

DISCUSSION/ACTION
August 28, 2020

HIGHER EDUCATIONAL AIDS BOARD

BOARD REPORT #21-01

2021-2023 BIENNIAL BUDGET ISSUES

UNIVERSITY OF WISCONSIN SYSTEM



Office of Finance

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August 2020

Stephen Willett, Chair
Connie Hutchison, Executive Secretary
Higher Educational Aids Board
Via Electronic Mail

Dear Board Chair Willett and Executive Secretary Hutchison:

Enclosed with this letter please find a resolution adopted by the Board of Regents of the University of Wisconsin System at their August 2020 meeting. This resolution contains the recommendation for the Wisconsin Grant-UW program that the Board has requested be included in the Higher Educational Aids Board's (HEAB) 2021-23 biennial budget submission.

Total state funding for the Wisconsin Grant-UW program is \$61,894,100 annually. In the 2019-21 biennial budget, state funding for the Wisconsin Grant-UW program remained flat at the 2018-19 level. Since 2009-10 the number of students eligible for Wisconsin Grant-UW has increased from 25,624 in 2009-10 to 29,725 in 2018-19, an increase of 16 percent. To provide financial aid through the Wisconsin Grant to the growing population of eligible students, the UW System has been unable to increase award amounts to individual recipients.

In addition to the inability to increase award amounts, waitlists on campuses have also increased. In academic year 2019-20, the UW System was short \$2,275,400. To fill this gap and provide funding for all eligible students, the UW System requests \$2,275,400 ongoing funding in 2021-22, for a biennial increase of \$4,550,800.

The requested 2021-23 funding for the Wisconsin Grant program will help more students access and complete a quality higher education program, producing a more highly skilled and educated workforce. Additional resources for the Wisconsin Grant program will also help address student debt and affordability, two areas of growing concern to the citizens of Wisconsin.

Thank you for considering this proposal for inclusion in HEAB's 2021-23 biennial budget request. If you have any questions regarding this request, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read 'SPN', written over a light gray wavy background.

Sean P. Nelson
Vice President for Finance
University of Wisconsin System

I. All Regents

Item 13.

Thursday, August 20, 2020

APPROVAL OF THE 2021-23 UNIVERSITY OF WISCONSIN BIENNIAL OPERATING BUDGET AND FINANCIAL AID REQUEST

REQUESTED ACTION

Adoption of Resolution 13. Approval of the 2021-23 Biennial Budget and Financial Aid Request

Resolution 13. That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the submission of:

- (1) the Board's 2021-23 Biennial Operating Budget request, totaling \$95,700,000 biennially in GPR for key initiatives;
- (2) the Wisconsin Grant-UW request to the Higher Educational Aids Board for inclusion in its 2021-23 biennial budget request totaling \$4,550,800 biennially;
- (3) a technical request that adjusts the general program operations appropriation and FTE to the UW System's 2020-21 annual operating budget level for academic student fees;
- (4) recommended statutory language changes related to capital bonding, operational bonding, reduced reporting, and Minnesota reciprocity; and
- (5) statutorily-required performance measures for 2021-23.

In addition, the Board of Regents delegates authority to the UW System President to approve and submit a 0% and 5% biennial budget reduction plan, as required by 2015 WI Act 201 and standard budget adjustments for items such fringe benefits should it be determined they are necessary.

SUMMARY

The UW System Board of Regents is required to submit a budget request to the Department of Administration (DOA) by September 15 of each even numbered year. The UW System President provides the Regents, for their consideration, a recommended submission at the August meeting in the same even numbered year.

The UW System's 2021-23 biennial budget request includes a 3.5% General Purpose Revenue (GPR) increase in each year totaling \$95.7 million biennially to support general program operations as well as new programming for:

1. Tuition Promise excluding UW-Madison;
2. Freshwater Collaborative of Wisconsin;
3. Advancing Wisconsin's Teachers and School Leaders;
4. Expanding and Enhancing Online Educational Opportunities;
5. Expanding the Necessary Support for Students' Mental and Behavioral Health;
6. Expanding Educational Opportunity into Wisconsin's Prisons; and
7. Extending Additional Support to Wisconsin's Agricultural Sector.

The budget also includes forwarding a request to the State's Higher Educational Aids Board (HEAB) to increase funding for the Wisconsin Grant-UW by \$4.5 million biennially to fully fund the program at 2019-20 academic year application levels.

Additionally, the budget includes a technical request to increase the general program operations appropriation to the UW System's 2020-21 budgeted levels for academic student fees, request for statutory language changes, state required performance measures and budget reduction exercise.

Presenter

- Sean P. Nelson, Vice President for Finance

Related Policies

- Chapter 16.42, Wis. Stats.
- Chapter 36.112, Wis. Stats.

ATTACHMENTS

- A) The University of Wisconsin System, "2021-23 UW System Biennial Operating Budget Request, August 2020"