

Committee Name:
Joint Committee – Finance
(JC–Fi)

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S. 13.10 REQUESTS

1999

JC-Fi

UWS



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To: Senator Brian Burke, Co-Chair
Joint Committee on Finance

November 26, 1999

Representative John Gard, Co-Chair
Joint Committee on Finance

From: Katherine C. Lyall, President
University of Wisconsin System

A handwritten signature in black ink, appearing to read "K. Lyall".

Subject: Release of 1999 Act 9 Funds for Increased Enrollment

The UW System Board of Regents requests release of the \$3.8 million GPR from s. 20.865 (4)(a) to s. 20.285 (1) (a) in 2000-01 to increase enrollments in the University of Wisconsin System by 1,000 additional students for academic year 2000-01, and to facilitate the work of UW Learning Innovations (LI).

Learning Innovations is a national innovative Distance Education program of UW System that works with UW System institutions and private sector corporations and businesses to deliver on-line courses. LI provides faculty training, courseware development, marketing, some student services and other technical assistance to assist institutions in on-line delivery. Per the Governor's veto message, at least \$1.0 million of the \$3.8 million is to be spent on "distance education based strategies" to increase access.

Background

1999 Act 9 provides \$3.8 million to increase enrollment in the University of Wisconsin System by 1,000 students for academic year 2000-01. The funding was placed in the Joint Committee on Finance appropriation to be released upon the Board of Regents' demonstration that enrollment in the University of Wisconsin System will increase by 1,000 students in 2000-01.

Under Assembly Bill 133, the Legislature had approved a total of \$4.8 million to increase System enrollments by 1,000 students with 300 of those at UW-Madison. The Governor vetoed \$1 million of the funding. In his veto message, the Governor indicated that \$1 million of the remaining \$3.8 million in funding be used to increase access to the UW System through distance learning. The Governor also vetoed the requirement that 300 of the additional students be at UW-Madison so as not to set enrollment targets for individual campuses in the statutes. However, an agreement was made that 300 of the additional 1,000 FTE would enroll at UW-Madison. Finally, the Governor's veto

message indicated that the increased access be coordinated with the \$1.0 million in Plan 2008 funding provided under the budget act.

It is essential to have action on the release of this funding for the year 2000-01 at the December s. 13.10 meeting rather than the March, 2000 quarterly meeting for the following reasons: 1) institutions are well underway in their Fall 2000 admissions process for freshmen and transfer students, and must know the additional enrollments for which they responsible; and 2) if institutions are to serve the additional students next fall, they must initiate hiring of new faculty and instructional staff positions in January, given the faculty recruitment season, course, registration and timetable planning requirements.

UW System is most appreciative of the state funding for access and is dedicated to providing the additional enrollments in Fall of 2000 if this funding is released. The number of high school graduates in Wisconsin will grow over the next several years, and demand is at a level for traditional and distance education access that should clearly make the additional 1,000 enrollments possible. If, for any reason, the System fails to make the target, which is considered extremely unlikely, the President and Board of Regents will deallocate the associated increment of funding and so indicate to the Committee one year from now. Given the fact that institutions exceeded target by over 2,000 students in Fall of 1999, it should not be difficult to grow by another 1,000 in total enrollments next Fall.

UW System Enrollments

Since 1987, the UW System has set enrollment targets for each System institution in order to match resources to institutions' ability to offer a quality education. Many variables affect enrollment levels: number of applications, number of acceptances, number of enrollees, number of transfer students, retention rates and graduation rates, among others. As a result, enrollment is difficult for institutions to project with precision. Over the years, however, institutions have typically been within one or two percent of their target levels. The current Enrollment Management Plan (EM 3) includes academic years 1995-96 to 2000-01, and serves 31% of immediate Wisconsin high school graduates.

Preliminary information for Fall 1999 indicates total enrollment of 130,190 FTE students in UW System institutions. While final enrollment data will not be available until January, final total enrollments system-wide typically vary little from November projections. Enrollment by institution is shown below.

Table 1

Fall, 1999 FTE Enrollment

UW-Eau Claire	9,318
UW-Green Bay	4,366
UW-La Crosse	8,603
UW-Madison	35,404
UW-Milwaukee	16,369
UW-Oshkosh	9,085
UW-Parkside	3,511
UW-Platteville	4,895
UW-River Falls	5,193
UW-Stevens Point	7,749
UW-Stout	6,860
UW-Superior	2,176
UW-Whitewater	8,990
UW-Colleges	7,671
Total	130,190

This enrollment is 2,034 FTE above the enrollment target for this year and 1,745 above the final EM 3 target of 128,445 FTE scheduled for Fall 2000. Prior to the additional access funding provided under the budget act, institutions were scheduled to reduce enrollments of new freshmen for Fall 2000 in order to achieve the final EM 3 target for 2000-01, and to bring enrollment levels back into alignment with available resources at each institution.

The provisions under 1999 Act 9 will increase the UW System Fall 2000 enrollment to 131,190. These 1,000 additional students will be distributed across all four years of undergraduate study, reflecting the assumptions provided in the funding for the provision.

Proposal

UW System Administration has worked out a plan with the institutions to assign the 1,000 FTE. This plan will be acted upon by the Board of Regents at its December 9th meeting. This proposal will allow institutions to go forward with their planning to increase Fall, 2000 admissions, and to ensure that the resources are in place to serve the additional students.

The UW System, subject to the Board's approval on December 9th, proposes to distribute the 1,000 additional student enrollments as follows:

Table 2

UW System Learning Innovations	150 FTE
Institution Enrollment Increases	850 FTE
Total Increased Access Under 1999 Act 9	1,000 FTE

The 850 FTE enrollments at UW System institutions will be allocated as shown below.

Table 3

Institution Enrollments	Pipeline, Transfers etc.	New Freshmen	Total
UW-Eau Claire	15	0	15
UW-Madison	225	75	300
UW-Milwaukee	145	30	175
UW-Oshkosh	50	0	50
UW-Platteville	25	15	40
UW-River Falls	25	25	50
UW-Stevens Point	0	20	20
UW-Stout	30	0	30
UW-Superior	20	0	20
UW-Whitewater	15	35	50
UW-Colleges	75	25	100
Total Campus Enrollments	625	225	850

The \$4.8 million figure that was originally approved by the Legislature assumed that one quarter of the new positions would be freshmen. Therefore, this proposal assumes that 225 FTE of the 850 non-distance education enrollments will be new freshmen. The remaining increases will be a result of the pipeline effect, additional transfer students, additional distance education enrollments and other enrollments. The pipeline effect refers to increases in overall enrollments that occur as smaller graduating classes are replaced with larger freshmen classes admitted over the last few years, and as retention rates increase.

The proposed distribution includes 150 FTE distance education students through Learning Innovations (LI) partnerships with UW-Platteville, UW-Green Bay and UW-Colleges, as well as, other collaborative programs. (A portion of these enrollments may also be freshmen, but it is impossible to predict this.) 300 additional FTE are allocated to UW-Madison, per agreement with the Governor. The remaining 550 additional students are assigned to institutions based on a number of variables including planned enrollment expansion at some institutions during the next phase on enrollment management, new programs, current enrollments over target, and student demand.

The 1,000 additional students represent an increase of 0.8% over the current enrollment level. As mentioned previously, projecting enrollments to the precision of less than one percent is impossible. Therefore, the actual distribution of these students next fall may vary from the above numbers. However, given the demand and the fact that institutions have been growing over the last few years, we are confident that System will be able to enroll 1,000 additional students with marginal changes in their admissions processes. In fact, some institutions will probably exceed these targets in order to ensure access to the required number of additional students. While it is not expected, if an institution does not achieve the above target, 2002-03 funding will be reallocated to institutions that exceed their targeted levels. The UW System Board of Regents will report back to the Department of Administration and the Joint Committee on Finance one year from now with the actual distribution of the additional students.

Funding

Release of funding associated with these additional students is critical. The Governor vetoed \$1.0 million of the funding provided by the Legislature. In addition, in his veto message, the Governor directed that \$1.0 million of the remaining funding be used to increase access via distance education. Upon agreement between the UW System President and the Governor, this funding will be used to support Learning Innovations activities in expanding distance education offerings. As a result, \$2.8 million of the access funding will be available to institutions to support the additional 850 on-campus enrollments. This will provide \$3,294 GPR per FTE (compared to the current average GPR cost per student of \$4,882 for resident undergraduates). Release of this funding is needed in order to serve these additional students and maintain the quality of education for all students.

Coordination With Diversity Funding

In accordance with the Governor's veto message to explore ways to combine resources under this initiative with the funding provided for diversity under Plan 2008, UW System will use \$330,000 of the total \$1.7 million in diversity funds to recruit a more diverse student body (most of the rest of the Plan 2008 funding is directed to increase pre-college programming). This allocation is from funding provided by the budget act beginning in the second year of the biennium; therefore, it will not affect the Fall 2000 recruitment of

new students, but will affect recruitments beginning in Fall 2001. The President of UW System is allocating these funds with a review of their effectiveness after a few years. At that time, funding may be reallocated to institutions that demonstrate that they can use it most effectively.

GPR Positions to Serve Additional Students

No positions were provided with the funding under this provision, to serve the additional non-distance education students. The UW System will allocate 101 of the 183 GPR FTE which it received under its position flexibility initiative, to serve the 850 additional campus-based students (excluding the enrollees via distance education, where other economies should be possible). The allocation of 101 FTE positions to staff the additional 850 campus-based enrollments is based on the UW System's standard 17:1 allocations for instructional and support staff. The proposed position allocation is shown below.

Table 4

Allocation of 101 Staff and Faculty FTE

UW-Eau Claire	2
UW-Madison	35
UW-Milwaukee	21
UW-Oshkosh	6
UW-Platteville	5
UW-River Falls	6
UW-Stevens Point	2
UW-Stout	4
UW-Superior	2
UW-Whitewater	6
UW-Colleges	12
Total	101

In tandem with this s.13.10 request, we seek release of these FTE by the Department of Administration and the Department of Employment Relations, per statutory requirement. The other 82 FTE will be allocated as follows: 43 to the campuses to help cover current over-enrollment and other needs (approved budget initiatives which did not receive positions with funding and were covered by reallocation and driving down of a healthy operating vacancy rate; emerging needs at the campus level as new programs and services come on line, etc.); and 39 to be held in Systemwide reserve to manage the vacancy rate and future position needs at the campus level. The UW System GPR vacancy rate for the October 1999 report was, in effect, zero (0.6 FTE). A pool of 39 positions Systemwide to manage emerging needs is likely to be exhausted before the end of the biennium.

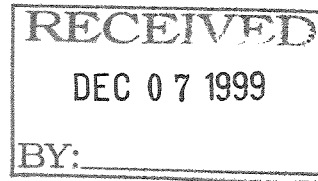
While UW System agrees to devote more than half of our position flexibility allocation to the increased enrollments, we would propose this allocation with the understanding that these 101 FTE will be covered for fringe benefits and compensation increases in future biennia (we will cover them for the year 2000-01). This was not the stipulation resulting from the veto of a section of the non-statutory provisions related to the additional 183 GPR FTE authorized as part of our flexibility initiative. However, the 1,000 additional students will permanently increase our enrollments, and should be served by faculty and staff who receive full fringe benefits and compensation adjustments in the future. If released, we will include these positions in our base reconciliation with DOA next summer.



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December 7, 1999



To: Senator Brian Burke, Co-Chair
Joint Committee on Finance

Representative John Gard, Co-Chair
Joint Committee on Finance

From: Katharine C. Lyall, President
University of Wisconsin System

Subject: Amendment to s. 13.10 Request for Release of 1999 Act 9 Funds for Increased Enrollment – Request for 101 GPR FTE Positions

The UW System wishes to amend its request for release of funds submitted to the Co-Chairs of the Joint Committee on Finance on November 26, 1999 to include a request for 101 new instructional and support staff positions.

1999 Act 9 (the biennial budget act) allowed the UW System to increase its authorized FTE that are funded, in whole or in part, by GPR by 1% (or 183 FTE). This provision was included to help UW System manage its staffing needs. It was approved prior to the Act 9 provision requiring UW System to increase enrollment by 1,000 students for 2000-01.

Under its original s. 13.10 request, the UW System proposed using 101 FTE of the 183 FTE that the UW System is allowed under the 1% provision to staff the additional 1,000 students. However, upon consultation with the Chancellors and review of the System's staffing needs, we are reluctant to commit 101 of these FTE to serve the new students provided under Act 9. Using these FTE would not serve the purpose for which they were intended, which was to meet current staffing needs. In addition, if the positions provided under Act 9 are used for this new purpose, UW System would still have inadequate staff to meet existing needs (System reported 0.6 GPR position vacant out of 18,250.94 FTE authorized in the October, 1999 report.). Therefore, it would be more effective if the 183 FTE were used for the original purpose to provide additional instructional and support staff to meet the needs of the larger student body.

Initial negotiations with Legislators on the provision for the 1,000 additional students were made with the understanding that the funding provided under the provision would be accompanied by FTE authority. However, Act 9 only provides the funding. We noted in our request that this diversion of 101 of the 183 FTE meant that the remaining FTE authority would likely be exhausted before the end of the biennium. Upon further review, it is clear that we need to respond to institutions' current staffing needs, as well as those that the additional students will bring in 2000-01. We therefore request this amendment in order to meet the original intent of the 1% flexibility to address our current staffing needs and to meet the additional responsibilities of increasing enrollment.