



Budget Briefs

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FINANCING UNIVERSITY OF WISCONSIN PROGRAMS

The biennial state budget act (1999 Wisconsin Act 9), passed by the legislature and signed by Governor Tommy Thompson on October 27, 1999, increases the biennial operating budget for the University of Wisconsin System by \$88.7 million. Act 9, which adds \$15 million to the UW's pay plan, was described by the System President Katharine Lyall as the "best budget proposal for the UW in a decade".

TUITION CHANGES

Expenditure Authority. Before passage of Act 9, the UW System Board of Regents was authorized to set tuition levels, which could vary according to campus, graduate or undergraduate status, state residency, and program, but the legislature limited the amount the Board could spend from the tuition it raised. Act 9 allows the Board to spend all tuition and fee revenues without having to seek prior approval from the legislature.

Limits on Resident Undergraduate Tuition Increases. Act 9 prohibits the Board from increasing 2000-01 tuition for resident undergraduate students above 1999-2000 levels, and it provides a \$28 million supplement to the UW budget to cover the freeze.

After the 2000-01 academic year, the Board is prohibited from increasing tuition for UW resident undergraduate students beyond an amount sufficient to fund all of the following: 1) the highest amount shown in the appropriation schedules in the Joint Committee on Finance substitute amendment, the engrossed budget bill, or the enrolled budget bill; 2) the approved recommendations of the Secretary of the Department of Employment Relations for compensation and fringe benefits for classified and unclassified staff; 3) the projected loss in revenue caused by a change from the previous year in the number of enrolled undergraduate, graduate, resident, and nonresident students; 4) state-imposed costs not covered by GPR as determined by the Board of Regents; 5) distance education, nontraditional courses, and intersession courses; and 6) differential tuition that is approved by the Board and not included in the amount in the appropriation schedule for resident undergraduate tuition.

The Board of Regents is required to report annually, beginning on December 15, 2000, the amount by which expenditures for resident undergraduate tuition exceeded the scheduled appropriation for the previous year and the purpose and amounts of the additional spending.

MADISON INITIATIVE

Act 9 provides \$29.2 million in state revenue over the 1999-2001 biennium to be matched with \$20 million in private support from the University of Wisconsin Foundation and the Wisconsin Alumni Research Foundation for a new development program, named the Madison Initiative.

The funds may be used for any the following: 1) competitive compensation for faculty and academic staff; 2) hiring of additional faculty and staff; 3) research and instructional initiatives; 4) maintenance, reconditioning, and energy conservation projects for existing facilities; and 5) increased financial aid.

In addition, the Board of Regents is required to submit a report to the Joint Committee on Finance, on October 1, 2000, and October 1, 2001, detailing salary increases granted through the Madison Initiative for 1999-2000 and 2000-01 in recognition of competitive factors and the System institutions at which they are granted.

OTHER ACT 9 PROVISIONS

Act 9 also provides funding for the following:

- ***UW Libraries*** – Provides \$7.3 million to the UW System for library acquisitions, reference materials, and licenses for electronic technology.
- ***Advising and Student Services*** – \$1.95 million and 28.5 positions to the UW System to improve academic, career, and transfer student advising efforts.
- ***Instructional Technology*** – \$3.9 million to train 340 additional student workers throughout the System each year.
- ***International Education*** – \$850,000 for development of a new bachelor's degree in global studies at UW-Milwaukee; \$1.5 million for need-based study grants of \$2,000 each for UW System students studying abroad; and \$400,000 for a feasibility study of overseas UW academic programming.
- ***Expansion and Diversity*** – \$3.8 million to fund additional faculty and staff to allow 1,000 additional students to attend the UW System in 2000-01, of which \$1 million will fund the "Plan 2008 Diversity Initiative" to recruit and retain qualified minority students and faculty members throughout the System, as well as \$732,600 for pre-college programs to introduce minority and low-income high school students to college life and provide scholarships for them.

FOR MORE INFORMATION

For copies of relevant sections of Act 9, contact the Legislative Reference Bureau at (608) 266-0342. 1999 Wisconsin Act 9 can be found on the Internet at <http://www.legis.state.wi.us/billtext/acts/99acts.html>. For more detailed information about the UW budget provisions, contact Andrew Richards, University of Wisconsin-Madison, at (608) 263-7481.