



Legislative Fiscal Bureau

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March 29, 2005

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 53: Funding for Engineering Instruction at the University of Wisconsin-Rock County Campus

Assembly Bill 53 was introduced on January 27, 2005, and referred to the Joint Committee on Finance. Assembly Substitute Amendment 1 to AB 53 was offered on February 8, 2005.

CURRENT LAW

For 2004-05, appropriations for the UW System total approximately \$3,592.9 million, of which \$938.7 million or 26.1% is funded from state, general purpose revenues. Approximately 75.9% of the University's GPR base budget is provided under an appropriation for general program operations for University education, research and public service. The UW System has the ability to combine GPR general program operations funds with monies received from tuition and certain federal indirect cost reimbursements, creating an approximate \$1.5 billion pool of funds that the UW System Board of Regents may allocate to campuses for their operations.

Annually in June or July, the UW Board of Regents approves budget allocations to the 26 campuses in the System based on past allocations, targeted budget initiatives, planned enrollment changes, and planned programmatic changes. In 2004-05, UW-Platteville's total budget allocation from all fund sources is approximately \$82.4 million, of which \$50.9 million is derived from GPR and fee revenues.

The 2003-05 budget as passed by the Legislature and a subsequent separate bill would have provided \$378,300 GPR and \$203,700 PR with 5.0 GPR positions in 2004-05 for UW-Platteville to provide engineering instruction at UW-Rock County. However, the funding and positions related to the program were vetoed by the Governor. In his veto message for 2003 AB 830, the Governor stated that he objected to having the Legislature earmark funding outside of the budget process for campus-specific programs in the UW System. In his veto message, the Governor noted that he

would urge the Board of Regents to include the request in their 2005-07 budget proposal. The UW System included a request for funding the engineering initiative at UW-Rock County in their 2005-07 agency budget request as part of their faculty retention and student access initiative.

Under AB 100 (the 2005-07 budget bill), the Governor would provide \$582,000 GPR with 5.0 positions to the UW System starting in 2006-07 for UW-Platteville to provide engineering instruction at UW-Rock County. However, the Governor's proposal would fully fund the engineering program with GPR funds, rather than offset a portion of the engineering program's estimated costs through new tuition revenue from the expanded enrollment in the new program.

SUMMARY OF BILL

Assembly Bill 53 would provide an increase of \$378,300 GPR with 5.0 FTE positions in 2005-06 to the UW System for UW-Platteville to provide engineering instruction at UW-Rock County. The bill would take effect on the day after publication, or on the day after publication of the 2005-07 biennial budget act, whichever is later.

AB 53 does not include funding or positions for 2006-07; as a result, funding would not be provided in the second year of the 2005-07 biennium and would not be included in UW System and UW-Platteville base funding calculations for future biennia. On February 8, Assembly Substitute Amendment 1 to AB 53 was offered in order to expand funding and position authority to 2006-07 by providing \$378,300 GPR and 5.0 GPR positions in each year of the 2005-07 biennium to the UW System for UW-Platteville to provide engineering instruction at UW-Rock County.

FISCAL EFFECT

The bill would provide an additional \$378,300 GPR to the UW System's general program operations appropriation in 2005-06 to be allocated to UW-Platteville in order to provide engineering instruction at UW-Rock County. The \$378,300 GPR would also be supplemented by tuition and fees for students enrolled in the engineering courses to provide full funding of approximately \$582,000 for the program. The total funding and positions would provide engineering degree programs at UW-Rock County for approximately 200 students in 2005-06. ASA 1 to AB 53 would provide \$378,300 GPR in each year of the 2005-07 biennium to the UW System and 5.0 GPR positions in 2005-06.

The UW System's tuition appropriation would not be affected by the bill, since the appropriation is a continuing appropriation. This means that the UW System may expend all monies received under the tuition appropriation and could spend any additional tuition revenue related to the enrollment of additional students in the engineering program at UW-Rock County.

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