

UW System president's state budget update

The following e-mail message was sent June 1, 2009, to all UW System faculty and staff from system President Kevin Reilly.

Dear UW System Colleagues,

Late Thursday night, and into the wee hours of Friday morning, the Legislature's Joint Committee on Finance (JFC) completed its work on the State's 2009-11 biennial budget. As we prepare for the next phase of this process, I wanted to provide a brief update on key items.

You'll recall that we began this budget process facing major cuts, including a 5.2% reduction in taxpayer support plus additional reallocations and lapses. While falling revenue forecasts have resulted in major additional reductions to other agencies, we successfully argued that the base reduction to UW System's operating budget should not grow. Governor Doyle did not recommend further base cuts to UW, and legislators did not propose any.

Based on Governor Doyle's previous recommendations that I wrote to you about in my last communication, legislators added language to the budget giving him the authority to furlough State and UW employees, and they rescinded the scheduled 2% pay plan increase for non-represented faculty and staff scheduled for today. However necessary these cuts may be, they come in the midst of our ongoing battle to win more competitive wages for all UW System employees. In partnership with our shared governance groups, Regents, and other UW leaders, we will continue to advance that cause as soon as better economic times return. If we are to help Wisconsin remain economically competitive, our universities must have the resources to attract and reward talent, which is why we're pleased that the budget does include domestic partner benefits for all State and UW employees.

We still have many unanswered questions about how employee furloughs will be implemented. I can tell you that we're arguing for maximum flexibility to implement these furloughs in a manner that would ease the financial blow to individual employees. Specifically, we're seeking the authority to spread the reduction (amounting to about 3%) across all paychecks in each fiscal year, rather than deducting the entire amount in just one or two paychecks. Based on guidance we've already received, we know that the number of furlough days will be commensurate with employees' full- or part-time status, meaning faculty and staff on 9-month contracts would take a smaller number of furlough days to achieve the same 3% reduction.

Again, we have many, many unanswered questions about how these furloughs will work. Once we have some answers, we will pass along that information to your institutions as quickly as possible.

On a brighter note, the JFC advanced UW System's capital budget for 2009-11, funding high-priority academic buildings, residence halls, building repairs, and other projects. The capital

budget now includes 36 major UW projects that will provide vital living and learning space for students, as well as research facilities for UW faculty and staff, improving the physical environment on our campuses. All of these will have a lasting impact on our ability to educate students and conduct world-class research. They will also boost the State's ability to compete in the knowledge economy. In the short term, the construction projects alone are expected to create about 15,000 new jobs. We continue to advocate for new flexibilities in the State-run building process, to make more efficient and effective use of public and private dollars.

Chancellors and other institution representatives, along with colleagues here at UW System, are in daily communication with key Legislators. Seeking the best possible budget outcome, we are making a strong case for our university, our faculty, staff, and all 175,000 students. It's important to remember that the funding reductions we now face are the byproduct of an extraordinary international financial crisis that has far-reaching effects on us and our fellow citizens.

Even as we recognize the national and international causes and effects of this punishing recession, I know that furloughs and rescinded pay increases are bitter pills to swallow. I have no easy words of wisdom to alleviate the anxiety and resentment that are natural human reactions in such situations. Nonetheless, we will get through this downturn and on to recovery. If we in the University can keep our energies focused on our vital work, and our eyes on the horizon, we will speed the state's passage through these tough times and reposition it for a robust recovery.

I will strive to keep you informed about future budget developments and we will continue advocating on your behalf. Look for more detailed information from your Chancellor as the process moves forward.

Thank you for your continued commitment to our students and our state.

Sincerely,

Kevin P. Reilly