2011-13 BIENNIAL BUDGET
Highlights of the Governor’s Recommended Budget

- Cost to Continue
- New Initiatives
- UW Budget
- Program Revenues
- Statutory Language
- Other Items of Interest
Cost to Continue Highlights

- **Includes:**
  - Funds base cost to continue
  - No furloughs in 2011-13 (funding restored)
  - Utilities and debt service
  - Student technology fee

- **Does not fund:**
  - Recruitment and Retention Funds
  - Staff to support veterans programs and collective bargaining
  - Chargebacks from Department of Administration
New Initiatives

No funding for New Initiatives for:

- Growth Agenda Access Initiatives
  - Enrollment growth
  - Retention improvements
  - Financial aid increases
- Research to Jobs
- 2% Rescinded Pay Plan from June 2009
Reduction - $250 million GPR biennially ($125 million base)

- Madison ($62.5 million annually – 13% cut)
- Directed System Administration cut ($2.4 million annually – 25% cut)
- Milwaukee, Comprehensives, Colleges and Extension ($60.1 million annually – 11% cut)

$90 million GPR biennially from employee take home pay reductions, $45 million annually ($24 million System/$21 million proposed Madison Authority)
Proposed UW-Madison Authority includes a 21 member Board of Trustees (11 appointed by the Governor)

Flexibilities provided to the proposed Authority:

- Ability to set tuition without limits
- Increased procurement authority with other higher education entities
- Authority to manage program revenue funded facilities projects, increased threshold without bids
- Pay plan authority
- Additional spending flexibility (block grant)
- Eliminates dual employment cap
Proposed UW Madison Authority removes:

- $2.7 billion All Funds from base
  - $445.1 million GPR
  - $2.3 billion in PR and federal funds
- 17,420 FTE positions
  - 7,036 GPR positions
  - 10,384 PR and federal
Proposed UW-Madison Authority

Unknown:

- Commitment to future funding stream for cost to continue and block grant
UW Budget

- No flexibility for other UW System institutions
- Tuition authority allows 5.5% tuition increase - the dollar amount provided assumes UW-Madison remains part of the UW System (the proposed UW-Madison Authority can raise tuition without limits)
Program Revenue Changes

- No lapses on program revenue funds for health insurance and retirement take home pay reductions
Statutory Language

- Ends tuition exemption for undocumented students who first enroll in Fall 2011
- Increased remissions for veterans
- $250,000 for a plan for a UW-Milwaukee Authority - funding from System Administration
- Eliminates Excess Expenditure Report
- Lab modernization and business school tuition become continuing appropriations
- Procurement changes
Higher Educational Aids Board (HEAB)

- No financial aid increases in 2011-13

- Wisconsin Covenant Program
  - Ends enrollment of new students in September 2011
  - Moves Covenant Office to HEAB from DOA
  - No increases in funding for veterans remissions programs
Implications for Growth Agenda

- No new funds for Growth Agenda initiatives
- Potential impact on quality initiatives from budget cuts – few flexibilities
- Affordability
  - No financial aid increases
  - WHEG was underfunded this biennium
  - TIG not expanded for new students
Budget Next Steps

- Capital budget
- Joint Finance begins deliberations
- Senate and Assembly
- Veto stage