



Legislative Fiscal Bureau

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TO: Senator Janet Bewley
Room 126 South, State Capitol

FROM: Emily Pope, Fiscal Analyst

SUBJECT: 2014-15 GPR Budgets and Possible GPR Base Budget Reduction for UW Institutions

At your request, I have prepared a table showing how the proposed \$150 million annual GPR base budget reduction (\$300 million over the biennium) could be distributed to individual UW institutions.

Under current practice, the Legislature appropriates GPR funding to the UW System as a whole, not to individual UW institutions, and the UW Board of Regents is responsible for allocating that funding to individual UW institutions. In the past, the Board of Regents has distributed GPR base reductions to UW institutions based on each institution's combined GPR and tuition budget excluding debt service, utilities, financial aid, separately budgeted academic tuition, and UW-Extension credit programs. In 2013 Act 20, there was a base budget reduction of \$32.8 million GPR annually. Table 1 shows the amount of the GPR base budget reduction for each UW institution in 2013-14, that reduction as a percentage of the total UW System reduction of \$32.8 million, and possible GPR base budget reductions in 2015-16. The possible GPR base budget reduction amounts were calculated by applying the percentage of the total UW System GPR base budget reduction that was distributed to each institution in 2013-14 to the proposed \$150 million GPR base budget reduction.

TABLE 1

**Possible Distribution of Proposed \$150 Million GPR
Base Budget Reduction for the UW System**

	<u>2013-14 GPR Base Reduction</u>	<u>% of Total UW System 2013-14 GPR Base Reduction</u>	<u>Possible 2015-16 GPR Base Reduction*</u>
Madison	-\$12,625,892	38.4%	-\$57,662,500
Milwaukee	-4,368,018	13.3	-19,948,700
Eau Claire	-1,663,562	5.1	-7,597,500
Green Bay	-801,436	2.4	-3,660,200
La Crosse	-1,339,918	4.1	-6,119,400
Oshkosh	-1,608,635	4.9	-7,346,600
Parkside	-751,930	2.3	-3,434,100
Platteville	-922,921	2.8	-4,215,000
River Falls	-919,220	2.8	-4,198,100
Stevens Point	-1,370,891	4.2	-6,260,900
Stout	-1,262,274	3.8	-5,764,800
Superior	-510,961	1.6	-2,333,500
Whitewater	-1,404,706	4.3	-6,415,300
UW Colleges	-1,234,699	3.8	-5,638,900
UW Extension	-1,510,868	4.6	-6,900,100
UW System Administration/ Systemwide	<u>-548,369</u>	<u>1.7</u>	<u>-2,504,400</u>
UW System Total	-\$32,844,300	100.0%	-\$150,000,000

*Based on each institution's percentage of the total UW System base reduction in 2013-14.

Table 2 shows the amount of GPR funding allocated to each UW institution in 2014-15, the possible 2015-16 GPR base reduction (from Table 1), and that reduction as a percentage of each institution's GPR budget. Table 2 shows that the proposed GPR base reduction is equal to 12.7% of the UW System's 2014-15 GPR budget. Taken as a percentage of the UW System's adjusted GPR base budget, which is used as a starting point for the biennial budget process, the proposed reduction is 13.1%. The adjusted GPR base budget was not used to prepare Table 2 because it is not broken down by institution.

TABLE 2

Possible GPR Base Budget Reduction as a Percentage of Each Institution's 2014-15 GPR Budget

	<u>2014-15 GPR Budget</u>	<u>Possible 2015-16 GPR Base Reduction*</u>	<u>Possible Reduction as % of 2014-15 GPR Budget</u>
Madison	\$496,453,817	-\$57,662,500	-11.6%
Milwaukee	130,045,457	-19,948,700	-15.3
Eau Claire	42,417,672	-7,597,500	-17.9
Green Bay	25,970,579	-3,660,200	-14.1
La Crosse	36,003,781	-6,119,400	-17.0
Oshkosh	46,520,356	-7,346,600	-15.8
Parkside	26,938,269	-3,434,100	-12.7
Platteville	29,739,844	-4,215,000	-14.2
River Falls	25,664,569	-4,198,100	-16.4
Stevens Point	36,890,035	-6,260,900	-17.0
Stout	37,769,468	-5,764,800	-15.3
Superior	24,209,745	-2,333,500	-9.6
Whitewater	34,408,853	-6,415,300	-18.6
UW Colleges	34,360,805	-5,638,900	-16.4
UW Extension	67,299,408	-6,900,100	-10.3
UW System Administration/ Systemwide	<u>83,504,625</u>	<u>-2,504,400</u>	-3.0
UW System Total	\$1,178,197,283	-\$150,000,000	-12.7%

*Based on the proposed \$150 million annual reduction for the UW System and each UW institution's percentage of the total UW System base reduction in 2013-14.

Table 3 shows the amount of GPR funding allocated to each UW institution less GPR debt service, the possible 2015-16 GPR base reduction, and that reduction as a percentage of each institution's GPR budget less GPR debt service. GPR debt service is subtracted from each institution's budget because the amount of debt service paid is determined by the Department of Administration and those funds cannot be reallocated by the Board of Regents for any other purpose. The GPR budget less GPR debt service is the amount of GPR each institution has available to run its operations.

TABLE 3

**Possible GPR Base Budget Reduction as a Percentage of Each Institution's
2014-15 GPR Budget Less GPR Debt Service**

	2014-15 GPR Budget Less GPR <u>Debt Service</u>	Potential 2015-16 GPR Base <u>Reduction*</u>	Potential Base Reduction as % of 2014-15 GPR Budget Less <u>GPR Debt Service</u>
Madison	\$385,819,740	-\$57,662,500	-14.9%
Milwaukee	107,400,316	-19,948,700	-18.6
Eau Claire	32,926,180	-7,597,500	-23.1
Green Bay	17,765,266	-3,660,200	-20.6
La Crosse	25,061,070	-6,119,400	-24.4
Oshkosh	33,469,952	-7,346,600	-21.9
Parkside	20,374,872	-3,434,100	-16.9
Platteville	20,700,968	-4,215,000	-20.4
River Falls	19,197,378	-4,198,100	-21.9
Stevens Point	27,401,929	-6,260,900	-22.8
Stout	26,436,695	-5,764,800	-21.8
Superior	16,882,105	-2,333,500	-13.8
Whitewater	19,623,925	-6,415,300	-32.7
UW Colleges	31,414,794	-5,638,900	-17.9
UW Extension	65,107,368	-6,900,100	-10.6
UW System Administration/ Systemwide	<u>83,504,625</u>	<u>-2,504,400</u>	-3.0
UW System Total	\$933,087,183	-\$150,000,000	-16.1%

*Based on the proposed \$150 million annual reduction for the UW System and each UW institution's percentage of the total UW System base reduction in 2013-14.

I hope this information is helpful. Please contact me if you have additional questions.

EEP/sas