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## **Governor Scott Walker's 2011-13 Biennial Budget Proposal and the New Badger Partnership**

Governor Scott Walker introduced his 2011-13 biennial budget last week, and as expected, the proposal included language that would restructure the University of Wisconsin-Madison into a new public authority separate from UW System.

The bill would do the following:

- Create a new 'public authority' effective July 1, 2011 (or whenever the bill passes).
- Create a 21-member board of trustees to oversee the university, 11 of them appointed by the governor.
- Make faculty and academic staff employees of the public authority immediately. Classified staff would remain part of the state civil service system until June 30, 2012.
- Allow UW-Madison to determine tuition and employee compensation. Current tuition policies would remain in effect until changed by the board of trustees or July 1, 2013.
- Make employees responsible for the same retirement costs and health insurance benefits as other state employees for the 2011-13 biennium.
- Give UW-Madison control over the bidding and management of construction projects that are built entirely with non-general fund revenue.
- Give UW-Madison control over income earned through tuition, auxiliary enterprises, and program revenue. The money, except for gifts and grants, must be deposited into the local government investment pool.

Limitations to the proposal:

- Employees remain in the state retirement system and health insurance plan.
- The Building Commission retains approval of construction projects over \$500,000 and projects requiring debt financing.
- Public access to records must be maintained, except for records relating to ongoing faculty research.
- The university would have access to representation by the Department of Justice.
- The university could participate in the state's risk management program if it wishes.

The governor's budget proposal also includes several additional items that have an enormous impact on the university:

- A budget cut of \$125 million over the biennium, representing a 13% cut to GPR. UW System campuses will absorb the same cut in total.
- A cut of \$42 million over the biennium as a result of employee pension and health insurance contributions.
- A 25% cut to UW System administration.
- Exempt state-funded financial aid programs from budget reductions.
- The termination of the Wisconsin Covenant Scholars program. Students enrolled by September 30, 2011 may continue in the program.
- The elimination of nonresident tuition and fee exemptions for undocumented students.