2009-11 Governor’s Recommended Biennial Budget

Board of Regents Meeting

March 5, 2009
$4.7 Billion Annual Budget
- Less $1.12 billion Federal funds
- Less $537 million in gifts, grants and contracts
- Less $915 million in Auxiliaries, Hospitals & Other

$2.2 Billion GPR/Fee Total
- Less $330 million in GPR restricted for debt service, utilities, State Lab of Hygiene, and other programs

$1.84 Billion to Educate Students
- $860 million GPR (47%)
- $981 million Tuition (53%)
• Board of Regents request vs. Governor’s recommended budget/cost to continue
• Growth Agenda: what can be done
• Biennial budget reductions
• Maintaining affordability
Highlights of the Governor’s Recommended Budget

- Recruitment and Retention
- Research Support
- Financial Aid
- Statutory language changes: including domestic partner benefits
- Next steps
<table>
<thead>
<tr>
<th>Item</th>
<th>Board Requested</th>
<th>Governor Recommended</th>
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</thead>
<tbody>
<tr>
<td>Full funding of Cost to Continue</td>
<td>$137.0</td>
<td>$174.7*</td>
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<tr>
<td>$100 million budget reduction</td>
<td>--</td>
<td>(100.0)</td>
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<tr>
<td>A financial aid program for students with family income of up to $60,000 to cover tuition increases (state share of cost)</td>
<td>--</td>
<td>12.0</td>
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<td>A 1% across-the-board cut for non-federal funds, of which $20.4 million is GPR.</td>
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<td>(20.4)</td>
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<td>Research initiatives</td>
<td>15.3</td>
<td>10.2</td>
</tr>
<tr>
<td>Recruitment and Retention</td>
<td>15.0</td>
<td>15.0</td>
</tr>
<tr>
<td>Other Growth Agenda items</td>
<td>29.0</td>
<td>--</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$196.3</td>
<td>$ 91.5</td>
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*Includes funding for debt service and revised utility estimates; agencies do not request debt service.
Growth Agenda

• Enrollment and research growth?
  ✓ Expectations and limitations – will vary by campus

• Continuing support for 2007-09 initiatives will be slowed

• 2009-11? Problematic
Biennial Budget Reductions

How much?

- All funds: Up to $174 million
- GPR: $120.4 million (5.2%)
- Other: $53.6 million
• $100 million in GPR reduction
• 1% across the board reduction
  ✓ $20.4 million – GPR
  ✓ $28.6 million – program revenue
• $25 million transfer from auxiliary services to HEAB to support WHEG grants
• Resident undergrad students will be held harmless from paying tuition increases based on financial need and having an annual family income of $60,000 or less

• All Pell-eligible students included
Maintaining Affordability

- Funding support: Full funding of the Wisconsin Higher Education Grant (WHEG) $24 million and additional $12 million in GPR in UW System
- Pell Grant increases (Federal)
- Increase in American Opportunity (Hope) Tax Credit (Federal)
Funding to recruit and retain faculty, instructional and research academic staff in high demand areas

- Request: $15 million
- Recommendation: $15 million
Research Support

• Research: $18.2 million increase
• Research funds support for:
  ✓ WI Institutes for Discovery ($8.2 M)
  ✓ BioEnergy Initiatives ($8.0 M)
  ✓ WI Genomics Initiative ($2 M)
Financial Aid

- Financial Aid*: $14.3 million
  - $2.3 million: AOP & Lawton
  - $12 million for maintaining affordability

*Additional $24 million in HEAB budget
Statutory Language Changes

• Tuition for undocumented persons
• Domestic partner benefits
• Collective bargaining provisions
• Retain funds from sale of lands (PR-donated)
• Ability to create Schools of Public Health and Freshwater Science at UWM
• Veterans remission requirements
Next Steps

• Assessing implications of funding reductions
• Advocacy planning to address budget
• Identifying programs and services to be reduced
• Identifying additional resources to continue key and necessary programs and services
• Finalize 2010 budget for Board action in July