



2011-13 BIENNIAL BUDGET

Board of Regents Meeting
March 10, 2011

Highlights of the Governor's Recommended Budget

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

Cost to Continue Highlights

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□ 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

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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- 2% Rescinded Pay Plan from June 2009

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- 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)

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- 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

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- 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

UW Budget

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- Proposed UW-Madison Authority

Unknown:

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

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- 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

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

Statutory Language

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- 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)

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- 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

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- 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

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