

The Biennial Budget Bulletin

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2007-09 Biennial Budget Summary of Gubernatorial and Legislative Actions

Board of Regents' Budget Request

The Board of Regents' budget request for the 2007-09 biennium included \$197.91 million GPR/Fees (\$142.18 million GPR and \$55.73 million Fees) to fund the Growth Agenda (\$40.79 million GPR/Fees), Faculty Recruitment and Retention (\$10 million GPR/Fees), staffing of a Wisconsin Covenant Office (\$330,000 GPR/Fees), a Veterans Outreach Program (\$331,500 GPR/Fees), Standard Budget Adjustments (\$121.8 million GPR/Fees), Utilities Increases (\$17.23 million GPR/Fees), Minority and Disadvantaged Financial Aid Programs (\$2.26 million GPR), as well as Application Fee (\$3.63 million Fees) and Student Technology Fee Increases (\$1.54 million Fees).

Of these, the following were funded in the final 2007-09 Wisconsin state budget at the levels noted below:

UW Growth Agenda

Provides \$40.29 million GPR/Fees (\$29.04 million GPR and \$11.24 million fees) for the following:

Campus/Systemwide Initiatives

- UW Colleges/Extension \$2.55 million
- UW-Eau Claire and UW-Stout \$2.97 million
- UW-Green Bay \$1.71 million
- UW-Milwaukee \$9.63 million

- UW-Oshkosh \$2.53 million
- UW-Parkside \$1.22 million
- UW-Platteville \$552,900
- UW-River Falls \$316,100
- UW-Stevens Point \$259,400
- UW-Superior \$1.10 million
- UW-Whitewater \$371,000
- Applied Research \$239,400 GPR
- Early Math Placement \$124,500 GPR
- Nursing Education \$3.02 million
- Teacher Education \$2.63 million
- Transfer Information System \$166,400 GPR

These dollars will fund 97% of the ongoing requests for the above-noted initiatives.

UW-LaCrosse

Provides \$901,400 GPR/Fees (\$664,800 GPR and \$236,600 Fees) in 2008-09 to support the growth and access initiative. This represents the first year request only.

Recruitment and Retention of Faculty

Provides \$10 million GPR/Fees (\$6.92 million GPR and \$3.08 million Fees) to support competitive compensation of faculty and research academic staff in high-demand academic disciplines.

Governor's Initiatives

GOVERNOR'S INITIATIVES FOR THE UW SYSTEM

Biomedical Technology Alliance

Provides \$2.5 million GPR in 2007-08 in a new, biennial appropriation for a biomedical technology alliance in southeastern Wisconsin to leverage additional non-state research grant dollars.

The final 2007-09 budget did not include funding for this item.

Islet Transplantation Program

Provides \$400,000 GPR annually to support research related to islet transplantation research at the UW School of Medicine and Public Health.

The final 2007-09 budget included funding for this item at this level.

Debt Service Reestimate

Provides \$32.96 million GPR to reflect a reestimate of debt service.

The final 2007-09 budget included funding for this item at this level.

Nonresident Tuition for Certain Undocumented Persons

Requires the UW System to provide a tuition remission for undocumented individuals who meet certain requirements.

The final 2007-09 budget did not include this item.

GOVERNOR'S INITIATIVES FOR OTHER AGENCIES

Higher Education Aids Board

Veterans Tuition Remission Reimbursement

Provides \$11.58 million GPR to reimburse the UW System and WTCS in part for the cost of tuition/fee remissions for eligible veterans and dependents.

The item was included in the final 2007-09 budget at this funding level.

Veterans and Dependents Tuition Remissions

Deletes requirement that children must be enrolled full-time. Broadens eligibility for children who are at least 17 years of age.

Permits a spouse to receive the remission until ten years after the youngest child the spouse had with the eligible veteran reaches, or would have reached, 18 years of age; or during the first ten years after the veteran died, as under current law, whichever is later.

The final 2007-09 budget included these items.

Standard Budget Adjustments

Provides \$121.80 million GPR/Fees (\$92.87 million GPR and \$28.93 million Fees) to fund classified increases over pay plan, full funding of April 1, 2007 pay plan, craft work adjustments, full funding of fringe benefit increases, PRAs /DCAs, and Smith Lever Pay Plan increases.

Fuel and Utility Expenses

Provides \$35.57 million GPR/Fees (\$23.46 million GPR and \$12.10 million Fees) to provide increases in fuel and utility costs related to new space, operations costs related to co-generation, and expected changes in commodity prices.

Increases in Minority and Disadvantaged Financial Aid Programs

Provides \$2.09 million GPR to increase the Lawton Minority Need-based Grant Program by \$1.02 million and the Advanced Opportunity Program by \$1.07 million.

Application Fee Increase

Provides \$2.2 million Fees to permit a \$9 increase in the undergraduate application fee and an \$11 increase in the graduate/professional application fee.

Student Technology Fee Increase

Provides \$1.54 million Fees for tuition authority funding for Student Technology fee initiatives.

The following requested items were not funded in the 2007-09 UW System budget:

Veterans Outreach

Wisconsin Covenant Staff

The Office of the Wisconsin Covenant was incorporated into the DOA budget, with a provision of \$360,400 and 2 FTEs.

BOARD OF REGENTS' BUDGET REQUEST FOR AFFILIATED DEPARTMENTS

State Laboratory of Hygiene

The UW System requested \$604,900 PR-S and 3 FTE to increase resources to facilitate enforcement of Wisconsin's Implied Consent laws.

The final 2007-09 budget included \$400,000 PR and 2 FTE for this program

Veterinary Diagnostic Laboratory

The Board of Regents requested \$400,000 PR-S and 2 FTE to provide additional support for the Avian Influenza Testing program.

This item was included in the final 2007-09 budget at this funding level.

WHEG

Provides \$26.4 million GPR to increase the WHEG statutory link.

The final 2007-09 budget included this item.

Employee Trust Funds

Domestic Partner Benefits

Extends domestic partner benefits to all state employees, including University of Wisconsin faculty and academic staff.

The final 2007-09 budget did not include this item.

Health Insurance Contribution

Changes the effective date of the employer-required health insurance contributions to the first day of the third month of employment for eligible state employees insured under the state group insurance plan.

The final 2007-09 budget included this item.

Office of State Employment Relations

Collective Bargaining

Provides all University of Wisconsin academic staff and faculty the right to bargain collectively over wages, hours, and conditions of employment as provided other state employees under the State Employment Labor Relations Act.

The final 2007-09 budget did not include this item.

Legislative Additions to 2007-09 Budget

JOINT COMMITTEE ON FINANCE INITIATIVE FOR THE UW SYSTEM

Medical Practice in Underserved Areas

Provides \$400,000 GPR over base funding to support the Wisconsin Academy for Rural Medicine, the Academy for Center-City Medical Education, and the Wisconsin Scholars Academy. Must receive matching gift and grant funds in a fiscal year in order to receive the funds in that year.

The final 2007-09 budget included funding for this item.

SENATE INITIATIVES FOR THE UW SYSTEM

UW Cancer Center

Provides \$5 million GPR for lung cancer research.

The final 2007-09 budget included one time funding for this item at \$2.5 million GPR.

Universal Service Fund for Telecommunication Costs

Permits the use of moneys from the universal service fund to pay for any telecommunications services across the UW System.

Partially vetoed by the Governor to require payment to DOA but allow funds to be used by any campus.

ASSEMBLY INITIATIVE FOR THE UW SYSTEM

Transfer Requirement

Requires a base budget reduction on eleven GPR appropriations to total \$95.99 million GPR.

The final 2007-09 budget included this item at a reduced level of \$25 million.

Reporting Requirements in the 2007-09 Budget

IT Reports

Requires UW System to provide the following IT Reports and Policies:

- Strategic Plan
- Written Policies for IT Projects
- Administrative Rules for IT Projects
- Rules Governing Commercially Available Products
- Master Lease Financing
- High Cost IT Contracts
- Open Ended IT Contracts

Vetoed in part to remove the administrative rule requirement and reporting to Joint Committee on Audit.

Information on Segregated Fees on Tuition Bills

Requires each campus to provide information on segregated fees on its internet website.

Report on Limited Appointments, Concurrent and Back-up Positions

Requires an annual report from the UW System relating to the number of employees with limited appointments, back-up positions, and concurrent appointments.

Governor's Vetoes

Overall, the Governor made 33 vetoes to SB 40. Of these, the following vetoes or partial vetoes have an impact on the UW System and were not noted above.

- **Information on Instructors**

Requires each UW System institution to provide information to students at the time of registration about who would be teaching the course.

Vetoed in full

- **Wisconsin Covenant Scholars Program**

Establishment of the Wisconsin Covenant and establishing student eligibility requirements.

Vetoed in part to remove references to eligibility criteria related to financial need at this time and to reflect the original intent of the supporting operation of the Covenant program.

Statutory Language Requests

The Board of Regents requested the statutory changes listed below. Their disposition in the final 2007-09 budget is as follows:

Assumption of cash management and investment responsibilities, management of cash balances for higher returns, and retention of interest on tuition balances.

Not included

Retention of proceeds from the sale of program revenue or gift buildings and land.

Exception for the UW System extended from date of signing through June 30, 2009

Eliminate two reports prepared by the UW Medical School and the Medical College of Wisconsin.

Not included

Exemption from sales tax for donations for preferential seating at UW System sporting events.

Not included

UW System Technical Correction Proposals

Broaden program revenue position creation authority.

Increase fees for specialty license plates and broaden the scholarship program to include UW Colleges.

Change the program revenue appropriations for laboratory modernization and Schools of Business to continuing appropriations.

These above changes, as well as ones for the Universal Service Fund and Tuition Gift Certificates, were considered by the Legislative Law Revision Committee outside the budget process.

The Committee voted to:

- **Advance the language change relative to the payment mechanism for Badgernet (see Universal Service Fund, on page 3 above)**
- **Advance the language change relative to offering UW Colleges' license plates. The increase in fees requested was deemed to be beyond the scope of the Committee.**
- **Recommend that third party administration of tuition gift certificates and proposed changes to the appropriations for laboratory modernization and Schools of Business be handled by the introduction of new legislation.**
- **Undertake further study of position creation authority.**

UNIVERSITY OF WISCONSIN SYSTEM 2007-09 BIENNIAL BUDGET

	Board of Regents Request			Governor's Budget			Joint Finance Committee			Conference Committee		
	Biennial GPR	Biennial Fee	Biennial GPR/FEE Total	Biennial GPR	Biennial Fee	Biennial GPR/FEE Total	Biennial GPR	Biennial Fee	Biennial GPR/FEE Total	Biennial GPR *	Biennial Fee	Biennial GPR/FEE Total
A. Growth Agenda for Wisconsin												
I. Wisconsin Covenant Staff	214,500	115,500	330,000	0	0	0	0	0	0	0	0	0
II. Veterans Outreach	215,400	116,100	331,500	0	0	0	0	0	0	0	0	0
III. Recruitment and Retention of Faculty/Staff	6,922,900	3,077,100	10,000,000	6,922,900	3,077,100	10,000,000	6,922,900	3,077,100	10,000,000	6,922,900	3,077,100	10,000,000
IV. State Growth Agenda	27,036,200	13,754,200	40,790,400	21,455,600	12,298,600	33,754,200	21,455,600	12,298,600	33,754,200	22,120,400	8,171,800	30,292,200
SUBTOTAL: Growth Agenda For Wisconsin	34,389,000	17,062,900	51,451,900	28,378,500	15,375,700	43,754,200	28,378,500	15,375,700	43,754,200	29,043,300	11,248,900	40,292,200
B. Standard Budget Adjustments												
I. 2005-07 Classified Increases Over Pay Plan	10,558,000	3,505,400	14,063,400	10,558,000	3,505,400	14,063,400	10,558,000	3,505,400	14,063,400	10,558,000	3,505,400	14,063,400
II. 2006-07 Full Funding of April 1, 2007 Pay Plan	28,589,800	12,112,000	40,701,800	28,589,800	12,112,000	40,701,800	28,589,800	12,112,000	40,701,800	28,589,800	12,112,000	40,701,800
III. 2004-05 and 2005-06 Craftworker Adjustments	1,401,400	482,000	1,883,400	1,401,400	482,000	1,883,400	1,401,400	482,000	1,883,400	1,401,400	482,000	1,883,400
IV. Full Funding of Fringe Benefit Cost Increases	50,486,000	10,430,400	60,916,400	49,030,400	11,886,000	60,916,400	49,030,400	11,886,000	60,916,400	49,030,400	11,886,000	60,916,400
V. 2004-05 and 2005-06 PRAs and DCAs	2,751,400	946,000	3,697,400	2,751,400	946,000	3,697,400	2,751,400	946,000	3,697,400	2,751,400	946,000	3,697,400
VI. Smith Lever Pay Plan Increases	539,400	0	539,400	539,400	0	539,400	539,400	0	539,400	539,400	0	539,400
SUBTOTAL: Standard Budget Adjustments	94,326,000	27,475,800	121,801,800	92,870,400	28,931,400	121,801,800	92,870,400	28,931,400	121,801,800	92,870,400	28,931,400	121,801,800
C. 2007-09 Utilities Increases	11,200,400	6,031,000	17,231,400	23,464,900	12,101,000	35,565,900	23,464,900	12,101,000	35,565,900	23,464,900	12,101,000	35,565,900
D. Minority/Disadvantaged Financial Aid Programs	2,259,400	0	2,259,400	2,091,500	0	2,091,500	2,091,500	0	2,091,500	2,091,500	0	2,091,500
E. Application Fee Increases	0	3,628,200	3,628,200	0	3,628,200	3,628,200	0	2,200,000	2,200,000	0	2,200,000	2,200,000
F. Student Tech Fee Increases	0	1,536,100	1,536,100	0	1,536,100	1,536,100	0	1,536,100	1,536,100	0	1,536,100	1,536,100
CT TOTAL (GROWTH AGENDA + COST TO CONTINUE):	142,174,800	55,734,000	197,908,800	146,805,300	61,572,400	208,377,700	146,805,300	60,144,200	206,949,500	147,470,100	56,017,400	203,487,500
Governor's Initiatives												
I. Biomedical Technology Alliance				2,500,000	0	2,500,000	500,000	0	500,000	0	0	0
II. Islet Transplantation Program				400,000	0	400,000	400,000	0	400,000	400,000	0	400,000
III. Debt Service Reestimate				32,964,900	0	32,964,900	32,964,900	0	32,964,900	32,964,900	0	32,964,900
SUBTOTAL: Governor's Initiatives				35,864,900	0	35,864,900	33,864,900	0	33,864,900	33,364,900	0	33,364,900
Joint Finance Committee & Senate Initiatives												
I. Medical Practice In Underserved Areas (WARM Initiative)							400,000	0	400,000	400,000	0	400,000
II. Lung Cancer Research (one-time)										2,500,000	0	2,500,000
SUBTOTAL: Joint Finance & Senate Initiatives							400,000	0	400,000	2,900,000	0	2,900,000
TOTAL (GROWTH AGENDA + COST TO CONTINUE + GOVERNOR & LEGISLATIVE INITIATIVES)	142,174,800	55,734,000	197,908,800	182,670,200	61,572,400	244,242,600	181,070,200	60,144,200	241,214,400	183,735,000	56,017,400	239,752,400

*The UW System will be required to lapse \$25,000,000 from this funding in the 2007-09 biennium.