



2013-15 Operating Budget: Joint Finance Action

On May 23, the legislature's Joint Committee on Finance advanced a budget that **freezes resident undergraduate tuition and all allocable SEG fees** for two years, with the exception of differential tuition plans approved prior to June 1, 2011. The Committee also made **significant cuts to UW System funding**, only a portion of which can be offset by one-time cash balances.

JFC Action	Biennial Cost
Reduced state GPR support (\$32.8 million ongoing)*	\$65,688,600
Mandated that UW launch and self-fund new economic development initiatives, medical programs, and Flex Option degrees (\$1.3 million ongoing)*	\$31,472,800
Required UW to self-fund salary and fringe benefit increases (\$27.8 million ongoing)*	\$47,081,800
Removed state support for the Higher Educational Aids Board, and substituted an equal amount of UW funds, leaving financial aid unchanged	\$58,345,400
Total cuts, transfers, and unfunded expenses:	\$202,588,600
* These actions create an ongoing <u>structural deficit of \$62 million</u> in UW System's annual operating budgets beginning in fiscal year 2015-16	

In addition, legislators removed **\$89.4 million** from UW System's budget and added it to the state's Compensation Reserve. This change may have no fiscal impact, however, because this funding may come back to UW to fund part of a state-approved pay plan for UW faculty and staff.

Other provisions:

- Delayed implementation of new UW personnel policies developed over the past two years
- Rejected a provision to provide the Board of Regents with authority for establishing pay plans for UW faculty and staff
- Mandated new policies that govern how tuition revenues and state GPR funds are allocated, and how cash balances are monitored
- Required that UW System and the Wisconsin Technical College System establish a 30-credit core curriculum to facilitate easier transfers
- Prohibited mandatory fees to support United Council of UW Students, but allowed for an "opt-in" fee
- Permitted UW to remain part of Internet2 and other research-based communication networks
- Allowed veterans who did not enlist in service from Wisconsin to receive tuition and fee remissions if they resided in the state for five consecutive years prior to enrolling at an institution. Veterans and children/spouses receiving remissions will be required to maintain a cumulative 2.0 GPA beginning the first semester after January 1, 2014