

FACULTY SENATE RESOLUTION ON DECLINING STATE BUDGET SUPPORT FOR HIGHER EDUCATION IN THE STATE OF WISCONSIN

Background

Given the grave concerns being expressed by the UW-Madison faculty and staff, and by our counterparts at other UW campuses, with respect to declining state budget support, and the expressed desire of Faculty Senate members to detail some of the major adverse impacts that budget reductions do and will have on our capacity to achieve our core missions, the University Committee offers the following resolution for the senate's consideration.

In much of the text below, we refer to general program revenue (GPR), which is funding provided by the state government that is derived from state taxes, and tuition, which is paid by students and families. These revenues are the universities infrastructure that pay for undergraduate education and support the core salaries of faculty and permanent staff that teach, research, and pursue the Wisconsin Idea through outreach and extension. As of 2010, GPR plus undergraduate tuition comprises 24% of the total budget for UW-Madison and serves as the basic support used to make UW-Madison a global teaching and research institution.

The resolution has two sets of WHEREAS clauses; the first set details the budget cuts of the past decade and the second set provides examples of adverse impacts, both present and future, if the fiscal crisis of the university is not addressed.

BUDGET CUTS, TUITION INCREASES, AND DECLINING SALARIES

WHEREAS (in 2010 adjusted dollars) GPR funding to UW-Madison was \$370 million in 2001, and by 2010 had fallen to \$279 million, a real reduction of 25% over that decade; and

WHEREAS the 2011-2013 State Biennial Budget imposed another \$47.5 million cut, and another currently proposed \$25 million lapse adds to those cuts, state GPR funding reductions to UW-Madison since 2001 are approaching 45% in real terms; and

WHEREAS (in 2010 adjusted dollars) tuition increases have been the primary means to continue financing core educational activities of the UW-Madison in the face of state budget cuts and that these increases in turn have translated into tuition fees of \$5,044 per student per year in 2001 vs. \$8,987 per student per year in 2010, an increase of 78% over the past decade; and

WHEREAS over the past decade, UW-Madison has adjusted to becoming a low-state-supported, relatively low-tuition university mostly by not keeping up with peer institution in salaries paid to faculty and staff (faculty salaries are second lowest among Big Ten universities and trail the average salary of peer institutions by about 16% for full professors);

ADVERSE IMPACTS OF DECLINING STATE SUPPORT

WHEREAS the resulting increases in tuition at UW-Madison (and across the whole UW System) have shifted the burden of financing higher education onto students and their families, access to higher education has become a financial challenge, especially given that average incomes in Wisconsin stagnated over the past decade, rising only a few percent in real terms, as compared to the larger tuition increases; and

WHEREAS UW-Madison, nonetheless, remains a relatively low-tuition university compared to its peers (e.g., only Iowa has lower tuition among Big Ten campuses), gaining admission has become more difficult because more Wisconsin students and families make Madison their top choice, which limits broader access, increases demand for expanding enrollments, and leaves thousands of prospective students and their families frustrated with declining access; and

WHEREAS budget pressures result in an inability of the university to use current technologies as resources for labs, teaching supplies, training experiences, and inadvertently restrict access to high-demand classes, cause the quality and timely delivery of educational opportunities to decline, which can decrease the opportunities and returns to students in their post-graduate career pursuits, increase the time and financial costs of completing their university education, and thus further limit access of other prospective students; and

WHEREAS the UW-Madison is also the equivalent of a major export industry for the state because each faculty member, on average, brings in 2.5 times their annual salary in research grants from government and private industry sources, the capacity to continue this leveraging of core state funds to create jobs, knowledge, and demand for other economic goods and services is at risk with declining salaries, benefits, and morale that undercut our capacity to retain top level researchers; and

WHEREAS the competitiveness of Wisconsin's economy, and hence the creation and continuation of good jobs, depends on the quality of the educated work force as well as university-supported research and innovation that give rise to new companies and help existing companies improve their performance;

NOW THEREFORE, BE IT RESOLVED that the Faculty Senate of the University of Wisconsin-Madison calls on the governor, state legislators, business leaders, university administrators, and other civil society organizations to cooperate in the forging of a *new social compact* that reinvigorates the shared public-private financial and organizational commitment to sustaining top quality higher education institutions in Wisconsin. This shared commitment is essential to the future vitality of the state's economy, the creation of better earning opportunities for students, Wisconsin workers and business owners, and the overall well-being of its citizens;

THEREFORE, BE IT FURTHER RESOLVED that this *new social compact* needs to resolve the basic contradiction that UW-Madison and its sister UW campuses cannot sustain their core missions in a financial environment built primarily on low and declining state support and state-mandated low tuition. The Faculty Senate of the University of Wisconsin-Madison hereby pledges to do its part to develop local innovations in financing and organization that contribute to the compact, but that it must be a shared public and private effort, one where the state commits to providing the financial support and/or flexibility to make such a compact work. This effort must build on Wisconsin's ideals of cooperation, hard work, and open, transparent, and democratic processes.