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September 16, 2026 **Via e-mail only**

To: **Auxiliary Budget Officers**
Budget Officers

From: **Anna Dorn**
Office of Budget and Planning

Subject: **2027-28 Program Revenue Budget Building Cost Factors and Timeline**

Attached you will find the 2027-28 program revenue budget building cost factors. We will provide updates if or when we receive any different information regarding pay plan, composite fringe rates, or other factors that should be considered.

The factors provided are to assist with the development of program revenue budgets. Universities should continue to place emphasis on aligning budgets with actual revenue and expenditures. Student affordability is a priority of the Board of Regents and total cost of attendance (tuition, segregated fees, room and board costs, and textbook rental rates) should be taken into consideration as rates are developed. To assist in managing towards projected costs, budget only those positions and expenditures anticipated for 2027-28 and consider using reserve balances for one-time funding and/or phasing in rate changes.

Please closely review the language in UW System Administrative Policy 820, *Section I-Segregated University Fees, B. Limitations on Expenditures of SUF, (3) Prohibited SUF Expenditures*. Please ensure your campus is operating within the intent of the items listed as prohibited expenditures. For example, if a student may receive academic credit for a particular activity (e.g., a music credit for participating in the marching band), segregated fees may not support that activity.

In addition, as noted in the response to the 2026 internal audit of segregated fees, it is very important to maintain sufficient documentation to support the use of segregated fees for specific expenditures, periodically reviewing documentation to ensure expenditures are aligned with the purposes for which segregated fees were assessed.

All rate changes will need to be reported in detail. Please see Section 1 of the attached cost factors for additional information regarding permissible rate increases.

Like in previous years, the rate proposals submitted for FY27-28 should be the "not to exceed" rates, meaning these are the rates proposed, given the cost factors laid out in this document, including pay plan. Any necessary adjustments after the initial proposal will not increase the rates.

If you have any questions regarding the cost factors or timeline, please do not hesitate to contact me (anna.dorn@wisconsin.edu).

cc: Chief Business Officers
Senior Student Affairs Officers

2027-28 University of Wisconsin System
Program Revenue Budget Building Cost Factors

1) Proposed Rate Changes

Consistent with the Universities of Wisconsin's commitment to maintaining access and affordability, campuses are expected to limit proposed increases to segregated fees, textbook rental fees, and room and board rates. For 2027-28, proposed increases should not exceed 3%, except where necessary to support previously approved major projects or to accommodate increases in debt service costs. All changes in rates for segregated fees and room and board, whether an increase or a decrease, will need to be explained in the budget submission. Please itemize all changes in rates. For example, if a rate decreases for an initiative or project that is ending, but a rate is increasing for a different project or initiative, both should be itemized as a separate decrease and increase. Transferring fees from one area to another is also not allowed.

Changes in rates should be limited to:

- Pay plan and associated fringe benefit increases for 2027-28
- Market factor salary adjustments and fringe
- Other salary and fringe benefits (including CFBR impact)
- Documented contractual increases
- Proposed student-initiated programming
- Student safety
- Debt service
- Capital projects enumerated in the 2025-27 Capital Budget, or Planned in the 2027-29 Capital Budget
- Design Fees for capital projects planned the 2027-29 Capital Budget
- Capital Improvement/Maintenance Fund

Changes needed due to decreasing enrollments *should be* managed within current rates (with the exception of debt service).

Additionally, universities will need to provide **all** room, meal, and textbook rental rates available for students. Room and board rate changes are reported to the Board as the average rate for the majority of students. All Board approved rates should be implemented on campus, and rates reported in the annual Tuition & Fee Report should be consistent with Board approved rates.

Please see the attached *2027-28 Rate Change Reasons* document for more information about each of the categories listed above.

The auxiliary budget template will be provided in October for reporting on the rate changes.

2) Pay Plan Increases

Estimates developed within the 2027-29 Biennial Budget request include funding for a proposed 3% pay plan implemented on July 1, 2027. Universities should build their FY28 budgets assuming a 3% pay plan effective July 1, 2027. If the pay plan is approved at a different rate, adjustments will be made in either a phase 2 budget adjustment for FY28 or in the second year of the biennium in FY29.

3) Fringe Benefits

Effective July 1, 2025, the UWs are using composite fringe benefit rates to budget and record actuals fringe benefit costs on all funds. The FY28 composite fringe rates for each university are calculated based on their actual fringe costs in FY26, with a built-in factor for pay plan and health insurance increases. We anticipate the composite fringe benefit rates for each university will be available by October 1 and will be communicated at that time.

4) Enrollments

Please use the anticipated 2027-28 enrollments, as estimated by your university.

5) Interest Income

The assumption for interest on the State Investment Fund is 3.75% for the next year. Please use this rate when estimating interest earnings.

6) Chargebacks

There are a number of chargebacks to UW universities that can be distributed by funding source to assess a fair share of the cost to program revenue operations. These include charges for EDC (formerly Common Systems), the System Network, Multi-Institutional IT contracts, Fund 128, STAR and Financial Services Assessments, DOA Legal Services assessment, and Municipal Services. The most recent assessment amounts available are included on the next page.

	(formerly Common Systems)	* FY27 System Network	* FY27 Multi-Institutional IT contracts	* FY27 Fund 128	* FY27 STAR	* FY27 Financial Sevices	* FY27DOA Legal Services	* FY27 Municipal Services
Madison	21,541,443.00	999,120.00		193,491.84	63,036.00	42,420.00	18,000.54	7,333,673.00
Milwaukee	7,011,698.00	284,455.00	295,314.00	42,276.72	24,072.00	16,201.00	1,561.20	573,340.00
Eau Claire	2,342,292.46	94,116.00	170,976.00	21,797.04	14,748.00	9,925.00	697.09	190,365.00
Green Bay	1,536,819.49	60,483.00	281,174.00	10,003.80	15,650.00	10,533.00	452.07	160,140.00
La Crosse	2,252,979.58	90,244.00	373,082.00	16,089.36	15,039.00	10,122.00	645.33	236,761.00
Oshkosh	2,550,429.88	101,423.00	196,666.65	15,580.51	15,388.00	10,356.00	412.18	212,192.00
Parkside	873,159.43	34,958.00	950,031.47	3,839.11	10,839.00	7,295.00	156.62	66,360.00
Platteville	1,766,135.29	71,025.00	145,014.88	12,680.85	12,054.00	8,113.00	421.62	133,288.00
River Falls	1,254,223.66	50,469.00	136,117.88	11,016.48	12,170.00	8,190.00	338.46	86,898.00
Stevens Point	2,126,752.46	85,714.00	162,877.00	17,039.52	18,910.00	12,726.00	670.54	167,288.00
Stout	1,926,421.00	77,740.00	150,401.00	15,362.52	13,828.00	9,307.00	665.78	167,843.00
Superior	652,164.33	26,213.00	133,914.00	2,801.16	10,670.00	7,181.00	221.07	53,215.00
Whitewater	2,433,589.00	97,155.00	206,055.00	19,755.96	14,711.00	9,900.00	553.20	253,749.00
System	640,923.00	26,885.00	317,140.00	0.00	10,560.00	7,107.00	1,882.31	43,827.00
Total	48,909,031	2,100,000	3,518,764	381,735	251,675	169,376	26,678	9,678,939.00

* Note all assessments are assessed each month to the campus, total/12 is the charge per month and a true-up will occur at year-end if assessment changes.

7) Property, Liability, and Worker's Compensation Program Cost Adjustments

Please contact your university's risk manager for actual expenses.

8) WIAC

The WIAC assessments are $45,730 per university in 2027-28. Universities that are not part of WIAC should use their own conference's assessment/fees.

9) Capital Projects and Design Funds

Rate increases are allowed for capital projects that were enumerated in the 2025-27 capital budget, only at the rates approved by the Board of Regents. This includes all-agency and minor projects. In addition, increases may be requested for projects that are being proposed in the 2027-29 capital request, including design funds for those projects. These requests should be itemized in both your preliminary auxiliary rate submission in December and in your capital budget submission to Capital Planning and Budget. The requests will be reviewed with Capital Planning and Budget along with the President to evaluate their likelihood of moving forward prior to being recommended to the Board. If a fee increase is approved but ultimately not enumerated in the 2027-29 Capital Budget, the fee will be removed from the rates at a subsequent Board meeting.

2027-28 FORECAST & AUXILIARY BUDGET TIMELINE

These dates are subject to change.

September 2026	Cost factors are distributed.
October 2026	
October 5	UWSA Budget Office sends out 2026-27 10th Day Forecast templates and instructions
October 12	UWSA Budget Office sends out 2027-28 Auxiliary Templates (both preliminary and final rates), timeline, and instructions
November 2026	
November 2	10th Day Forecasts are due to UWSA
November 17	UWSA Budget Office sends out draft 10th Day Forecast materials for institutional review
November 20	10th Day Forecast with any campus changes are due
December 2026	
December 10-11	Board of Regents review 10th Day Forecast
December 30	Estimated Segregated Fees and Room and Board rates are due to UWSA Budget Office
February 2027	
February 19	Final Auxiliary rates and templates are due to UWSA Budget Office.
March 2027	
March 15	Adaptive Planning is open for campuses to begin the Current Year forecast using the Campus Forecast version.
April 2027	
April 16	Comprehensive institution budgets and final auxiliary budget template pages due to UWSA Budget Office.
April 23-May 7	UWSA Budget Office sends auxiliary and tuition materials for institutional review and campus pages templates for completion.

April 30	Madison, Milwaukee and System Administration budgets and final auxiliary budget template pages submitted to UWSA Budget Office.
May 2027	
May 3	Current year forecast due.
May 17	All campus changes to auxiliary and tuition materials and campus pages are due to UWSA Budget Office.
June 2027	UWSA Budget Office sends annual budget document materials that will go to the Board of Regents out for institutional review.
July 2027	
July 8	Board of Regents acts on the 2027-28 Annual Operating Budget, including auxiliary and tuition rates