

Not all state agencies were forced to make reductions. About two dozen were spared because of their small size, or because of the little amount of general funding they had in the first place but were asked to find savings where they could, according to the Evers administration. Such funding comes from revenue from income and sales taxes.

Molly Vidal, spokeswoman for the Department of Administration, said the administration worked with each affected agency to determine how much funding could be spared.

Vidal said the university system has much more general state funding than most agencies, which allowed the state to achieve more savings from their allocations.

"We appreciate the partnership with UW and are grateful for their assistance in meeting our overall reduction goals," Vidal said.

Other cuts to agencies include \$3.4 million in spending on services and supplies for collecting taxes — deadlines for which were pushed into the next fiscal year. The Department of Public Instruction is cutting \$2.7 million, an amount it didn't spend to administer a state test this spring after the virus outbreak pushed state officials to close schools.

About \$1.7 million also will be cut from services for drunken driving offenders and \$1.9 million in state funds will be cut from Milwaukee child welfare services.

Among the agencies exempted from the funding reductions are the Department of Transportation, Department of Veterans Affairs, Wisconsin Historical Society and smaller state offices of the lieutenant governor, treasurer and secretary of state.

DOT, for example, relies almost entirely on revenue from taxes on gasoline and vehicle registration fees.

Finance committee co-chairman Rep. John Nygren, R-Marinette, in April praised Evers' decision to make the cuts, which the governor said would amount to 5% of the state's spending on general operations.

But on Thursday, Nygren said he was concerned too much of the cut was being shouldered by the UW System and said the 5% cut the governor promised appears to be less than 2.5% of all state operations' spending, according to his office's analysis.

Nygren said he wants to keep spending levels frozen until the next budget cycle, preventing funding increases scheduled for July 1 that are set in the current state budget, to avoid deep cuts in funding in the future — an approach UW System President Ray Cross supports, according to system spokesman Mark Pitsch.

"That is why the governor's timid approach to reducing state spending, while exempting his political buddies, is frustrating," Nygren said, referring to exempting the offices of Lt. Gov. Mandela Barnes, Treasurer Sarah Godlewski and Secretary of State Doug La Follette.

DOA Secretary Joel Brennan in a statement dismissed Nygren's characterization of the cuts as insignificant, citing the 30-day window during which the administration found tens of millions of dollars in savings.

"The lack of urgency by Rep. Nygren and his colleagues actually cost Wisconsin taxpayers an additional \$25 million in federal support," Brennan said, referring to [federal aid the state missed out on \(/story/news/politics/2020/05/07/delay-passing-coronavirus-relief-bill-lost-wisconsin-25-m-feds/3089202001/\)](#) because the Legislature did not pass a state relief package quickly enough. "The Legislature has filed more lawsuits than passed bills since the public health crisis gripped our state."

To help achieve reductions, most state agencies also will freeze hiring and hold off on giving merit-based pay raises.

UW bears brunt of first wave of state spending cuts during coronavirus outbreak

Molly Beck and Devi Shastri, Milwaukee Journal Sentinel Published 5:46 p.m. CT May 28, 2020 | Updated 6:06 p.m. CT May 28, 2020

MADISON - More than half the \$70 million in state agency spending cuts ordered by Gov. Tony Evers will be to University of Wisconsin campuses in the first move to stabilize state finances during the coronavirus pandemic.

The University of Wisconsin System will transfer \$40.7 million back to the state's general fund, far more than any other agency is cutting by dollar amount — the next largest cut is \$7.5 million to Department of Health Services operations.

The spending cuts come as state officials and lawmakers try to get on top of the state's budget as the economy craters.

"That (cut) was just the beginning," Evers told reporters on Wednesday. "We are continuing to look at all the alternatives available to us to reduce spending."

The \$40 million hit to the university system coincides with major losses across the UW System, with its flagship campus bracing for at least a \$120 million loss in revenue as a side-effect of the pandemic.

The University of Wisconsin-Madison usually thrives on revenue streams including from tuition, athletics, fundraising, research funding, summer camps, student housing — all of which have experienced large losses as the outbreak keeps much of the state shut down.

"I would like to underscore the fact that we took a disproportionately large hit: Two-thirds of this state budget lapse came out of higher education and the UW System alone," UW-Madison Chancellor Rebecca Blank told the University of Wisconsin System's Board of Regents earlier this month, when the system was predicting to lose about \$6 million more than what they ultimately cut.

"I hope that when the state comes back next year to do further budget adjustments, they will take that into account and make sure that over the two-year biennium, we have not taken an unfair share of this budget lapse."

The hiring freeze won't apply to jobs related to the state's response to the coronavirus outbreak, like at the Department of Workforce Development where a quick and massive spike in unemployment claims has overwhelmed the agency. ([/story/news/politics/2020/05/27/unpaid-unemployment-claims-hit-728-000-wisconsin/5261342002/](https://www.jsonline.com/story/news/politics/2020/05/27/unpaid-unemployment-claims-hit-728-000-wisconsin/5261342002/)).

The state has been awarded nearly \$2 billion in federal aid to help respond to the pandemic, but those funds can't be used to cover existing costs, according to the Department of Administration. In short, that means the state has funds available to fight the coronavirus but faces shortages for other functions.

The cuts apply to state operations, such as staffing prisons and other facilities, but not aid for schools and local governments.

Several UW chancellors have noted that the lapse amounts could eclipse the amount of operational support the campuses were promised under the federal CARES Act stimulus package, money the campuses were desperate to receive, if only to offset the millions in room and board refunds granted after students were sent home mid-semester.

Overall, the system is set to receive about \$47 million of the federal stimulus money.

Other cost-savings, from across-the-board furloughs and pay cuts to the deferral of building projects to canceling of university-sponsored travel, will offset the losses to varying extents.

Evers said this week that his administration will begin looking at more ways to make spending reductions in July, when a new report on state revenue is expected.

At that point, the administration may be required by state law to begin the process of drafting what's known as a budget repair bill — a tool to stabilize state finances that hasn't been used in about a decade.

It's unclear how big of a shortfall in revenue there will be in the coming months. In April, the state's tax collections were nearly \$900 million less than what the state brought in a year ago that month. But part of that shortfall was a result of a state and federal decision to delay tax filing deadlines to July.

Between July 2019 and April 2020, collections were down about \$300 million from the same time period the year before.

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