

The proposed 2009-11 Biennial Budget provides new investments in higher education, including need-based financial aid for students and expanded research. It also presents serious challenges to UW System in the form of various funding reductions and reallocations over the next two years.

Opportunities

- **Financial Aid for Students:** \$12 million GPR to the UW System for need-based aid. Together with funds for the Higher Education Aids Board (HEAB), this will allow UW System to offset tuition increases for resident undergraduates with documented need whose families earn up to the median family income of \$60,000. This will benefit an estimated 38,000 students.
- **Cost to Continue:** Funds fixed costs, previous State commitments, and inflationary increases, including Standard Budget Adjustments, Debt Service and Utilities.
- **Recruitment and Retention:** \$15 million GPR/fees (\$9.75 million GPR) provided for high-demand faculty, research academic staff, and instructional academic staff.
- **Research:** Restricted funds for three specific research projects, including \$8.2 million GPR for the Wisconsin Institute for Discovery, \$8 million SEG for bioenergy research, and \$2 million GPR for collaborative genomics research. A recent report shows that academic research and development supports 38,000 Wisconsin jobs.
- **Domestic Partner Benefits:** Provisions would allow Domestic Partner Benefits for all State employees, including UW System faculty and academic staff. In a competitive environment where other universities offer this benefit, the change would help UW System attract top talent.
- **Authorization for New Schools:** Provides State authorization for the new School of Public Health and the School of Freshwater Sciences at UW-Milwaukee.

Challenges

- **Up to \$174 million in Funding Reductions:**
 - **\$100 million** cut from GPR plus up to **\$49 million** across-the-board cut from all non-Federal funds. Additional **\$25 million** reallocation from fees paid for residence halls, parking, athletics, and auxiliary services.
 - Across-the-board cut affects as much as \$28.5 million in revenue from gifts, grants, trust funds, contracts, self-supporting fee-funded operations, and other sources.
 - Total GPR reduction of \$120 million is equal to a 5.2% cut in State support for UW System. \$120 million is equivalent to the State's share of instructional costs for 14,000 resident students, at a time when the UW System is working to increase enrollments.
 - Tuition increases will not be used to fully close the budget gap. To offset GPR cuts alone, UW System would need to increase tuition by double digits. Such steep increases are not an option in today's economic climate.
 - Cuts to other State agencies (e.g., DNR, DATCP) and Counties will affect collaborative programs at UW institutions.
- **No Growth Agenda Initiatives:** The UW System had requested \$44.2 million GPR to boost college enrollment, expand scientific research, and support statewide economic development.
- **No Pay Plan:** The Board of Regents requested 2.5% pay plan increases. No State employees, including UW faculty and staff will receive pay increases. Employee contributions toward Retirement and Health Insurance are expected to rise.

2009-11 BIENNIAL BUDGET FACT SHEET



March 11, 2009

Potential Impact of \$174 million in 2009-11 Biennial Budget Cuts

	GPR Cut	1% Across-the-Board Cut		Auxiliary Transfer	Total
		GPR	Program Rev.		
UW-Madison	\$37,450,000	\$6,718,890	\$17,075,628	\$2,145,750	\$63,390,268
UW-Milwaukee	\$13,280,000	\$2,428,982	\$2,172,728	\$1,928,750	\$19,810,460
UW-Eau Claire	\$4,980,000	\$822,872	\$739,738	\$2,115,750	\$8,658,360
UW-Green Bay	\$2,400,000	\$414,974	\$397,708	\$629,250	\$3,841,932
UW-La Crosse	\$4,150,000	\$685,686	\$797,188	\$5,371,500	\$11,004,374
UW-Oshkosh	\$4,770,000	\$806,910	\$1,006,270	\$1,074,250	\$7,657,430
UW-Parkside	\$2,280,000	\$379,152	\$189,832	\$501,250	\$3,350,234
UW-Platteville	\$2,810,000	\$491,344	\$511,638	\$1,363,000	\$5,175,982
UW-River Falls	\$2,820,000	\$470,330	\$443,406	\$2,006,750	\$5,740,486
UW-Stevens Point	\$4,140,000	\$689,050	\$853,254	\$2,226,250	\$7,908,554
UW-Stout	\$3,770,000	\$661,274	\$847,544	\$1,142,250	\$6,421,068
UW-Superior	\$1,500,000	\$249,612	\$206,670	\$5,250	\$1,961,532
UW-Whitewater	\$4,270,000	\$732,700	\$1,054,588	\$1,410,000	\$7,467,288
UW Colleges	\$3,800,000	\$643,006	\$244,644	\$306,750	\$4,994,400
UW-Extension	\$4,340,000	\$711,428	\$1,763,334	\$1,706,750	\$8,521,512
UW System	\$3,240,000	\$3,543,390	\$229,030	\$1,066,500	\$8,078,920
Subtotal:		\$20,449,600	\$28,533,200**		
TOTAL:	\$100,000,000	\$48,982,800		\$25,000,000	\$173,982,800

** Largest sources of \$28.5 million cut to Program Revenue: Auxiliary Enterprises (\$10.7 million); Gifts, Donations, and Trust Income (\$10.7 million), Departmental Revenues and Other Receipts from Self-Supporting Operations (\$7.1 million).