

Chancellor's Statement on Wisconsin's Proposed 2015-2017 Biennial Budget

February 25, 2015

Investing in the Future: The Value and Impact of the University of Wisconsin-Milwaukee

A Request

As a valued stakeholder in the University of Wisconsin-Milwaukee (UWM), I encourage you to contact State legislators to ask them to reduce the proposed cut to the UW System budget, while granting more flexibility so that we can do our jobs more efficiently.

You can find information about how to contact your legislator on our Panther Advocate web site (http://www4.uwm.edu/alumni/about/volunteer/panther_advocates/), including sample language to personalize points that are meaningful to you, and that explain how UWM has been valuable to you, your family, and your community. I also invite you to visit the UWM State Budget Planning web site, (<http://uwm.edu/budget/>), where you will find information about UWM's value and contributions.

Why Invest in Higher Ed and What are Surrounding States Doing?

Today, we see that states with relatively prosperous economies, higher per-capita income, and healthy communities most often are those that have made prior investments in education and the workforce. Consider high-growth areas like Austin, Texas, Boston's Route 128, and Silicon Valley, all of which stem directly from the role of higher education in providing talent and intellectual capabilities.

Even today in the industrial Midwest, we see considerable state investments in higher education as an effective strategy to energize the economy. Ohio has invested \$2 billion in higher education for the last eight years, finding economic benefit payback of approximately 10:1. Michigan is following suit—its proposed 2016 budget includes a 2% increase in state funding for universities, which would be the fourth consecutive year of investment. Similarly, since 2009, we see greater state funding investments in higher education in Indiana, Iowa, and Minnesota. All of these states surround Wisconsin and offer great opportunities with the potential to attract away our population, workforce, and businesses.

Disinvesting in Higher Education: The Erosion of the Wisconsin Idea

And yet today, the current proposed budget for Wisconsin would take UWM, the UW System, and the State of Wisconsin in the other direction—back to funding levels found in the 1990s. A disinvestment in Wisconsin's famed UW System gravely threatens current and future generations of Wisconsinites, businesses, and communities. This State has benefited from the *Wisconsin Idea*, our guiding value, which holds that research and teaching should benefit every Wisconsin child, family, and community.

UWM's Value and Impact

UWM, the State's second largest public university, serves a vital role in our region:

- Educates more Wisconsin residents than any institution, 28,000+ students currently.
- Enrolls more transfer students than any other institution in the State.
- Educates more veteran students than any institution within a six-state region.
- Provides all UWM graduates with lifelong critical thinking, oral and written communication, quantitative literacy, and complex problem-solving abilities.
- Produces thousands of graduates each year: 5,609 in 2014.
- UWM alums make up the region's work force:
 - 900 UWM alumni work at Northwestern Mutual
 - 850 at Rockwell Automation,
 - 300+ at Johnson Controls.
- 74% of our 160,000 alumni remain in Wisconsin, which is especially critical as the State will have 100,000 new jobs to fill by 2023, with 41% requiring at least a college degree.

UWM's annual total economic impact on the local and regional economy is significant: as one community leader/UWM alumnus states, "If UWM didn't exist, we would have to create it."

- \$1.5B in total annual economic impact, deriving from 15,000 jobs;
- \$59M in annual research expenditures;
- Nearly 200 issued patents and patent applications (in nine years);
- 21 intellectual property licenses;
- 18 student/alumni businesses started from UWM programs;
- 200 product ideas in three years via our Student Startup Challenge;
- Hundreds of partnerships with corporations, social service providers, healthcare providers, public and private schools, and colleges and universities, each year, including:
 - Nursing faculty and students providing care in 180 locations;
 - Student teachers/supervisors in 170+ schools (public, private, charter and voucher);
 - Over 300 live theatre, music, dance, and other performance events; and
- Thousands of student hours annually spent as interns and volunteers.

The Proposed Cuts

UWM faces its biggest challenge ever: cuts that will irreparably harm our ability to contribute to regional and State growth. The proposed budget would result in a \$300 million reduction to the UW, with UWM's share expected to be a \$20 million base cut, or \$40 million over two years—the biggest budget cut in our history. The proposal includes another two-year freeze on tuition, our largest source of revenue.

UWM is already one of the leanest research universities in the country as found in a 2010 report from the Goldwater Institute: UWM is the 12th lowest of 198 leading institutions of higher education in the United States in spending per student and in ratio of instructional, research and support service staff to student. We recognize that the fixed tuition rate is a positive for students and parents, but not if education quality is compromised and the State misses critical opportunities to utilize the university to help create high value jobs in the private sector for those students when they graduate. Wisconsin could follow the example of Minnesota, which has also frozen tuition for public higher education, but will protect the quality of institutions by directing revenue surpluses toward higher education. If the proposed budget reductions are approved, they will undermine our capacity to serve students and support the important research work that benefits businesses and the communities throughout the region.

In addition to the proposed cuts in State funding, the current plan also calls for another two-year freeze on in-state undergraduate tuition, and for the UW System to become a public authority. The public authority is expected to provide greater autonomy for the UW System with flexibilities that would make the UW more efficient in the long run. We are eager to hear more details about the public authority model, including confirming the source of its funding stream and verifying that shared governance, tenure and other Chapter 36 provisions will be maintained. However, while the proposed budget cuts will be felt immediately, the proposed benefits of flexibility and autonomy will likely take years to realize.

Make no mistake. We are committed to dealing with any cuts that UWM receives in the most responsible ways we can. UWM is examining the university's operations, to recommend ways that we can become even more efficient and effective. We will look comprehensively for ways to help us reduce costs while limiting the impact on our students. Still, the proposed cuts are so overwhelming, that I am asking for everyone to engage with those in the community and government.

Actions You Can Take

As detailed above, I encourage you to use this information to write letters to editors, offer to provide interviews, share your stories on our website, and communicate via social media your support for UWM. We will all benefit from your engagement.

With your support and direction, UW-Milwaukee will remain strong. We are committed to our partnerships in the region for job growth, workforce development, community enrichment, and delivering a quality education that makes Wisconsin known for our ideals and values.