

UNIVERSITY OF WISCONSIN-MADISON

GOVERNOR'S BUDGET RECOMMENDATIONS

Source of Funds	FY11 Adjusted Base	FY12 Recommended	% Change Over FY11	FY13 Recommended	% Change Over FY12
GPR	0	377,696,000	0.0	462,233,100	22.4
PR-O	0	40,588,900	0.0	40,588,900	0.0
PR-S	0	49,477,300	0.0	53,917,500	9.0
SEG-O	0	25,870,000	0.0	25,870,000	0.0
TOTAL	0	493,632,200	0.0	582,609,500	18.0

FULL-TIME EQUIVALENT POSITION SUMMARY

Source of Funds	FY11 Adjusted Base	FY12 Recommended	FTE Change From FY11	FY13 Recommended	FTE Change From FY12
TOTAL	0.00	0.00	0.00	0.00	0.00

AGENCY DESCRIPTION

The University of Wisconsin-Madison is governed by a 21-member board of trustees charged by statute with the responsibility to determine educational policy. The chancellor of the university, as chief executive officer, is responsible for the direction and coordination of the university in accordance with state law and the policies of the board.

The university consists of 17 schools and colleges, and 2 academic divisions. The deans of the schools, colleges and divisions serve at the pleasure of the board and report to the chancellor.

The university annually enrolls over 40,000 students in undergraduate, graduate and professional programs. In addition, outreach and public service activities make university resources available to all Wisconsin residents. Annually over 350,000 people enroll in continuing education courses and other lifelong learning programs offered through the university's Division of Continuing Studies and other campus units.

In accordance with the concept of shared governance, the university's chancellor and faculty have primary responsibility for educational activities and for faculty personnel matters. Academic staff and students also participate in governance under terms defined in Chapter 37, Wisconsin Statutes.

The university provides instruction at the undergraduate, master's, doctoral and professional levels, including medicine, veterinary medicine and law.

The university attracts substantial nonstate funding to Wisconsin. In fiscal year 2008-09, the university received \$810.6 million in extramural research funding, including gifts, grants and government contracts. According to the National Science Foundation, the university has consistently ranked in the top ten higher education institutions nationally in attracting federal funds.

The university maintains the Wisconsin State Laboratory of Hygiene, which is Wisconsin's public and environmental health laboratory. A nationally renowned public health facility, the laboratory provides top quality analytical services and makes substantial contributions to the evolution of public health and

environmental laboratory science through teaching, research, outreach and public service. All sectors of the public health infrastructure – disease control and prevention, maternal and child health, environmental health, epidemiology, emergency preparedness and response, and policy development – are critically linked to the state and national public health laboratory system, which the laboratory coordinates in Wisconsin. Through its wide-ranging activities, directly or indirectly, every citizen in the state is affected and protected by the public health work of the laboratory.

The Wisconsin Veterinary Diagnostic Laboratory was established in 1999 Wisconsin Act 107, which was enacted on April 28, 2000. Effective July 1, 2000, the Wisconsin Animal Health Laboratory was transferred from the Department of Agriculture, Trade and Consumer Protection to the University of Wisconsin System and renamed the Wisconsin Veterinary Diagnostic Laboratory. As of July 1, 2011, much like the State Laboratory of Hygiene, the laboratory is maintained at the university. The laboratory is a primary component of the Wisconsin animal health system, intent on being recognized as a leader in the scientific field, achieving excellence in veterinary laboratory diagnostics by integrating innovative and proven technologies, and conducting research to provide the highest quality of service possible.

MISSION

The University of Wisconsin-Madison is the original University of Wisconsin, created at the same time Wisconsin achieved statehood in 1848. It received Wisconsin's land grant and became the state's land grant university after Congress adopted the Morrill Act in 1862. It continues to be Wisconsin's comprehensive teaching and research university with a statewide, national and international mission, offering programs at the undergraduate, graduate and professional levels in a wide range of fields, while engaging in extensive scholarly research, continuing adult education and public service.

The primary purpose of the university is to provide a learning environment in which faculty, staff and students can discover, examine critically, preserve and transmit the knowledge, wisdom and value that will help ensure the survival of this and future generations, and improve the quality of life for all. The university seeks to help students to develop an understanding and appreciation for the complex cultural and physical worlds in which they live and to realize their highest potential of intellectual, physical and human development. It also seeks to attract and serve students from diverse social, economic and ethnic backgrounds and to be sensitive and responsive to those groups which have been underserved by higher education.

UNIVERSITY OF WISCONSIN-MADISON

GOVERNOR'S BUDGET RECOMMENDATIONS

RECOMMENDATIONS

1. Increase Employee Contributions to Pension and Health Insurance
2. University of Wisconsin-Madison
3. Additional GPR Reductions
4. Fuel and Utilities Reestimate
5. Debt Service Reestimate

Table 1
Department Budget Summary by Funding Source (in thousands of dollars)

	ACTUAL FY10	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY12	FY13	FY12	FY13
GENERAL PURPOSE REVENUE	\$0.0	\$0.0	\$0.0	\$0.0	\$377,696.0	\$462,233.1
State Operations	0.0	0.0	0.0	0.0	377,696.0	462,233.1
PROGRAM REVENUE (2)	\$0.0	\$0.0	\$0.0	\$0.0	\$90,066.2	\$94,506.4
State Operations	0.0	0.0	0.0	0.0	89,577.5	94,017.7
Aids to Ind. & Org.	0.0	0.0	0.0	0.0	488.7	488.7
SEGREGATED REVENUE (3)	\$0.0	\$0.0	\$0.0	\$0.0	\$25,870.0	\$25,870.0
State Operations	0.0	0.0	0.0	0.0	25,470.0	25,470.0
Local Assistance	0.0	0.0	0.0	0.0	50.0	50.0
Aids to Ind. & Org.	0.0	0.0	0.0	0.0	350.0	350.0
TOTALS - ANNUAL	\$0.0	\$0.0	\$0.0	\$0.0	\$493,632.2	\$582,609.5
State Operations	0.0	0.0	0.0	0.0	492,743.5	581,720.8
Local Assistance	0.0	0.0	0.0	0.0	50.0	50.0
Aids to Ind. & Org.	0.0	0.0	0.0	0.0	838.7	838.7

(2) Includes Program Revenue-Service and Program Revenue-Other

(3) Includes Segregated Revenue-Service, Segregated Revenue-Other and Segregated Revenue-Local

Table 3
Department Budget Summary by Program (in thousands of dollars)

	ACTUAL FY10	ADJUSTED BASE FY11	AGENCY REQUEST		GOVERNOR'S RECOMMENDATION	
			FY12	FY13	FY12	FY13
1. University of Wisconsin-Madison	\$0.0	\$0.0	\$0.0	\$0.0	\$493,632.2	\$582,609.5
TOTALS	\$0.0	\$0.0	\$0.0	\$0.0	\$493,632.2	\$582,609.5

1. Increase Employee Contributions to Pension and Health Insurance

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-21,062,800	0.00	-21,062,800	0.00
TOTAL	0	0.00	0	0.00	-21,062,800	0.00	-21,062,800	0.00

The Governor recommends increasing state employee contributions towards pension and health insurance costs. Employees will generally pay 50 percent of the total required retirement contribution, which for calendar year 2011 equals 5.8 percent of salary. The Governor further recommends increasing employee contributions for health insurance from approximately 6 percent of the premium to 12.6 percent of the premium. These modifications are necessary to bring state employee compensation in line with private sector employment and reduce compensation costs.

2. University of Wisconsin-Madison

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	439,447,500	0.00	446,447,500	0.00
PR-O	0	0.00	0	0.00	40,588,900	0.00	40,588,900	0.00
PR-S	0	0.00	0	0.00	2,939,000	0.00	2,939,000	0.00
SEG-O	0	0.00	0	0.00	25,870,000	0.00	25,870,000	0.00
TOTAL	0	0.00	0	0.00	508,845,400	0.00	515,845,400	0.00

The Governor recommends restructuring governance of the University of Wisconsin-Madison to be a public authority separate from the University of Wisconsin System and its remaining 25 campuses. Providing greater independence for the Madison campus will enable it to compete more effectively with other major research universities, both public and private, for high-quality faculty and research funding. In addition, providing more flexibility to access nonstate funding will help the state address its budget shortfall.

As a public authority, the University of Wisconsin-Madison will be governed by a 21-member board, with 11 members appointed by the Governor. All assets, liabilities and existing UW-Madison employees will be transferred to the public authority. Employees will remain part of the state civil service system until June 30, 2012. The public authority will also have complete control over setting tuition and employee compensation, but will be subject to statutory requirements related to employee benefits. In addition, the authority will have control over bidding and managing construction projects that are built with non-GPR supported borrowing. The public authority will also gain control over revenues and interest earnings related to tuition, auxiliaries operations and other revenues earned by the authority through its program revenue-funded operations. The authority will deposit its net cash balances, except for gift and grant funds, in the local government investment pool.

The public authority will be subject to state control and oversight in several major areas: (a) required participation of employees in the Wisconsin Retirement System and the Group Insurance Board health plan; (b) Building Commission approval of all construction projects over \$500,000; (c) all building projects requiring debt financing; (d) open records, unless the records relate to ongoing faculty research; and (e) participation in the state's risk management program at the authority's request.

Lastly, the authority, as for other state agencies, will retain police powers, access to services from the Attorney General's office and sovereign immunity from lawsuits.

3. Additional GPR Reductions

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-62,500,000	0.00	-62,500,000	0.00
TOTAL	0	0.00	0	0.00	-62,500,000	0.00	-62,500,000	0.00

The Governor recommends reducing funding to create additional operational efficiencies and balance the budget.

4. Fuel and Utilities Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	-16,373,000	0.00	-8,930,200	0.00
TOTAL	0	0.00	0	0.00	-16,373,000	0.00	-8,930,200	0.00

The Governor recommends adjusting the university's fuel and utilities biennial budget for: (a) expected changes in prices and to reflect statistically normal weather conditions (-\$30,221,400); (b) operational adjustments for the Charter Street Heating Plant and the cogeneration power plant (\$19,800); (c) fuel and utility requirements of new space (\$4,973,400); (d) renewable energy purchases (\$62,300); and (e) Wisconsin Energy Initiative master lease costs (-\$137,300).

5. Debt Service Reestimate

Source of Funds	Agency Request				Governor's Recommendation			
	FY12		FY13		FY12		FY13	
	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions
GPR	0	0.00	0	0.00	38,184,300	0.00	108,278,600	0.00
PR-S	0	0.00	0	0.00	46,538,300	0.00	50,978,500	0.00
TOTAL	0	0.00	0	0.00	84,722,600	0.00	159,257,100	0.00

The Governor recommends adjusting the university's base budget to reflect a reestimate of debt service on authorized bonds.