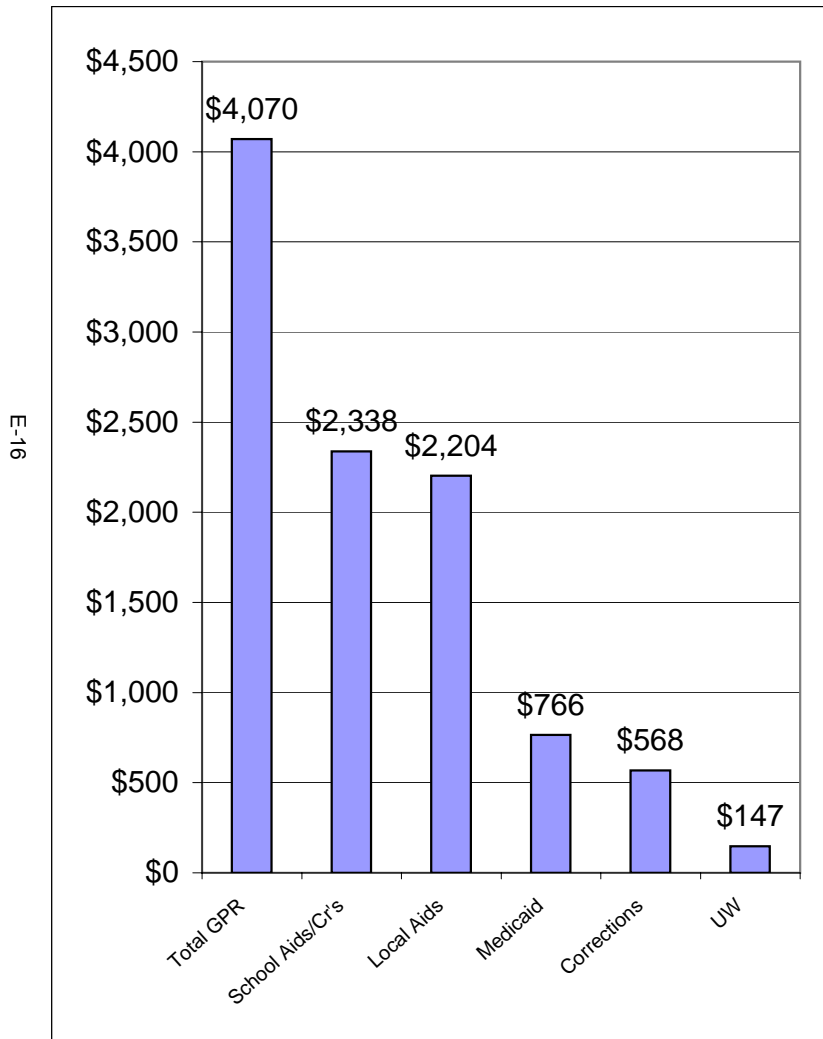
<sup>a</sup>Includes K-12 school aids, shared revenues and property tax credits as well as categories not separately listed.

Source: 1975-1993 data per Wisconsin Taxpayers Alliance from Wisconsin Department of Administration, "Annual Fiscal Reports," 1994 - 2005 data per "Annual Fiscal Reports", UW System Administration.

<sup>b</sup>2005-06 are not yet available.

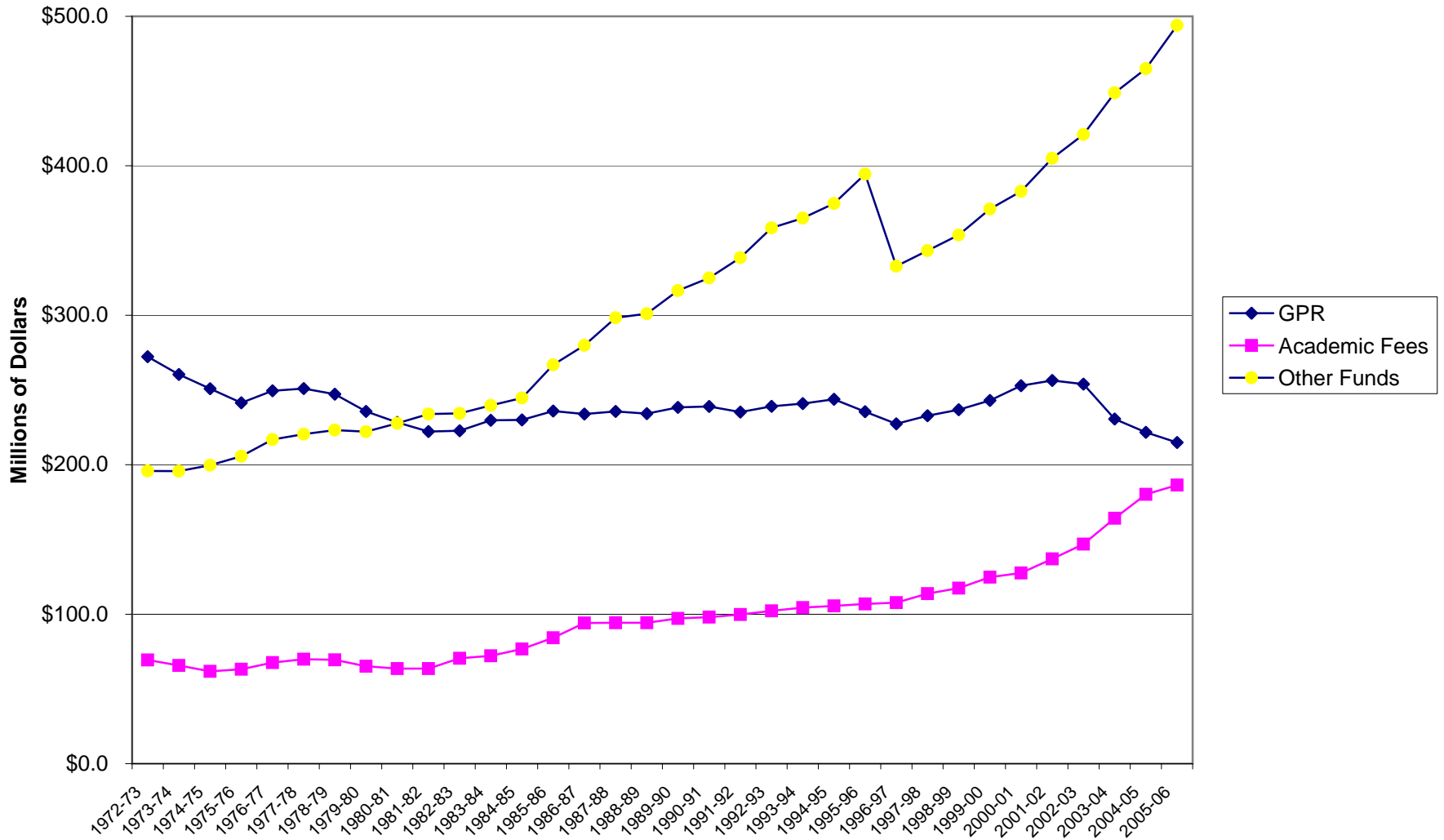
## "State Priorities Have Shifted Away From Higher Education..."

Ten Years of Spending Growth  
By GPR Category, FY 1995 - 2005  
in Millions and Percents, State Annual Fiscal Report

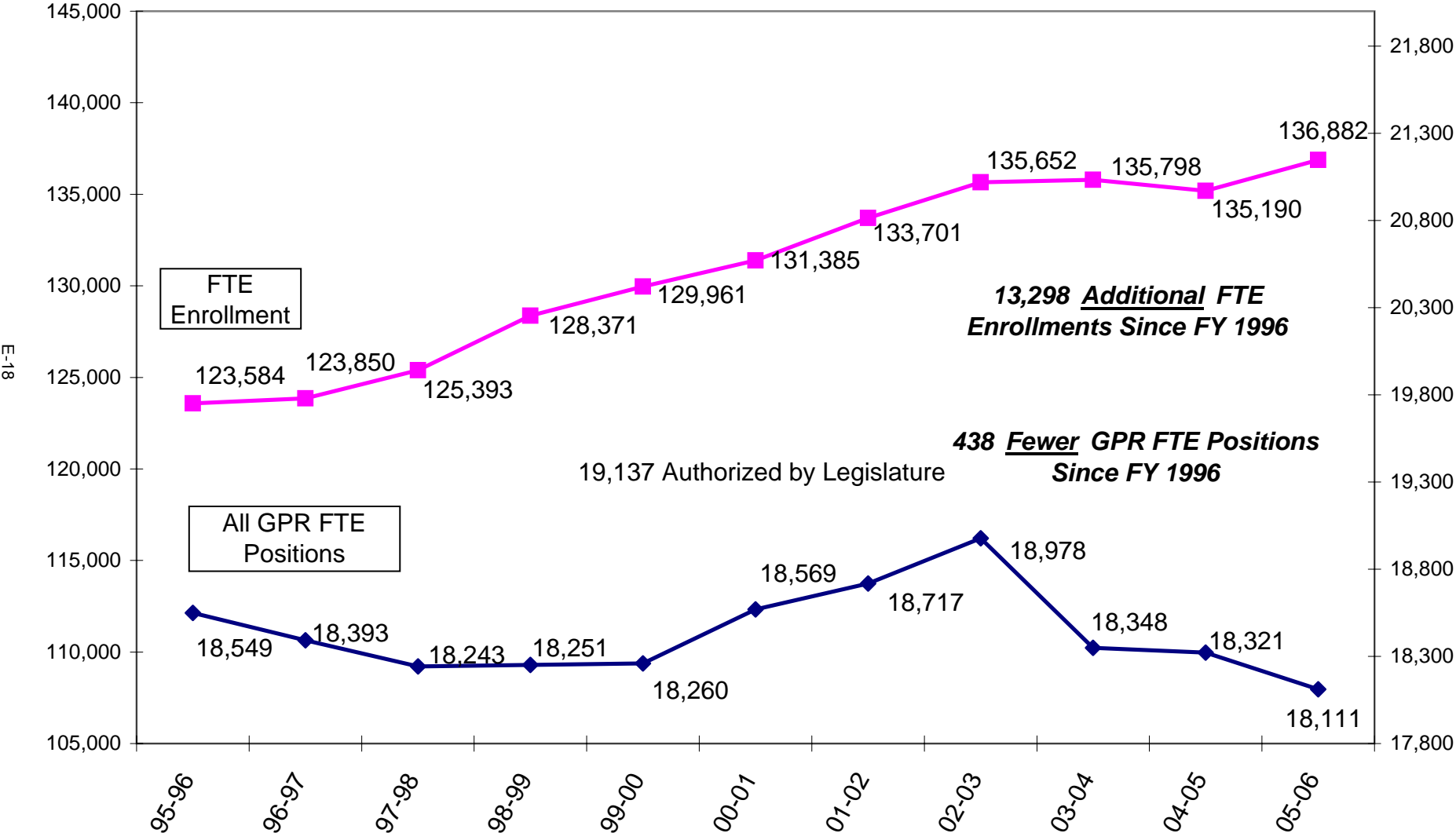


### UW System GPR, Fees and Other Funds Adjusted for Inflation 1972-73 to 2005-06

E-17



# UW SYSTEM FTE ENROLLMENTS VS GPR FTE



## GLOSSARY OF TERMS

AODA - Alcohol and Other Drug Abuse - Programs and staff related to alcohol and drug abuse intervention, prevention and counseling services.

AOP - Advanced Opportunity Program - A UW System financial aid program for minority and economically disadvantaged graduate students.

Auxiliary Operations - Self-sustaining programs, not directly related to instruction, e.g., dormitories, food service and student unions.

Cluster - A number of institutions grouped according to mission. The universities at Madison and Milwaukee comprise the Doctoral Cluster. All other degree-granting institutions in the UW System are in the Comprehensive University Cluster. In addition, the UW System has thirteen two year University of Wisconsin Colleges and Extension.

CWS - College Work Study - A campus based financial aid program which provides financial assistance in the form of subsidized employment to needy students.

Compensation - Salaries and fringe benefits paid to staff.

1. Pay plan - Increases in salaries and related fringe benefits provided to all state employees.
2. Merit/Market - Salary increases based on a systematic performance evaluation program which identifies positive contributions by the faculty member to teaching, research, public service and/or the support functions inherent in the institution's mission.
3. Solid Performance - Adjustments provided to those faculty and academic staff who have demonstrated satisfactory performance.

CPI - Consumer Price Index - A price index which measures the rate of inflation on goods and services that people buy for day-to-day living.

Continuing Appropriation - An appropriation from which expenditures are limited by only the amount of revenues received. The amount shown in the appropriation schedule is an estimate of, rather than a limit on, the amount that may be expended during the fiscal year.

Cost Per Student - A series of calculations used to derive the instructional costs of student related activities (i.e. student services, physical plant, instruction, etc.).

Debt Service - Principal and interest payments on the capital raised by selling bonds for construction of university buildings.

DIN - Decision Item Narratives - are descriptive summaries of biennial budget requests, submitted on forms required by the Department of Administration. They include background information and a description and justification of the request.

DOA - Department of Administration - Executive agency responsible for developing the Governor's biennial budget recommendations and for providing and coordinating support services to other state agencies.

DPI - Department of Public Instruction - Executive agency responsible for the direction and supervision of the state's public school system for kindergarten through 12th grades.

DRI - Data Resources, Inc. - An economic consulting firm used by the Department of Revenue for economic forecasts on national economic growth and inflation (CPI).

Expenditure Classification - The major line item to which costs are assigned. The major expenditure classifications are Salaries and Wages, Fringe Benefits, Supplies and Expenses, Permanent Property, Aids to Individuals, and Debt Service.

FTE - Full-Time Equivalent - The customary statistic for indicating the number of full-time equivalent students or staff represented by a group of part-time and full-time members.

Funds 101-106 – Specific subsets of the UW System's general program operations appropriation [s. 20.285(1)(a)]. Fund 101 includes funding for the doctoral institutions, Fund 102 includes funding for the comprehensive institutions, Fund 103 includes funding for UW Colleges, Fund 104 includes funding for UW-Extension and for Extension programs conducted at each institution, Fund 105 includes facilities maintenance funding for all institutions that own facilities, and Fund 106 includes funding for systemwide operations.

GPR - General Purpose Revenue - The State appropriation approved by the Governor and Legislature from the General Fund (general tax revenues).

GPR/Fees - The pool of state general purpose revenues and academic tuition fund sources assigned to a particular campus or system budget increment.

GPO - General Program Operations - The pool of four fund sources (GPR, Tuition/Fees, Federal Indirect Cost Reimbursement and General Operating Receipts) assigned to a particular campus or system budget increment.

HEAB - Higher Educational Aids Board - Executive agency responsible for the management of the state's financial aid system affecting students in public and private postsecondary institutions.

HEPI - Higher Education Price Index - A price index which measures the rate of inflation on the current operations of colleges and universities. The HEPI reports the change in prices paid by institutions for a fixed group of goods and services purchased for educational and general operations, such as faculty and administrators salaries, supplies and materials, books and periodicals, equipment, etc., less expenditures for sponsored research.

JCOER - Joint Committee on Employment Relations - Legislative committee comprised of 8 legislative leaders from both houses responsible for issues related to state employment relations.

JFC - Joint Committee on Finance - Legislative committee comprised of 8 senators and 8 representatives responsible for making recommendations regarding fiscal matters affecting all state operations.

LUMRG - Lawton Undergraduate Minority Retention Grant - A UW System administered financial aid program for needy Wisconsin resident and Minnesota Compact sophomore, junior, or senior minority students.

OSER – Office of State Employment Relations – Office in DOA responsible for personnel and employment relations policies and programs for the state.

Program - The budget activity to which costs are assigned. Examples of programs are Instruction, Research, Public Service, Academic Support, Student Services, and Institutional Support (Administration).

PR - Program Revenue - Revenues which are received to finance specified programs, e.g. Extension continuing education.

PR-F - Program Revenue-Federal - Monies which are received from the federal government.

QRP - Quality Reinvestment Program - A Board of Regents strategic plan identifying top quality educational priorities over a three year period (1992-1994). Over the three years UW institutions reallocated \$26.5 million to top priorities: compensation, S&E, learning technologies, libraries, assessment, engineering and professional development.

S&E - Supplies and Expense - Includes all expenditures except those for personnel salaries, fringe benefits and permanent property items (capital equipment defined as having a useful life of at least 2 years and a unit price of at least \$1,000). Supplies and expense would include items such as classroom supplies, travel expenses, office supplies, photocopying, computer software, equipment repair, and telephone service.

SEG - Segregated Revenue - Monies which are segregated in a fund by law and are available only for the purposes of that fund, such as the Trust Fund Income appropriation.

Student Share of Costs - The proportion of the cost per student paid by student academic tuition. This amount is usually shown as a percentage of total costs.

SUF - Segregated University Fee - Charges to students in addition to academic tuition and fees assessed to all students for support of special services, programs, and facilities; e.g. student unions/centers, and health services. The institutional body designated to review the

budgets for SUF supported activities is the Segregated University Fee Allocation Committee (SUFAC).

TIP - Talent Incentive Program - A HEAB administered financial aid program which provides financial assistance to especially needy resident undergraduates attending public or private postsecondary institutions in Wisconsin.

Tuition - As used in this document, tuition is the amount paid by all students for support of their instructional costs.

WTCS - Wisconsin Technical College System - Postsecondary educational system which provides adult basic, manpower training, job skill improvement, apprenticeship-related training, college transfer, and allied educational activities. The WTC System is governed by a 12 member board which supervises curriculum standards and operations of 16 regional WTCS districts.

Weighted Average - An average used to take into account different charges/costs for factors that affect how much significance should be given to each UW System institutions cost/charge. For example, the systemwide weighted average student budget takes into account the differences in student FTE for tuition costs and segregated fees, and number of occupants for room rates, etc. at each institution.

WHEG - Wisconsin Higher Education Grant - A HEAB administered financial aid program which provides need-based grants to UW System and WTCS resident undergraduate students.