

July 9, 2009

The 2009-11 Wisconsin State Budget was completed on June 30 as [2009 Wisconsin Act 28](#). In total, the State Budget will require UW System to contribute at least \$255 million to help close the State's 2009-11 budget gap.

Opportunities:

- **Financial Aid for Students:** Funding for the Wisconsin Higher Education Grant (WHEG-UW) was maintained at 2008-09 levels for 2009-10, and increased \$3.3 million in 2010-11. An additional \$14 million more in grants and need-based aid was provided to the UW System that will be used to preserve UW System's longstanding tradition of affordability and access. Together with higher Federal aid, this funding will allow students from families earning up to the State's median family income of \$60,000 who have unmet financial need to be protected from tuition increases.
- **Recruitment and Retention:** \$15 million was provided for recruitment and retention of high-demand faculty, research academic staff, and instructional academic staff.
- **Research:** The budget provided restricted funds for three research projects:
 - \$8.2 million GPR in 2010-11 for the Wisconsin Institutes for Discovery
 - \$8.1 million SEG for bioenergy research
 - \$2 million one-time GPR for collaborative genomics research.
- **Technology Transfer:** Modifications to law that permit UW System employees with research companies to enter into contracts up to \$250,000 with any UW System institution upon approval of the Board of Regents rather than the Attorney General. The previous cap was \$75,000.
- **Capital Budget:** 36 high-priority UW building projects were approved that will provide new living and learning space for students, and generate over 16,000 private-sector jobs. That includes \$485.7 million in gifts, grants, and program revenue bonding and cash (non-taxpayer dollars) and \$250.3 million in General Fund Supported Borrowing (GFSB) for a total of \$735.0 million in 2009-11. **This will have an estimated impact of \$1.6 billion on Wisconsin's economy.**
- **Domestic Partner Benefits:** Domestic Partner Benefits were provided for all State employees, including UW faculty and academic staff, allowing UW System institutions to compete more effectively for talent.
- **Authorization for New Schools:** The School of Public Health and the new School of Freshwater Sciences at UW-Milwaukee are authorized.
- **Resident Tuition:** The UW System is now allowed to charge in-state tuition rates for certain citizens of other countries who have lived in Wisconsin, graduated from a Wisconsin high school and applied for U.S. citizenship.

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Challenges:

- **Pay Increases Rescinded:** Routine 2% salary adjustments, previously approved by the legislature for UW System faculty and academic staff, were rescinded, resulting in a loss of **\$27.1 million in GPR and \$10.8 million in PR.**
- **Furloughs Required:** The 2009-11 biennial budget requires that all full-time 12-month State employees, including UW System faculty, academic staff, and classified staff take the equivalent of 16 days of unpaid leave during the two-year period – equal to a 3.065% pay cut for employees and the loss of **\$40.5 million in GPR and \$16 million in PR** for the university. UW System’s approved implementation plan requires that furlough days cannot interfere with direct student instruction. This one-time pay cut will not reduce current benefits or accumulated retirement benefits.
- **The budget reduces UW System’s operating budget by \$161 million**, including **\$120.5 million** from GPR plus **\$17.6 million** from all other non-Federal, non-gift revenues. An additional **\$23.25 million** is reallocated from auxiliary reserves. **The GPR reduction of \$120 million is equal to a 5.2% cut in State support**, or the State’s share of educational costs for 14,000 resident undergraduate students.
- Together, the furloughs (\$56.6 million), rescinded pay plans (\$37.8 million), and cuts to the operating budget (\$161 million) require UW System institutions to implement **\$255 million in funding cuts, lapses, and reallocations over two years.**
- **No Growth Agenda Initiatives:** No funding is provided to UW System for targeted investments to stimulate economic development and boost enrollments.

Other Provisions:

- **Collective Bargaining:** The biennial budget included language that provides new rights for faculty and academic staff to vote to bargain collectively over wages, hours, and conditions of employment. The State did not provide additional funding to the UW System to cover any increased costs of administering new collective bargaining agreements. A provision that would have allowed the Wisconsin Employment Relations Commission (WERC) to assign faculty and staff to a collective bargaining unit was vetoed by the Governor.
- **Veterans educational Benefits:** The State will require veterans to use federal education benefits before utilizing benefits provided by the Wisconsin GI Bill, a state program providing a remission of tuition and fees at UW and WTCS institutions. UW institutions are required to make payments to veterans whose educational benefits decrease because of this new provision. The budget also clarified that veterans may take up to a combined total of 128 credits at all UW System and WTCS institutions under the Wisconsin GI Bill.
- **Contract Reporting:** A legislative and executive approval process was added for State agencies that may need to contract privately for services during the state-imposed furlough periods, but some prohibitive language within these provisions was vetoed.

2009-11 BIENNIAL BUDGET FACT SHEET



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Impact of \$161 million in 2009-11 Biennial Budget Cuts

	GPR Cut	1% Across-the-Board Cut		Auxiliary Transfer	Total
		GPR	Program Rev.		
UW-Madison	\$37,450,000	\$6,718,890	\$8,594,340	\$2,159,285	\$54,922,515
UW-Milwaukee	\$13,280,000	\$2,428,982	\$1,911,468	\$1,940,796	\$19,561,246
UW-Eau Claire	\$4,980,000	\$822,872	\$730,246	\$2,128,841	\$8,661,959
UW-Green Bay	\$2,400,000	\$414,974	\$384,262	\$633,221	\$3,832,457
UW-La Crosse	\$4,150,000	\$685,686	\$716,048	\$3,500,000	\$9,051,734
UW-Oshkosh	\$4,770,000	\$806,910	\$854,152	\$1,080,920	\$7,511,982
UW-Parkside	\$2,280,000	\$379,152	\$175,318	\$504,360	\$3,338,830
UW-Platteville	\$2,810,000	\$491,344	\$497,574	\$1,371,327	\$5,170,245
UW-River Falls	\$2,820,000	\$470,330	\$426,984	\$2,019,149	\$5,736,463
UW-Stevens Point	\$4,140,000	\$689,050	\$788,446	\$2,239,996	\$7,857,492
UW-Stout	\$3,770,000	\$661,274	\$830,352	\$1,149,201	\$6,410,827
UW-Superior	\$1,500,000	\$249,612	\$184,070	\$5,320	\$1,939,002
UW-Whitewater	\$4,270,000	\$732,700	\$972,566	\$1,418,726	\$7,393,992
UW Colleges	\$3,800,000	\$643,006	\$251,384	\$308,600	\$5,002,990
UW-Extension	\$4,340,000	\$711,428	\$245,864	\$1,717,351	\$7,014,643
UW System	\$3,240,000	\$3,543,390	\$46,126	\$1,072,907	\$7,902,423
<i>Subtotal:</i>		<i>\$20,449,600</i>	<i>\$17,609,200</i>		
TOTAL:	\$100,000,000	\$38,058,800		\$23,250,000	\$161,308,800

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\$255 million in reductions, reallocations, and savings

	GPR	Program Revenue	Auxiliary Transfers	TOTAL
2009-11 UW System Operating Budget	\$120,449,600	\$17,609,200	\$23,250,000	\$161,308,800
Rescission of 2% Pay Plan	\$27,075,400	\$10,760,200		
Furloughs	\$40,505,000	\$16,057,400		
TOTAL	\$187,929,000	\$44,426,800	\$23,250,000	\$255,605,800