

**Talking Points of Darrell Bazzell**  
**Vice Chancellor for Administration, UW-Madison**  
**Joint Finance Committee Budget Hearing**  
**March 17, 2005, State Capitol**

- Thank you co-chairs Kaufert and Fitzgerald and members of the committee for the opportunity to testify today about the impact Governor Doyle's budget will have on UW-Madison.
- First, I want to say that the campus appreciates the Governor's decision to invest new GPR in the university's budget. At \$49 million, the UW System is looking at an average annual increase of 1.27 percent in new GPR. Although modest, we are pleased to see new state tax dollars being invested in the University's system, a reversal from the last biennial budget.
- We are pleased that the Governor has invested in areas that the Regents and the campus identified as priorities. There is \$5 million to help us compete for top faculty who are in demand by our competitors. This, coupled with what we hope will be a pay plan that allows us to remain competitive with our peers, is critical to our ability to counter the dramatic increase in outside offers our faculty have been receiving. You have all received data on the competition we are facing so I know you appreciate what a challenge this is for us. The Governor also provided \$13.1 million in 2006-07 for 125 new faculty lines Systemwide, which will also help us address this challenge.
- We appreciate the Governor keeping tuition increases to moderate levels. Even with 7 percent annual increases, UW-Madison's undergraduate resident tuition is still expected to be second lowest in the Big Ten.
- However, even these rates are a barrier for some Wisconsin residents. We have seen a declining number of our students coming to us from families in the two lower income quintiles. This is a significant concern, and is a trend we want to see reversed. We appreciate the Governor's investments in the state's financial aid programs as a necessary step to remove family finances as a barrier to higher education.
- I mentioned that the Governor's budget provides \$49 million Systemwide in new GPR. His budget also requires UW System to reallocate \$65 million to help fund the initiatives he proposed. We do have some concerns about the impacts of those reallocations.
- Please allow me to provide some context to these concerns. The University's budget from the state has remained flat over the past decade. As the attached chart (<http://www.staterelations.wisc.edu/images/pride-concern.pdf>) shows, the amount of money UW-Madison receives from the state in general program revenue is the exact same in this year's operating budget as it was in our 1994-95 budget. When inflation is factored in, this represents a decline in purchasing power. As a result, over the past

ten years the campus has been aggressively seeking efficiencies and reallocating to fund priorities.

- The \$65 million is divided into two parts. The first requires UW System to find savings of \$35 million by eliminating 200 positions. We are prepared to do this, but worry about the impact these cuts will have since they follow several years of cuts. The low-hanging fruit is gone and while we will work hard to minimize the impact these cuts will have on our students, we simply cannot promise that they won't have an impact on our students. Non-instructional staff play a critical role in the services we provide – from processing financial aid forms, to fulfilling library requests and so on. We also want to ensure that we don't adversely impact the good things we do for the state. For example, UW-Madison is a leader in the receipt of federal dollars for research. We don't want to jeopardize that by not having the staff in place who help us administer those grant applications.
- The other part of the reallocation involves finding \$30 million in savings through some procurement savings, selling off some of our assets and other means. We are very concerned that the savings might not be there, resulting in a real cut to our budget, or that the savings might have an adverse impact on our students, faculty and staff. We are looking closely at these savings and may be coming back to the legislature with requests for help to allow us to find these savings in a way that would generate the dollars while minimizing the impacts on our campus.
- Again, thank you for the opportunity to testify. We appreciate the difficult work that you have to do and look forward to working with you over the next several months to craft a budget that allows the state to move forward.