

2011-13 Biennial Budget Fact Sheet



Revised: March 10, 2011

Governor's Recommended Budget

The 2011-13 Wisconsin State Budget was presented by Governor Scott Walker on March 1, 2011. The following is a brief summary of major budget provisions that affect the University of Wisconsin System.

- **GPR Reductions:** The Governor's biennial budget reduces taxpayer support for UW System institutions by a total of \$250 million over the biennium (\$125 million each year). UW campuses would receive about 6.1 cents of every Wisconsin tax dollar – down from 8 cents in 2010.

Institution	Proposed GPR Cut	Cut as % of GPR
<i>UW-Madison</i>	<i>\$125 million</i>	<i>13%</i>
<i>All other UW institutions</i>	<i>\$120.2 million (total)</i>	<i>11% (average)</i>
<i>UW System Administration</i>	<i>\$4.8 million</i>	<i>25%</i>
TOTAL:	\$250 million	

- **Increased Employee Contributions to Pension and Health Insurance:** In addition to the \$250 million cut to UW operating budgets, GPR funding is further reduced by over \$90 million (\$45.3 million per year) to reflect higher employee contributions to retirement and health insurance benefits. Most UW employees will be required to pay 5.8% of gross salary toward retirement plans, and monthly health insurance premiums will double.

Combined Impact = over \$300 million	
<i>2011-13 UW System Operating Budget Cuts</i>	<i>\$250 million</i>
<i>Employee Pension and Health Contributions</i>	<i>\$90.6 million</i>
TOTAL:	\$340.6 million

- **Cost to Continue:** The budget covers standard budget adjustments for salaries and fringe benefits, and full funding of state-approved leases. The budget increases UW's utilities appropriation.
- **Furloughs:** The Governor's proposed budget does not require State or UW employees to take unpaid furlough days in 2011-13. Previously, furloughs resulted in a 3.1% annual pay reduction.
- **Tuition:** The proposed budget provides specific expenditure authority for a 5.5% tuition increase in each academic year of the biennium. If UW-Madison is established as a new public authority, this appropriation would not apply to that campus, and its new board of trustees would determine tuition levels independently.

- **Financial Aid:** The budget suspends the statutory requirement to increase funding for the Wisconsin Higher Education Grant (WHEG-UW) program and Lawton Minority Retention grants by the same percentage that tuition increases, maintaining flat funding (2010-11 level) for the biennium. Although the budget would give UW-Madison its own authority to set tuition, students attending all UW institutions (including UW-Madison) would remain eligible for funding through the single WHEG-UW program. The proposed budget also provides flat funding for Advanced Opportunity Program, Tuition Increase Grant, Study Abroad or Student Aid programs. Eligibility for UW System Tuition Increase Grants will be limited to students who enrolled in 2010-11.
- **Administrative Flexibilities:** UW leaders have long sought administrative tools that would help all UW campuses run more efficiently.
 - **UW-Madison:** Under the Governor's proposed budget, UW-Madison would be removed from the UW System as a new stand-alone public authority, governed by its own 21-member board of trustees. The Governor would appoint eleven of the new trustees. The new board would be responsible for promulgating new policies and rules regarding admissions, academic and non-academic codes of conduct, and shared governance. As a public authority, UW-Madison would receive \$839.9 million in state taxpayer support during the biennium, while gaining full control over tuition and fees, budget management, financial management, and employee compensation. Classified employees at UW-Madison would remain part of the state civil service system until June 30, 2012. UW-Madison would receive additional control over construction projects built with program revenue funds, but State Building Commission approval would be required for all construction projects over \$500,000, and for all GPR-supported projects.
 - **UW-Milwaukee:** The budget requires UW System to reallocate \$250,000 from existing base funds to study the idea of converting UW-Milwaukee to a public authority, similar to that proposed for UW-Madison. In 2011-13, UW-Milwaukee would gain no new administrative/managerial flexibilities.
 - **Other UW campuses:** In 2011-13, other UW institutions (11 comprehensive campuses, 13 UW Colleges, and UW-Extension) would gain no new administrative/managerial flexibilities.
- **Growth Agenda:** No state funds are provided for programs targeted at increasing graduation and retention rates across the UW System campuses, or for those that would invest in new UW research capacity to create new jobs. No new resources are provided for the faculty Recruitment and Retention Fund.
- **Wisconsin Covenant:** The budget provides sufficient funding (based on projections) to support Wisconsin Covenant Scholars in 2011-12 and 2012-13, and administration of the program is transferred to the Higher Education Aids Board (HEAB). Opportunities to enroll in the Wisconsin Covenant will cease after September 30, 2011, but students who enroll prior to this date will be eligible for grants.
- **Veterans:** Credits remitted at UW campuses and Wisconsin Technical Colleges will count toward a student's 128 credits of Wisconsin GI Bill eligibility. Use of the Post-9/11 GI Bill does not count toward a student's Wisconsin GI Bill eligibility. The state would provide \$6.5 million GPR each year for the program to help offset remissions and payments that exceeded \$25 million last year.