



Office of the President

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March 27, 2017

The Honorable Ron Johnson
United States Senator
328 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Johnson:

On behalf of the University of Wisconsin System – a system of 180,000 students and 39,000 faculty and staff that includes 2 doctoral universities, 11 comprehensive four-year universities, 13 two-year campuses, and UW-Extension -- we are writing with regard to the proposed 2018 federal budget proposal.

There are positive aspects and opportunities in the proposed budget. We appreciate recommended investments in drinking and wastewater infrastructure, as well as expansion of opioid misuse prevention efforts and increased access to treatment and recovery services. In addition, there are proposed increases in funding for the Charter School Program and computer science technology and cybersecurity that our institutions are well-positioned to undertake.

We also support the President's regulatory reform priorities. The proposed budget highlights steps the Trump Administration is taking to eliminate unnecessary and wasteful regulations, including:

- A regulatory freeze issued to all agencies on January 20, 2017, directing them to pull back any regulations that had not been sent to, but not yet published by, the Office of the Federal Register; to not publish any new regulations unless approved by an Administration political appointee; and to delay the effective date of any pending regulations for 60 days;
- An Executive Order signed by the President to control costs and eliminate unnecessary regulations by requiring Federal agencies to eliminate at least two existing regulations for each new regulation they issue. It also requires agencies to ensure that for 2017, the total incremental cost of all new regulations be no greater than \$0;
- An Executive Order signed by the President enforcing the regulatory reform agenda by establishing within each agency a Regulatory Reform Officer and a Regulatory Reform Task Force to carry out the President's regulatory reform priorities.

The need for regulatory reform is profound. Compliance costs on colleges and universities nationwide are overwhelming. The reality is that federal regulations impact our bottom line, just as it does for business. The new Administration and Congress have indicated willingness to provide regulatory reform and mandate relief – something supported by the UW System and other institutions of higher education.

The proposed budget also contains elements that concern us, including potentially substantial cuts to the funding of education and research and development. While it is early in the Fiscal Year 2018 budget process, we believe it is necessary to highlight the impact of this proposed budget on college students and the University of Wisconsin System's research engine.

EDUCATION

The proposed budget request preserves the size of the federal Pell Grant program. Discretionary funding for the program is maintained through a rescission of \$3.9 billion from the program's current surplus of \$10.6 billion. By funding the Pell Grant program from the existing surplus, however, it fails to protect the long-term fiscal health of the program. It also makes it more challenging to bring back year-round Pell grants, a proposal which has had bipartisan support in Congress. Pell Grants are the cornerstone of the federal financial aid program and provide up to \$5,815 annually to the lowest income students. In 2015-16, almost 37,000 Wisconsin resident undergraduate students received a Pell Grant with an average award of about \$3,800.

The Supplemental Education Opportunity Grant program (SEOG) would be eliminated entirely. In 2015-16, SEOG provided almost \$9.6 million in grants to 16,012 UW System students. The program requires contributions from institutions to leverage federal support, significantly maximizing those federal dollars.

Work-Study funding would be significantly reduced, while the budget proposal also calls for reforming allocations to schools for the remaining funds. In 2015-16, Work-Study provided \$11.3 million in aid to 7,815 UW System students, helping students with financial need while also providing valuable work experience.

Both TRIO and GEAR UP, college access programs to help disadvantaged students enroll in and complete college, are facing cuts. Funding for TRIO programs would be cut about 10 percent and GEAR UP by nearly a third. These programs are critical to improving the success of low-income and first-generation students through support services, such as college awareness counseling, academic tutoring, and mentoring. In Fiscal Year 2016, UW System institutions received more than \$10 million in TRIO grants.

We are also concerned that the budget proposal would cut or eliminate study abroad and international exchange programs supported by the Departments of Education and State.

RESEARCH

Cuts to research funding would put significant UW research at risk, with detrimental effects on our faculty's ability to do the groundbreaking research they are known for, as well as our ability to help students engage in research. The American path forward in the global economy is heavily contingent on research and development.

- The proposed federal budget recommends a \$5.8 billion cut (19%) for the National Institutes of Health (NIH). The National Institutes of Health fund basic and applied research that drives innovation in medicine and related fields, and have helped support the growth of Wisconsin's life sciences sector, which employs about 30,000 workers. These cuts will undo the bi-partisan progress made last year with Congress passing the 21st Century Cures Act, which provided a \$4.8 billion increase in funding for NIH over five years.
- Under the proposed federal budget, the U.S. Department of Agriculture would see significant reductions in a variety of programs. This would directly impact core funding to UW System's Cooperative Extension, reducing its ability to work directly with people, groups, communities within individual counties, and statewide agri-businesses.

- The U.S. Department of Energy (DOE) would also see significant funding reductions in the proposed budget. The DOE is one of the largest research-funding sources at UW-Madison, which includes the Great Lakes Bioenergy Research Center headquarters.

OTHER IMPACTS

Federal funding cuts will have ripple effects on several other programs connected with the UW System. For example, the budget calls for the elimination of the UW Sea Grant, which supports research on the Great Lakes through the National Oceanic and Atmospheric Administration. This translates into the elimination of nearly \$2 million in federal money for that single program and would likely wipe out matching dollars from other sources, endangering efforts to protect the Great Lakes, which support a \$62 billion regional economy.


Although the National Science Foundation (NSF) is not specifically mentioned in the proposed budget document, it is presumably one component of a single line labeled “other agencies” slated for a 10 percent cut. NSF funds critical basic research that makes new breakthroughs and inventions possible.

Of further concern to the UW System, the budget proposes to eliminate or significantly reduce funding for the following:

- Corporation for Public Broadcasting (the Corporation for Public Broadcasting is a major partner for Wisconsin Public Television and Wisconsin Public Radio);
- Economic Development Administration;
- National Endowment for the Humanities;
- Manufacturing Extension Partnership (which aids manufacturing communities);
- National Estuarine Research Reserves;
- Occupational Safety and Health Administration;
- Health professions and nursing training programs;
- NASA Office of Education;
- SBA grant programs, including PRIME, Regional Innovation Clusters and Growth Accelerators;
- National Endowment for the Arts;
- Corporation for National and Community Service; and
- Great Lakes Restoration.

As decisions are made about appropriate spending levels for Fiscal Year 2018 and beyond, we hope the impacts of important investments by the federal government in public universities are considered. We want to work with the White House and Congress for an outcome that prioritizes funding of federal financial aid for students and provides sustained federal funding for research – both of which have enjoyed bipartisan support and, most importantly, are key ingredients for jobs and economic growth for Wisconsin and the country.

Respectfully,
The President and Chancellors of the
University of Wisconsin System



Ray Cross, President



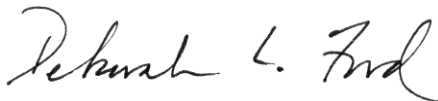
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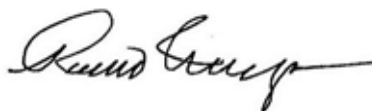
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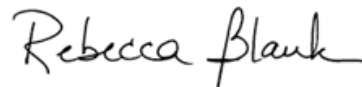
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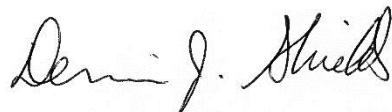
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