

A closer look at proposed budget cuts and percentages

Various percentages have been cited to quantify the proposed state budget cuts to the UW System. This fact sheet provides context to better explain how each of these percentages is derived at UW-Stevens Point and why the impact would be especially severe at our university.

UW-Stevens Point anticipates a potential cut of \$7.8 million. This includes a \$6.4 million base budget cut plus an additional \$1.4 million cut in legislative (segregated) funding. This does not include the anticipated cost to continue or the existing structural deficit of \$2.8 million, which resulted from budget reductions during the past six years. Several programs at UW-Stevens Point are supported through state segregated funds, which are different than the state support the university receives through the UW System budget. Combined, these cuts total 20 percent of UW-Stevens Point's state support.

Some observe that the governor's proposed cut of \$300 million over two years represents only 2.5 percent of UW System's overall \$6 billion budget. While technically correct, there is more to understand about why cuts would harm the quality of education students receive.

Graph 1 shows all the funding sources that make up UW-Stevens Point's 2014-15 budget of \$219,649,424. The \$7.8 million cut is about 3.5 percent of the total. However, as Fact Sheet 2 illustrates, \$83,290,901 of these funds are not legally available to absorb the proposed cuts.

Graph 2 reflects the funding sources that are restricted to specific programs or needs, in some cases by federal law, including federal student financial aid, debt service, and state and federal grants. Student federal aid funds, for example, can and should only be used for students' financial aid.

Each of these funding sources must be used for the purpose intended. Budget cuts cannot come from these sources.

Graph 3 removes additional funds related to auxiliaries and program revenue. Many of the programs that generate the revenue in these areas are self-funded. While we could move funding from these areas to address some of the proposed cuts to our budget, the units in these areas would no longer have sufficient funds to operate and, therefore, stop generating revenue. This would result in the elimination of the services provided by these programs.

Graph 4 shows the percentage of our budget coming from state support. A reduction of \$7.8 million is a 20 percent reduction in state funding for UW-Stevens Point—the highest percentage in the UW System.

Definitions of Terms

Auxiliary Debt Service

Revenue from student user and/or segregated fees to pay for state-owned buildings.

Student Segregated Fee Funds

Support from student segregated fees to pay for things such as the student union, health services, student government and associated programming, counseling, etc.

Auxiliaries Less Debt Service

Student user fee-funded operations such as housing and dining; less debt-service on state-owned buildings paid for by student fees.

Debt Service

Resources used to retire general obligation bonds issued for buildings and capital improvements.

Federal Financial Aid

Revenue received from the federal government to administer federal financial aid programs to students.

Federal Grants

Revenue received from federal sources for specific research/outreach activities.

Legislative (Segregated) Funds

Support from nontaxable related state revenue; landfill tipping fees, tribal gaming revenue, Dept. of Natural Resources, etc., for specific research and outreach activities.

Other Program Revenue

Revenue earned from nonstudent funded operations; self-supporting programs. Examples of programs include Continuing Education, international education programs, and water and soil testing lab.

State/Private Grants

Revenue received from nonfederal sources for specific research/outreach activities.

State Tax Support

Support from state tax dollars to pay for operations; instruction, academic debt service, utilities, etc. Legislative.

Student Tuition

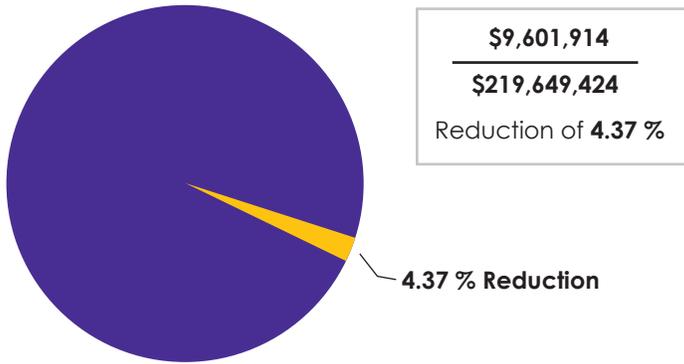
Revenue from student tuition dollars to pay for operations; instruction, academic support, student services, administrative support, outreach, physical plant, etc. Tuition was frozen for the 2013-15 biennium and is proposed to remain frozen for 2015-17.



**University of Wisconsin
Stevens Point**

Budget Graph 1: All Funds

Includes all funding sources

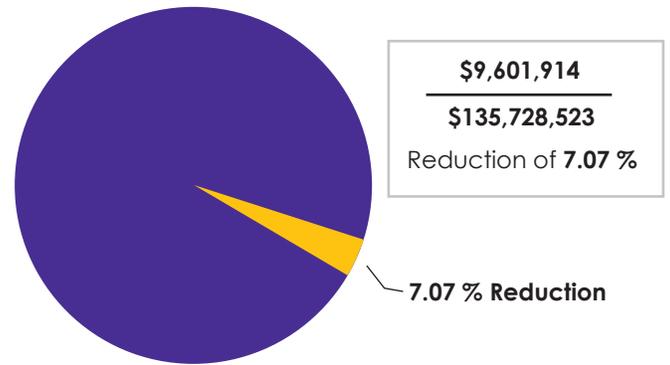


- Federal Financial Aid - \$64,247,456
- State/Private Grants - \$4,659,100
- Federal Grants - \$4,397,123
- Student Segregated Fees - \$2,682,098
- Auxiliary Debt Service - \$7,935,124
- Auxiliaries Less Debt Service - \$28,572,528
- Other Program Revenue - \$14,419,171
- Student Tuition - \$54,421,789
- Legislative (Segregated) Funds - \$1,425,000
- State Tax Support - \$36,890,035

All Funds: **\$219,649,424**

Budget Graph 2: All Flexible Funds

Excludes federal financial aid, grants, student segregated fees and auxiliary debt service

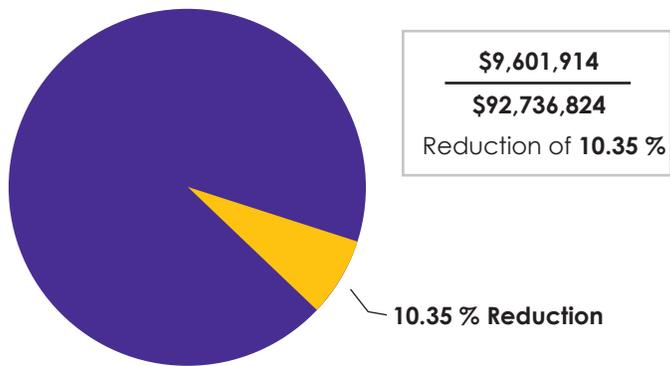


- Auxiliaries Less Debt Service - \$28,572,528
- Other Program Revenue - \$14,419,171
- Student Tuition - \$54,421,789
- Legislative (Segregated) Funds - \$1,425,000
- State Tax Support - \$36,890,035

Flexible Funds: **\$135,728,523**

Budget Graph 3: Tuition and State Support

Same exclusions as #2, plus other program revenue and auxiliaries

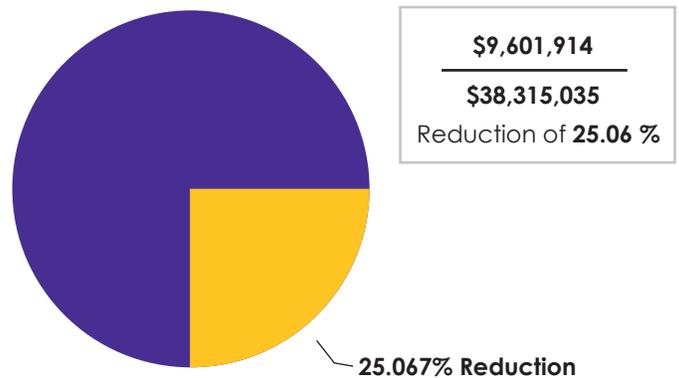


- Student Tuition - \$54,421,789
- Legislative (Segregated) Funds - \$1,425,000
- State Tax Support - \$36,890,035

Tuition and State Support: **\$92,736,824**

Budget Graph 4: State Support

Excludes all funding sources except state support



- Legislative (Segregated) Funds - \$1,425,000
- State Tax Support - \$36,890,035

State Support: **\$38,315,035**

