

2019-21 UW System Biennial  
Operating Budget Request

BOARD OF REGENTS

That, upon the recommendation of the President of the UW System, the Board of Regents approves the submission of:

- (1) the Board's 2019-21 Biennial Operating Budget request, totaling \$107.5 million biennially in GPR for expanding Outcomes-Based Funding and Capacity Building Initiatives;
- (2) a technical request that adjusts the general program operations appropriation and FTE to the UW System's 2018-19 annual operating budget level for academic student fees;
- (3) recommended statutory language changes related to capital bonding and project management, UW research entrepreneur contracts and grants for forestry programs and;
- (4) state-required performance measures for 2019-21, including plans to align the measures in 2021-23 with the outcomes-based funding goals.

In addition, the Board of Regents delegates authority to the UW System President to approve and submit a 0% and 5% biennial budget reduction plan, as required by 2015 WI Act 201, a base budget review pursuant to s. 16.423, Wis. Stats., and additional standard budget adjustments for items such as fringe benefits should it be determined they are necessary.





# **2019-21 Biennial Operating Budget**

The University of  
Wisconsin System  
August, 2018

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**UNIVERSITY OF WISCONSIN SYSTEM  
2019-21 BIENNIAL OPERATING BUDGET  
TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
<b>Executive Summary and Background</b>	1
Executive Summary	2
2018-19 University of Wisconsin Operating Budget	7
<b>Biennial Operating Budget Request</b>	8
Outcomes-Based Funding	9
Capacity Building Initiatives	11
2019-21 Standard Budget Adjustments and Technical Requests	13
Authorities, Accountabilities and Statutory Change Requests	14
<b>Performance Measures</b>	15
2019-21 Performance Measures	16
<b>Budget Reduction Plans and Base Budget Review</b>	21
Budget Reduction Plan and Base Budget Review Reporting	22
Budget Reduction Plan Templates	23
Base Budget Review Templates	25



## EXECUTIVE SUMMARY AND BACKGROUND

# **2019-21 BIENNIAL BUDGET REQUEST**

## **EXECUTIVE SUMMARY**

### **BACKGROUND**

The UW System Board of Regents is required to submit a budget request to the Department of Administration (DOA) by September 15 of each even numbered year. Because September 15 falls on a weekend this year, the date has been extended to September 17. The UW System President provides the Regents, for their consideration, a recommended submission at the August meeting of the same even numbered year.

The UW System's 2019-21 biennial budget request will continue to build upon outcomes-based goals established by Wisconsin 2017 Act 59, which created s. 36.112, Wis. Stats., and provided \$26.25 million of General Purpose Revenue (GPR). Under s. 36.112, Wis. Stats., the legislature established four goals for the UW.

1. Growing and ensuring student access;
2. Improving and excelling at student progress and completion;
3. Expanding contributions to the workforce; and
4. Enhancing operational efficiency and effectiveness.

Under statutes the UW System Board of Regents is required to identify at least four metrics to measure an institution's progress toward meeting each of the outcomes-based goals and a formula for the distribution of funding. The statutes also require that the Legislature's Joint Finance Committee approve the metrics and funding formula which they did at the Committee's April, 2018 meeting.

More specifically, the recommended biennial budget proposal focuses on increasing the state's workforce by increasing the educational pipeline at all levels (saving money for students and families by reducing time to degree), improving the university experience, and addressing the needs of businesses and communities. Each of these items will make the University of Wisconsin more responsive to the needs of the state and its citizens.

The Governor's May 2018 budget letter to agency heads indicated he wants Wisconsin "to have one of the highest percentages of people in the workforce of any state in the nation. To do that, we need to make higher education more accessible and affordable whether it is through an apprenticeship or an associate, undergraduate or graduate degree." While the Major Budget Policies for 2019-21 indicate agencies should prepare their 2019-21 biennial budget requests based on 100 percent of their fiscal year 2018-19 adjusted base, the UW System has been in discussions with the Governor's Office indicating our intent to seek an additional investment for the purpose of addressing the workforce and educational needs of the state.



## **REQUESTED ACTION**

Approval of Resolution 5. that, upon the recommendation of the President of the UW System, the Board of Regents approves the submission of:

1. The Board's 2019-21 Biennial Operating Budget request, totaling \$107.5 million biennially in GPR for expanding Outcomes-Based Funding and Capacity Building Initiatives;
2. A technical request that adjusts the general program operations appropriation and FTE to the UW System's 2018-19 annual operating budget level for academic student fees;
3. Recommended statutory language changes related to capital bonding and project management, UW research entrepreneur contracts and grants for forestry programs; and
4. State-required performance measures for 2019-21, including plans to align the measures in 2021-23 with the outcomes-based funding goals.

In addition, the UW System Board of Regents delegates authority to the UW System President to approve and submit a 0% and 5% biennial budget reduction plan, as required by 2015 WI Act 201, a base budget review pursuant to s. 16.423. Wis. Stats, and additional standard budget adjustments for items such as fringe benefits should it be determined they are necessary.

## **DISCUSSION**

The UW System is requesting \$107.5 million biennially (\$80.0 million ongoing) to address the state's workforce and educational needs by building upon the outcomes-based goals established by Wisconsin 2017 Act 59.

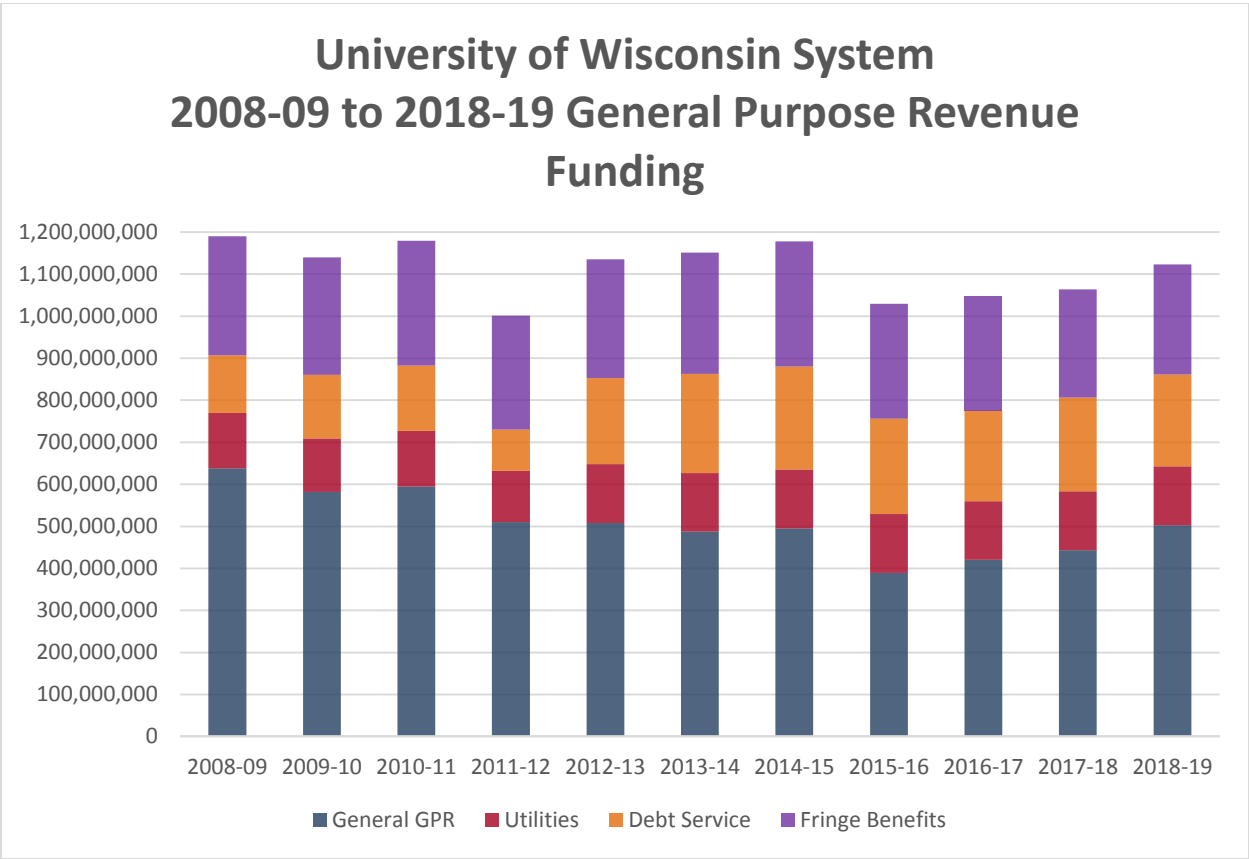
The request for increasing Outcomes-Based Funding will allow the UW System to further improve its performance in meeting the statutory goals and metrics approved by the Joint Finance Committee in April of 2018 and expand them to the former UW-Extension programming.

UW System's Capacity Building Initiatives will provide funding to each campus for specific initiatives unique to their campus programming, community, and/or region. This funding will allow institutions to capitalize on their individual strengths and allow growth in areas that provide greater access to programming in high demand STEM, healthcare and business fields. The initiatives will also provide more high impact practices, research opportunities, and diversity in learning environments for students which are priorities of the business communities across the State. They will also allow the UW System to decrease the time to graduation by providing more efficient and focused student services and academic support in areas such as professional student advisors. Institutions have identified specific outcomes for each initiative. The overarching themes of the capacity initiatives, workforce development and student success and attainment, compliment the outcomes-based goals that have been established for the UW

The following table summarizes the funding request excluding standard budget adjustments:

<b>2019-21 Biennial Budget Request (Excluding Standard Budget Adjustments)</b>				
	2019-20 Increase	2020-21 Increase	Ongoing Increase	Biennial Increase
<b>Increase Outcomes-Based Funding</b>	\$27,500,000	\$27,500,000	\$55,000,000	\$82,500,000
<b>Capacity-Building Initiatives</b>		\$25,000,000	\$25,000,000	\$25,000,000
<b>Total:</b>	\$27,500,000	\$52,500,000	\$80,000,000	\$107,500,000

While the State has recently invested in the UW through Outcomes-Based Funding and provided a 4.04% pay plan increase, general GPR funding for the UW System has declined significantly in the past 11 years. That decrease, along with a six year tuition freeze, has limited the UW’s ability to expand or create new programming and be flexible to Wisconsin’s regional business needs. In addition, campuses have had to reallocate funding to pay for the tuition share of the increased compensation costs (\$15.7 million for the 4.04% increase).



The UW System Board of Regents has statutory authority to set tuition rates per s. 36.27, Wis. Stats.; however, the Board’s statutory authority has been superseded by non-statutory provisions in the biennial budget acts since 2015.

## **Standard Budget and Technical Adjustments**

The UW System is continuing to work with DOA to establish fringe benefit rates that may result in a standard budget adjustment. This resolution would allow President Cross to approve any required additional funding request defined as a “standard budget adjustment”.

The UW System will include a technical adjustment in the budget to align the State’s general program operations appropriation with the University’s 2017-19 budgeted academic student fees. The technical adjustment needed in the state’s budget is \$125,525,700 for the biennium (an ongoing increase of \$93,504,500) and 219.84 FTE. These changes are primarily due to increases at UW-Madison for professional and non-resident programming, which the UW System Board of Regents previously approved in the 2017-18 and 2018-19 annual budgets.

Funding for future pay plan increases, future health insurance rate increases, or increased cost of other fringe benefits in the 2021-23 biennium are expected to be provided as supplements from the state’s Compensation Reserve. The Board is expected to submit a pay plan recommendation to the DOA in December as part of the normal state budget process.

## **Authorities, Accountabilities and Statutory Changes**

The UW System seeks increased management responsibility in the areas of program revenue bonding, capital project management and oversight, UW research entrepreneur contracting and grants for forestry programs.

## **Performance Measures**

The UW System Board of Regents is required by DOA to submit a report on performance measures that relate to its broad budget programs. Agencies are asked to report on actual outcome measures for fiscal years 2016-17 and 2017-18, and planned outcomes for 2018-19, 2019-20 and 2020-21. The UW System has updated metrics for undergraduate degrees, participation rates, retention rates and graduation rates. This will be the last request using these performance measures. Future requests will include measures related to outcomes-based funding.

## **Base Budget Reduction**

2015 Wisconsin Act 201 requires state agencies to submit a flat budget and a budget reduction plan equal to 5% of base level funding. Delegation of the authority to approve and submit a flat and 5% reduction biennial budget plan to the President of the UW System is requested. The plan will be at a high level and formulaic in approach.

## **Base Budget Review**

Wisconsin statute s. 16.423, Wis. Stats., requires all state agencies to submit a base budget review report with their 2019-21 budget request and no later than May 15 in even-numbered years every biennium thereafter. Delegation of the authority to approve and submit that plan is also being requested.

## **RELATED REGENT POLICIES**

None.

**UNIVERSITY OF WISCONSIN SYSTEM**  
2018-19 Ongoing Annual Base Budget

**Total Budget: \$6.303 Billion**

Less Federal Funds: (\$1.728 Billion) →

Federal Funds include: Pell Grants, Student Loans, Federal Indirect Reimbursement

Less Gifts, Grants & Contracts: (\$ 646.4 Million) →

Gifts, Grants, and Contracts include: Restricted Gifts, Research Contracts, Grants to Entities

Less Auxiliaries, Other Receipts: (\$1.317 Billion) →

Auxiliaries and Other Receipts include: Housing, Food Service, Parking, Athletics, and Program Revenue Debt Service.

**GPR/Tuition Total: \$2.611 Billion**

**Tuition: \$1.488 Billion**

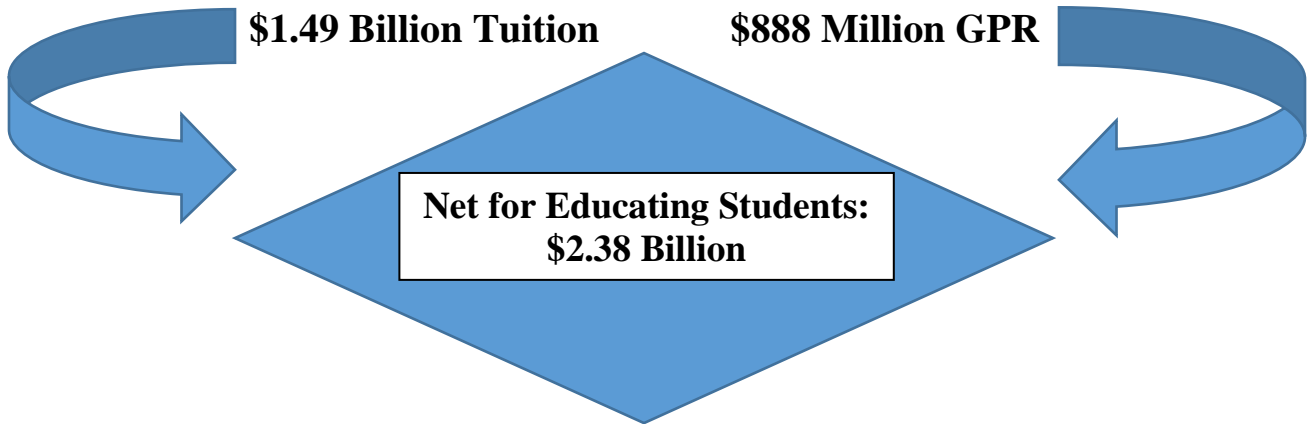
**GPR: \$1.123 Billion**

Less Debt Service (\$218.6 Million)

Less SLH and VDL (\$ 16.6 Million)

**\$ 888.0 Million**

Restricted GPR includes funding for: Debt Service, State Lab of Hygiene (SLH) and Vet Diagnostic Lab (VDL)



**2019-21 BIENNIAL OPERATING BUDGET REQUEST**

## 2019-21 Outcomes-Based Funding

	<u>2019-20</u>	<u>Increase in 2020-21</u>	<u>Ongoing Base Increase</u>
GPR (State Funds)	\$27,500,000	\$27,500,000	\$55,000,000
Fees (Tuition)	\$0	\$0	\$0
GPR/Tuition	\$27,500,000	\$27,500,000	\$55,000,000

<b>Biennial</b>	<b>\$82,500,000</b>
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### Background

Wisconsin Act 59, created s. 36.112, Wis. Stats, governing outcomes-based funding for the University of Wisconsin System and provided \$26.25 million GPR of ongoing funding beginning in 2018-19 to be distributed to UW System institutions. Under s. 36.112, Wis. Stats, the Legislature established the following goals for the UW System:

1. Growing and ensuring student access;
2. Improving and excelling at student progress and completion;
3. Expanding contributions to the workforce; and
4. Enhancing operational efficiency and effectiveness.

For each goal, the statute requires the UW System Board of Regents to identify at least four metrics to measure an institution’s progress toward meeting the goal.

Act 59 also required the UW System Board of Regents to submit to the Joint Finance Committee by February 15, 2018 an outcomes-based funding formula for distributing the \$26.25 million among the institutions based on each institution’s performance with respect to the metrics. The UW System Board of Regents may use the outcomes-based funding formula only as modified or approved by the Joint Finance Committee. In April, 2018, the Joint Finance Committee approved the UW System’s outcomes-based funding formula.

### Statutory Goals and Metrics

The statutory goals and approved metrics for the formula include:

#### A. Grow and Ensure Student Access

##### *Metrics*

1. Wisconsin high school graduates enrolled as degree-seeking undergraduates
2. Pell-eligible students enrolled as undergraduate students
3. Under-represented students enrolled as undergraduate students
4. Transfer students enrolled as undergraduates

#### B. Improve and Excel at Student Progress and Completion

##### *Metrics*

1. Undergraduates who have achieved 30 credit hours
2. Undergraduates who have achieved 90 credit hours
3. Undergraduate degrees awarded
4. Post-baccalaureate degrees awarded

### **C. Expand Contributions to the Workforce**

#### *Metrics*

1. Graduates in STEM disciplines
2. Graduates in health-related disciplines
3. Pell-eligible graduates
4. Research and public service expenditures

### **D. Enhance Operational Efficiency and Effectiveness**

#### *Metrics*

1. Core Expense Ratio
2. Average number of credit hours required for an undergraduate degree
3. Average student debt on baccalaureate graduation
4. Degrees awarded per 100 FTE

### **Distribution of Outcomes-Based Funding**

Under the funding model, UW institutions receive a proportionate share of performance funding, based upon the outcomes they achieve for each of the four statutory goals. A following five-step process is utilized within the funding model:

1. Four metrics have been identified for each of the four statutory goals. UW institutions will receive funding based upon the outcomes they achieve across four statutory categories and 16 metrics.
2. A baseline set of outcomes consisting of a three-year average for each metric is developed for each UW institution, based upon the outcomes achieved for each metric for the three previous years. In order to account for differences in magnitude and missions, the baseline value for each metric is scaled and then weighted.
3. The current year values for each metric are scaled and weighted, using the same scaling factors and weights that were utilized for the baseline data.
4. The sum of the current year scaled and weighted data is compared to the sum of the baseline value scaled and weighted data for each UW institution and for each metric, in order to determine whether the institution improved, sustained performance, or declined in performance.
5. Funds are distributed based on each institution's increase or decrease in their proportion of the total outcomes for the UW System.

### **Request**

The UW System is requesting \$27.50 million ongoing GPR in 2019-20 and an additional \$27.50 million in 2020-21 to ensure UW institutions continue to build upon the statutory goals and metrics. In addition, this request would include funding for what had previously been UW-Extension related activities. The goals and metrics of the outcomes-based funding will be a part of the UW System's future biennial budget performance measures.

The outcomes-based funding, in parallel with the funding requested through the capacity building initiatives, will provide UW institutions the ability to assist in developing Wisconsin's workforce and improving student success and attainment.



## 2019-21 Capacity Building Initiatives

	<u>2019-20</u>	<u>Increase in 2020-21</u>	<u>Ongoing Base Increase</u>
GPR (State Funds)	\$0	\$25,000,000	\$25,000,000
Fees (Tuition)	\$0	\$0	\$0
GPR/Tuition	\$0	\$25,000,000	\$25,000,000

<b>Biennial</b>	\$25,000,000
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### BACKGROUND

UW System institutions have provided proposals in an effort to meet priorities outlined by both the Legislature and UW System Administration. The main focus of the initiatives are Developing Wisconsin’s Workforce and Student Success and Attainment.



In response to a call for proposals, each institution submitted initiatives that fit the priorities indicated above. The submissions, while diverse, contained common themes. Workforce demands can be met by bolstering programming in the areas of STEM, Nursing and Healthcare, and Business. In addition, institutions can increase student success in areas such as time to degree, advising and participation in high impact practices which have been shown to increase retention and graduation rates.

### DEVELOPING WISCONSIN’S WORKFORCE

UW System institutions are major drivers and contributors to Wisconsin’s economy. Wisconsin receives at least \$23 in economic impact for every \$1 of State GPR investment. UW System’s economic impact is \$23+ billion annually (*“The \$24 Billion Impact of the UW System on the Wisconsin Economy,” NorthStar Analytics, 2018*).

UW System is the workforce development pipeline our state’s economy needs. More than 36,000 students graduate from the UW System each year – and more than 91 percent will stay in Wisconsin. These graduates are the entrepreneurs and business leaders of tomorrow who work, raise families, and become productive taxpaying citizens (*OPAR Accountability Dashboard and NorthStar Analytics, 2018*). UW System is key to helping Wisconsin with the challenges ahead as Demographic studies project a shrinking workforce and a growing, aging state population.

Funding for these initiatives will be used to increase capacity in high-demand programs such as healthcare and engineering, create new opportunities for students and create a larger and more robust workforce for the State of Wisconsin.

### **STUDENT SUCCESS AND ATTAINMENT**

In order to meet the workforce development goals of the State of Wisconsin, UW System institutions have been proactively developing services and programming to ensure student success. Examples of these programs include internships, undergraduate research, community partnerships, transition to college courses, enhancements to traditional advising and creating diversity in learning environments. The proposals put forward by the UW System institutions aim to improve on existing programs and develop new initiatives.

High impact practices increase rates of student retention and student engagement. There is also a demand in the workforce for graduates who have participated in high impact practices. In a 2015 national survey of employers conducted by the Association of American Colleges & Universities, 91 percent of employer respondents agreed that for career success, “a candidate’s demonstrated capacity to think critically, communicate clearly, and solve complex problems is more important than his or her undergraduate major.”

In addition to high impact practices, student success can also be enhanced by efficient advising. Career advising provides students with the resources to secure internships and other hands-on learning experiences which allows them to develop skills with which to thrive in the workplace. By increasing advising efforts and utilizing technology, institutions can more easily advise students on courses required for their degree or major and on maintaining course loads required to graduate on time.

Institutions have also included in their proposals a component that involves engagement with high school students including a summer bridge program, a youth innovation camp, and partnerships with K-12 schools districts to generate interest in STEM with a long-term goal of addressing time to degree.

Funding for these initiatives will increase retention and prepare graduates to successfully contribute to Wisconsin’s workforce.

### **REQUEST**

The UW System is requesting \$25 million ongoing GPR in 2020-21 to address the priorities of Developing Wisconsin’s Workforce and Student Success and Attainment.

# **2019-21 Biennial Budget**

## **Standard Budget Adjustments and Technical Requests**

Standard Budget Adjustments are changes in funding related to the current biennium which allow for continued base level services into the upcoming biennium and are determined in consultation with the Department of Administration (DOA).

- The UW will not have a request for pay plan as the funding to cover the State's share of those costs were built into agencies' base budgets.
- A fringe benefit request may be required but it cannot be calculated until the UW Budget Base and fringe benefit rates are established in collaboration with DOA.
- Funding for 2019-21 increases in compensation and fringe benefits will be included in the Compensation Reserve which is established by DOA.
- In years where the state's pay plan is higher than the federal government's, the UW is allowed to request the difference between the two for Smith-Lever funded positions. This will result in an ongoing annual increase of \$206,800 (\$413,000 biennial) General Purpose Revenue (GPR) request for 2019-21.
- A request for increasing lease rental payments may be necessary but those figures continue to be estimated.
- Three FTE will be requested to support the Tommy G. Thompson Center on Public Leadership. The 2017-19 biennial budget provided funding for the Center but FTE to support the programming were not included.
- The 2019-21 biennial budget request will include a technical adjustment that will bring the level of funding for academic student fees in the general program operations appropriation to the 2018-19 annual budgeted level. The change is \$93,504,500 ongoing (\$125,525,700 biennial) and 219.84 FTE. These funding levels were approved by the Board of Regents in the 2017-18 and 2018-19 annual operating budgets.
- The State Laboratory of Hygiene and Veterinary Diagnostics Lab biennial budget requests are approved by their respective Boards and will be included in the UW's biennial budget request.

Not all of the figures for calculating the standard budget adjustments are currently available therefore the UW System Board of Regents are asked to delegate the authority to approve these requests to the UW System President.

## 2019-21 Authorities, Accountabilities and Statutory Change Requests

- **Program Revenue Bonding and Project Management** – Request authority for the Board of Regents to approve and have issued program revenue bonds to fund UW System program revenue supported capital projects and programs. The Board of Regents would approve and manage all capital projects that do not include General Fund Supported Borrowing.
- **UW Research Entrepreneur Contracts** – Update Wisconsin’s conflict of interest regulations for university employees which prohibits the UW System from entering into a contract with a research company that is related to research conducted by an employee or officer of the System unless the contract is less than \$250,000 over a 24-month period or if the Board of Regents approves the contract after a 45-day review.
- **Grants for Forestry Programs** – Request that the funding cap of \$78,000 for UW-Stevens Point be stricken from statutes allowing for increases to cover compensation changes.

## PERFORMANCE MEASURES

## 2019-21 Current and Future Performance Measures

The 2019-21 Major Budget Policies from the Department of Administration require each agency to report on the performance measures they identified for previous biennia. The UW has four measures which can be found on the following pages; they are:

1. **Undergraduate Degrees** – Meet or exceed current plans to increase undergraduate degrees conferred (Associate and Bachelor’s).
2. **Participation Rate** – Provide access by enrolling at least 32% of Wisconsin high school graduates immediately after graduation.
3. **Retention Rate** – Meet or exceed current plans to increase the rate at which new freshmen return to the same institution for the second year of study.
4. **Graduation Rate** – Meet or exceed current plans to increase the rate at which new freshmen earn a bachelor’s degree at the same institution within six years.

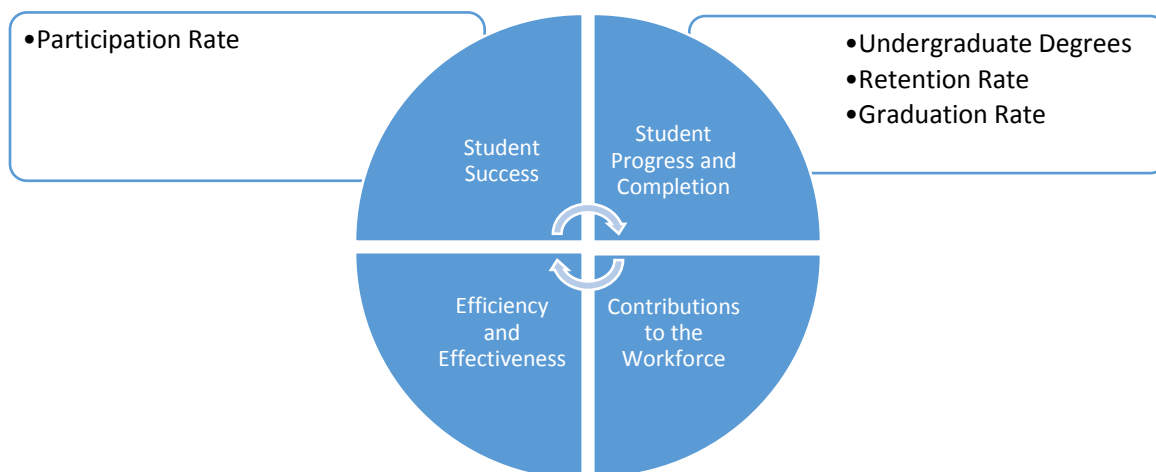
The 2017-19 Biennial Budget, Act 59 created statutes governing outcomes-based funding for the University of Wisconsin System and provided four goals:

1. **Growing and ensuring student access;**
2. **Improving and excelling at student progress and completion;**
3. **Expanding contributions to the workforce;** and
4. **Enhancing operational efficiency and effectiveness.**

\$26.25 million of General Purpose Revenue (GPR) was provided to the UW System in 2018-19 for outcomes-based funding. Using these four goals, funds will be distributed based on each institution’s increase or decrease in their proportion of the total outcomes for the UW System.

The goals for outcomes-base funding are more representative of the UW System’s broader array of goals to not only ensure high student success and graduation rates, but also grow Wisconsin’s workforce in high demand areas and increase operational efficiency and effectiveness.

The current goals are also measured within the outcomes-based funding goals; therefore, the UW System will begin using the outcomes-based goals as measures in future biennial budgets.



The 2019-21 biennial budget will include a request for an additional \$55 million ongoing (\$82.5 million biennial) to continue to build upon the outcome-based goals.

**DOA Required 2019-21 Biennial Budget Performance Measures  
for the University of Wisconsin System**

**Measure 1: Undergraduate Degrees**  
**Goal: Meet or exceed current plans to increase undergraduate degrees conferred (Associate and Bachelor's).**

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Year	Prior Plan*	Current Plan**	Actual
2005-06			24,103
2006-07			25,096
2007-08			25,465
2008-09			25,992
2009-10	26,317		26,297
2010-11	26,910		27,087
2011-12	27,254		28,189
2012-13	27,723		28,789
2013-14	28,041		28,971
2014-15	28,723		29,375
2015-16	29,339	28,976	29,192
2016-17	30,040	28,498	29,140
2017-18	30,636	28,424	
2018-19	31,112	28,093	
2019-20		28,258	

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**Progress:** Undergraduate degrees are currently at an all-time high and are expected to decline slightly due to declining freshmen and/or transfer enrollments, changing composition of student body, and difficulty sustaining or improving as a result of budget reductions. Undergraduate degrees is a performance measure identified in accordance with Act 55.

Although this performance measure focuses on undergraduate degrees, graduate education remains an important part of the UW System's mission.

\*The prior plan was the University of Wisconsin System's More Graduates initiative, which was developed in 2009-10 with the expectation that a combination of new and existing resources would support an increase in the number of undergraduate degrees.

\*\*The current plan reflects projections developed by institutions in spring 2016 following the identification of this measure in accordance with Act 55. The five years of plans largely depend on the impact of existing services on currently-enrolled students.

**Measure 2: Participation Rate**

**Goal:** Provide access by enrolling at least 32 percent of Wisconsin high school graduates immediately after graduation.

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<b>Fall Term After HS Graduation</b>	<b>Plan</b>	<b>Actual</b>
2005	32.0%	32.6%
2006	32.0%	32.5%
2007	32.0%	33.1%
2008	32.0%	32.4%
2009	32.0%	31.9%
2010	32.0%	31.7%
2011	32.0%	31.9%
2012	32.0%	31.5%
2013	32.0%	32.1%
2014	32.0%	31.5%
2015	32.0%	31.7%
2016	32.0%	31.4%
2017	32.0%	
2018	32.0%	
2019	32.0%	

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**Progress:** The University of Wisconsin System is committed to serving the residents of the State of Wisconsin, not only through the enrollment of high school graduates but also through the enrollment of transfer students and nontraditional-aged students.



**Measure 3: Retention Rate**

**Goal:** Meet or exceed current plans to increase the rate at which new freshmen return to the same institution for the second year of study.

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<b>Year (Entering Class)</b>	<b>Prior Plan*</b>	<b>Actual</b>
2006-07 (Fall 2005)		79.2%
2007-08 (Fall 2006)		79.2%
2008-09 (Fall 2007)		79.3%
2009-10 (Fall 2008)		80.2%
2010-11 (Fall 2009)	79.5%	80.8%
2011-12 (Fall 2010)	80.4%	79.6%
2012-13 (Fall 2011)	80.5%	80.2%
2013-14 (Fall 2012)	80.9%	80.7%
2014-15 (Fall 2013)	81.3%	82.1%
2015-16 (Fall 2014)	81.8%	81.6%
2016-17 (Fall 2015)	82.0%	81.7%
2017-18 (Fall 2016)	82.2%	81.4%
2018-19 (Fall 2017)	82.5%	
2019-20 (Fall 2018)	82.7%	

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**Progress:** A student's persistence to the second year of study is an important, early indication of accomplishing the long-term graduation objective. The University of Wisconsin System is committed to providing students with the opportunity to successfully persist to the second year and beyond to graduation.

\*The prior plan was the University of Wisconsin System's More Graduates initiative, which was developed in 2009-10 with the expectation that a combination of new and existing resources would support an increase in retention rates. Although the retention rate is not one of the performance measures identified in accordance with Act 55, institutions will continue to seek improvements as a way of increasing graduation rates and the number of undergraduate degrees.

**Measure 4: Graduation Rate**

**Goal:** Meet or exceed current plans to increase the rate at which new freshmen earn a bachelor's degree at the same institution within six years.

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<b>Year* (Entering Class)</b>	<b>Prior Plan**</b>	<b>Current Plan***</b>	<b>Actual</b>
2006-07 (Fall 2000)			58.0%
2007-08 (Fall 2001)			58.7%
2008-09 (Fall 2002)			59.3%
2009-10 (Fall 2003)			59.7%
2010-11 (Fall 2004)	59.4%		60.4%
2011-12 (Fall 2005)	59.8%		59.3%
2012-13 (Fall 2006)	59.9%		59.6%
2013-14 (Fall 2007)	60.4%		59.3%
2014-15 (Fall 2008)	60.8%		60.7%
2015-16 (Fall 2009)	61.0%		60.7%
2016-17 (Fall 2010)	61.3%	61.2%	60.9%
2017-18 (Fall 2011)	61.7%	61.9%	62.5%
2018-19 (Fall 2012)	62.1%	62.9%	
2019-20 (Fall 2013)	62.4%	63.4%	
2020-21 (Fall 2014)		63.6%	

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\*Year denotes the reporting year not the academic year the degree was completed.

**Progress:** Six-year graduation rates are at an all-time high and are projected to increase. The graduation rate is a performance measure identified in accordance with Act 55.

\*\*The prior plan was the University of Wisconsin System's More Graduates initiative, which was developed in 2009-10.

\*\*\*The current plan reflects projections developed by institutions in spring 2016 following the identification of this measure in accordance with Act 55. The five years of plans largely depend on the impact of existing services on currently-enrolled students.

**BUDGET REDUCTION PLANS AND BASE BUDGET  
REVIEW**

# **2019-21 Budget Reduction Plans and Base Budget Review Reporting**

## **Act 201 Reduction Plans**

2015 Wisconsin Act 201 requires each agency to submit two biennial budget requests along with their biennial budget submission

- A flat base level budget (no new initiatives) with the exception of standard budget adjustments. There is no special planning required to submit this version.
- A proposal to reduce the agency's state operations budget for each fiscal year by an amount equal to a total of 5% of the base level funding as agreed to by the secretary of the department of administration.

## **Base Budget Review**

Pursuant to s. 16.423, Wis. Stats, all state agencies, meaning any office, department or independent agency in the Executive Branch, the Legislature and the Courts, are required to submit a base budget review report with their 2019-21 budget requests and no later than May 15 in even-numbered years in every biennium thereafter. These reports are required to include:

- A description of each appropriation of the state agency.
- For each appropriation, an accounting of all expenditures in every quarter in each of the previous 3 fiscal years.
- For each appropriation, an analysis of whether it contributes to the mission of the agency and whether the objectives of the appropriation justify the expenditures.
- For each appropriation, a determination of the minimum level of funding needed to achieve its objectives not to exceed the prior fiscal year's adjusted base and an accounting of the appropriation's current funding.
- A description of the agency mission or guiding principles.

These reports will be summarized in the November 20 report and in the Governor's biennial state budget report to the Legislature.

Not all the information needed for calculating these reports are currently available therefore the UW System Board of Regents are asked to delegate the authority to approve these items to the UW System President. Examples of these reports are including on the following pages.

**ACT 201**

Proposal under s. 16.42(4)(b)2.: **0% change in each fiscal year**

FY: **FY18 and FY19**

Agency: **UW - 285**

**For 19-21 Example Purposes Only**

Exclusions: Federal  
Debt Service

Columns A-G were prepopulated for agencies to reflect state operations adjusted base and reductions agreed to by DOA and LFB. See Appendix H for instructions on how to complete these templates.

**Proposed \$ and Proposed FTE columns reflect total agency proposed spending and positions for indicated fiscal year. These amounts should include standard budget adjustments (SBAs), any proposed reallocations or reductions to meet the target, and any other requests that the agency would want considered under this proposal.**

Appropriations with zero dollars and zero FTEs are not loaded into the template. If you have any questions, contact your SBO analyst.

**IF YOUR AGENCY PLANS TO TAKE THE SAME CUTS OVER BOTH YEARS, YOU SHOULD ONLY FILL OUT ONE GRID FOR 0% GROWTH AND ONE GRID FOR 5% REDUCTION, THEN CHANGE FY18 TO FY18 AND 19.**

Agency	Appropriation Alpha	Numeric	Fund Source	Adjusted Base		(See Note 1)	Proposed Budget FY18 and FY19			Change from Adj Base		(See Note 2)		Change from Adjusted Base after Removal of SBAs	
				\$	FTE	0% Change Target	Proposed \$	Proposed FTE	Item Ref.	\$	FTE	Remove SBAs \$	FTE	\$	FTE
285	1a	111	GPR	816,918,500	17,826.73	0	816,918,500	17,826.73	1,2,3	0	0.00	0	0.00	0	0.00
285	1fd	117	GPR	11,037,300	131.25	0	11,037,300	131.25	3	0	0.00	0	0.00	0	0.00
285	1fj	126	GPR	4,974,800	77.90	0	4,974,800	77.90	3	0	0.00	0	0.00	0	0.00
285	1gb	121	PR	2,427,616,300	7,617.82	0	2,427,616,300	7,617.82	1,2,3	0	0.00	0	0.00	0	0.00
285	1ge	153	PR	550,717,400	3,887.50	0	550,717,400	3,887.50	3,4	0	0.00	0	0.00	0	0.00
285	1i	130	PR	21,871,300	159.60	0	21,871,300	159.60	3	0	0.00	0	0.00	0	0.00
285	1ia	127	PR	1,619,200	18.90	0	1,619,200	18.90	3	0	0.00	0	0.00	0	0.00
285	1je	165	PR	3,948,900	4.60	0	3,948,900	4.60	3	0	0.00	0	0.00	0	0.00
285	1k	196	PR	38,108,700	48.41	0	38,108,700	48.41	3,5	0	0.00	0	0.00	0	0.00
285	1kg	166	PR	831,100	8.00	0	831,100	8.00	3	0	0.00	0	0.00	0	0.00
285	1q	191	SEG	1,054,800	0.00	0	1,054,800	0.00	3	0	0.00	0	0.00	0	0.00
285	1qe	172	SEG	755,300	3.62	0	755,300	3.62	3	0	0.00	0	0.00	0	0.00
285	1u	161	SEG	27,016,500	130.30	0	27,016,500	130.30	3	0	0.00	0	0.00	0	0.00
<b>Totals</b>				<b>3,906,470,100</b>	<b>29,914.63</b>	<b>0</b>	<b>3,906,470,100</b>	<b>29,914.63</b>		<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>

Note 1: Reduction target must be met within state operations appropriations, but may be allocated across those appropriations and fund sources.

Note 2: Amounts should be SBAs (DINs 3001 - 3011) from agency request multiplied by -1.

Target Reduction = 0

Difference = **0**  
Should equal \$0

**Items - Describe proposed changes (excl. SBAs) to reach target or other priorities of agency**

- 1 Limit further successes on out-comes based goals and limit the ability to move forward with capacity building initiatives
- 2 Limit the ability to be responsive to the needs of students and staff
- 3 Reallocate to be responsive to changing programming needs
- 4 Limit gift and non-federal grant expenditures
- 5 Limit the amount reimbursed by the hospital authority

ACT 201

Proposal under s. 16.42(4)(b)1.: 5% change in each fiscal year

FY: **FY18 and FY19**

Agency: **UW - 285**

**For 19-21 Example Purposes Only**

Exclusions: Federal  
Debt Service

Columns A-G were prepopulated for agencies to reflect state operations adjusted base and reductions agreed to by DOA and LFB. See Appendix H for instructions on how to complete these templates.

**Proposed \$ and Proposed FTE columns reflect total agency proposed spending and positions for indicated fiscal year. These amounts should include standard budget adjustments (SBAs), any proposed reallocations or reductions to meet the target, and any other requests that the agency would want considered under this proposal.**

Appropriations with zero dollars and zero FTEs are not loaded into the template. If you have any questions, contact your SBO analyst.

**IF YOUR AGENCY PLANS TO TAKE THE SAME CUTS OVER BOTH YEARS, YOU SHOULD ONLY FILL OUT ONE GRID FOR 0% GROWTH AND ONE GRID FOR 5% REDUCTION, THEN CHANGE FY18 TO FY18 AND 19.**

Agency	Appropriation Alpha	Numeric	Fund Source	Adjusted Base		(See Note 1)	Proposed Budget FY18 and FY19		Item Ref.	Change from Adj Base		(See Note 2)		Change from Adjusted Base after Removal of SBAs	
				\$	FTE	5% Reduction Target	Proposed \$	Proposed FTE		\$	FTE	\$	FTE	\$	FTE
285	1a	111	GPR	816,918,500	17,826.73	(40,845,900)	776,072,600	17,326.73	1,2,3,4,5,6,8,9,10,11	(40,845,900)	(500.00)	0	0.00	(40,845,900)	(500.00)
285	1fd	117	GPR	11,037,300	131.25	(551,900)	10,485,400	131.25	3,13	(551,900)	0.00	0	0.00	(551,900)	0.00
285	1fj	126	GPR	4,974,800	77.90	(248,700)	4,726,100	77.90	3,14	(248,700)	0.00	0	0.00	(248,700)	0.00
285	1gb	121	PR	2,427,616,300	7,617.82	(121,380,800)	2,306,235,500	6,892.82	1,2,3,4,5,6,7,8,9,10,11	(121,380,800)	(725.00)	0	0.00	(121,380,800)	(725.00)
285	1ge	153	PR	550,717,400	3,887.50	(27,535,900)	523,181,500	3,737.50	1,2,3,4,5,6,8,9,15	(27,535,900)	(150.00)	0	0.00	(27,535,900)	(150.00)
285	1i	130	PR	21,871,300	159.60	(1,093,600)	20,777,700	159.60	3,13	(1,093,600)	0.00	0	0.00	(1,093,600)	0.00
285	1ia	127	PR	1,619,200	18.90	(81,000)	1,538,200	18.90	3,13	(81,000)	0.00	0	0.00	(81,000)	0.00
285	1je	165	PR	3,948,900	4.60	(197,400)	3,751,500	4.60	3,14	(197,400)	0.00	0	0.00	(197,400)	0.00
285	1k	196	PR	38,108,700	48.41	(1,905,400)	36,203,300	48.41	2,3,4,12	(1,905,400)	0.00	0	0.00	(1,905,400)	0.00
285	1kg	166	PR	831,100	8.00	(41,600)	789,500	8.00	3,14	(41,600)	0.00	0	0.00	(41,600)	0.00
285	1q	191	SEG	1,054,800	0.00	(52,700)	1,002,100	0.00	5,10	(52,700)	0.00	0	0.00	(52,700)	0.00
285	1qe	172	SEG	755,300	3.62	(37,800)	717,500	3.62	3	(37,800)	0.00	0	0.00	(37,800)	0.00
285	1u	161	SEG	27,016,500	130.30	(1,350,800)	25,665,700	130.30	2,3	(1,350,800)	0.00	0	0.00	(1,350,800)	0.00
<b>Totals</b>				<b>3,906,470,100</b>	<b>29,914.63</b>	<b>(195,323,500)</b>	<b>3,711,146,600</b>	<b>28,539.63</b>		<b>(195,323,500)</b>	<b>(1,375.00)</b>	<b>0</b>	<b>0.00</b>	<b>(195,323,500)</b>	<b>(1,375.00)</b>

Note 1: Reduction target must be met within state operations appropriations, but may be allocated across those appropriations and fund sources.

Note 2: Amounts should be SBAs (DINs 3001 - 3011) from agency request multiplied by -1.

Target Reduction = (195,323,500)

Difference = **0**  
Should equal \$0

**Items - Describe proposed changes (excl. SBAs) to reach target or other priorities of agency**

- 1 Reduction to instruction
- 2 Reduction to research
- 3 Reduction to public service
- 4 Reduction to student services
- 5 Reduction to academic support
- 6 Reduction to farm operations programming
- 7 Reduction to auxiliary operations
- 8 Reductions to physical plant operations
- 9 Reduction to institutional support
- 10 Reduction of services to students and staff
- 11 Will result in fewer class sections and could extend time to degree
- 12 Reduction to services provided to hospital authority
- 13 Reduction to public health support
- 14 Reduction to veterinary diagnostic services
- 15 Reduction in gift and non-federal grant expenditures



Please indicate any appropriation whose minimum level of funding to achieve objectives is less than the prior fiscal year's base funding [s. 16.423(3)(d)]. Add rows to the table as needed.

<b>Chapter 20 Appropriation</b>	<b>Title</b>	<b>Prior Fiscal Year Budget</b>	<b>Prior Fiscal Year Expended</b>	<b>Minimum Budget Needed</b>

The agency's mission and objectives can be found in the biennial budget submission at the following URL [s.

16.423(3)(e)]: <https://doa.wi.gov/Pages/StateFinances/CurrentBiennialBudget.aspx>. Please create an agency mission if your agency does not currently have a mission to include in its agency budget request.

### **OPTIONAL ANALYSIS**

This section is available to agencies that want to describe why expenditures varied throughout fiscal quarters and/or years.

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<b>Signature, Title</b>	<b>Date</b>