Fiscal Year 2021-22
Annual Operating Budget

Board of Regents Meeting  July 8, 2021
Sean P. Nelson, Vice President for Finance
FY2021-22 Annual Budget Highlights

- State operational funding (GPR) increased $42.3M or 4.4%
  - Includes Pay Plan increase for employees

- Tuition-setting authority back with the Board of Regents
  - BOR budget resolution calls for no increase for resident undergraduate tuition in the upcoming academic year

- Average cost of attendance held to a 1% increase
  - 4th consecutive year at 1% or lower at the 4-year campuses
FY2021-22 Annual Budget: 
Budget Sources
Total Expense Budget

- Federal Financial Aid/Other: $1.36B (16%)
- Gifts, Grants, Contracts: $1.55B (21%)
- Federal Indirect Reimbursement: $437.8M (3%)
- General Program Operations: $172.7M (7%)
- Auxiliary: $740M (11%)
- General Purpose Revenue (GPR): $1.05B (15%)
- GPR Debt Service: $205.9M (3%)
- Tuition: $1.01B (24%)

Estimated FY2021-22 Expenditures: $6.529 billion
Source: Operational GPR

- General Purpose Revenue (GPR) 15%
- Tuition 24%
- Auxiliary 11%
- General Program Operations 7%
- Federal Indirect Reimbursement 3%
- Gifts, Grants, Contracts 21%
- Federal Financial Aid/Other 16%
- GPR Debt Service 3%

Total Revenue: $1.01B
Budget Change: Operational GPR

- General Purpose Revenue (GPR): 15%
- Tuition: 24%
- Gifts, Grants, Contracts: 21%
- Federal Indirect Reimbursement: 3%
- Federal Financial Aid/Other: 16%
- Auxiliary: 11%
- GPR Debt Service: 3%

Total: $42.3M
Source: GPR Debt Service

- Federal Financial Aid/Other: 16%
- Gifts, Grants, Contracts: 21%
- Federal Indirect Reimbursement: 3%
- General Program Operations: 7%
- Auxiliary: 11%
- General Purpose Revenue (GPR): 15%
- Tuition: 24%
- GPR Debt Service: 3%

Total: $205.9M
Budget Change: GPR Debt Service

- General Purpose Revenue (GPR): 15%
- Tuition: 24%
- Gifts, Grants, Contracts: 21%
- Federal Indirect Reimbursement: 3%
- General Program Operations: 7%
- Auxiliary: 11%
- Federal Financial Aid/Other: 16%
- GPR Debt Service: -6% ($13.2M)
Source: Tuition

- Federal Financial Aid/Other: 16%
- Gifts, Grants, Contracts: 21%
- Federal Indirect Reimbursement: 3%
- General Program Operations: 7%
- Auxiliary: 11%
- General Purpose Revenue (GPR): 15%
- GPR Debt Service: 3%
- Tuition: 24%

Total Revenue: $1.55B
Budget Change: Tuition

- **General Purpose Revenue (GPR):** 15%
- **GPR Debt Service:** 3%
- **Tuition:** 24%
- **Auxiliary:** 11%
- **Federal Indirect Reimbursement:** 3%
- **Gifts, Grants, Contracts:** 21%
- **Federal Financial Aid/Other:** 16%
- **General Program Operations:** 7%

Total Change: +0.5% $7.6M
Source: Auxiliary

- Federal Financial Aid/Other: 16%
- Gifts, Grants, Contracts: 21%
- Federal Indirect Reimbursement: 3%
- General Program Operations: 7%
- Tuition: 24%
- Auxiliary: 11%
- General Purpose Revenue (GPR): 15%
- GPR Debt Service: 3%

Total: $740M
Budget Change: Auxiliary

- Federal Financial Aid/Other: 16%
- Gifts, Grants, Contracts: 21%
- Federal Indirect Reimbursement: 3%
- General Program Operations: 7%
- General Purpose Revenue (GPR): 15%
- GPR Debt Service: 3%
- Tuition: 24%
- Auxiliary: 11%

-4.6% ($35.7M)
Source: General Program Operations

- General Purpose Revenue (GPR) 15%
- GPR Debt Service 3%
- Tuition 24%
- Federal Indirect Reimbursement 3%
- Gifts, Grants, Contracts 21%
- Federal Financial Aid/Other 16%
- Auxiliary 11%
- General Program Operations 7%

$437.8M
Budget Change: General Program Operations

- General Purpose Revenue (GPR): 15%
- GPR Debt Service: 3%
- Tuition: 24%
- Federal Indirect Reimbursement: 3%
- Gifts, Grants, Contracts: 21%
- Federal Financial Aid/Other: 16%
- Auxiliary: 11%
- General Program Operations: 7%

+ 9.9% $39.4M
Source: Federal Indirect Reimbursement

- Federal Financial Aid/Other: 16%
- Gifts, Grants, Contracts: 21%
- Federal Indirect Reimbursement: 3%
- General Program Operations: 7%
- Tuition: 24%
- Auxiliary: 11%
- General Purpose Revenue (GPR): 15%
- GPR Debt Service: 3%
- Federal Indirect Reimbursement: 3%

Total: $172.7M
Budget Change: Federal Indirect Reimbursement

Federal Financial Aid/Other: 16%
Gifts, Grants, Contracts: 21%
Tuition: 24%
Federal Indirect Reimbursement: 3%
General Program Operations: 7%
Auxiliary: 11%
General Purpose Revenue (GPR): 15%
GPR Debt Service: 3%

+$2.7$M

$2.8M$
Source: Gifts, Grants, Contracts

- Federal Financial Aid/Other: 16%
- Gifts, Grants, Contracts: 21%
- General Program Operations: 7%
- Federal Indirect Reimbursement: 3%
- Auxiliary: 11%
- Tuition: 24%
- General Purpose Revenue (GPR): 15%
- GPR Debt Service: 3%
- Federal Financial Aid/Other: 16%

Total: $1.36B
Budget Change: Gifts, Grants, Contracts

- Federal Financial Aid/Other: 16%
- Federal Indirect Reimbursement: 3%
- General Program Operations: 7%
- Auxiliary: 11%
- Tuition: 24%
- General Purpose Revenue (GPR): 15%
- GPR Debt Service: 3%
- Gifts, Grants, Contracts: 21%

+$0.9\%$
+$12.2M$
Source: Federal Financial Aid/Other

Federal Financial Aid/Other 16%

$1.05B

Gifts, Grants, Contracts 21%

Federal Indirect Reimbursement 3%

General Program Operations 7%

Auxiliary 11%

Tuition 24%

Federal Indirect Reimbursement 3%

GPR Debt Service 3%

General Purpose Revenue (GPR) 15%

$1.05B
Budget Change: Federal Financial Aid/Other

- Federal Financial Aid/Other: 16%
- Federal Indirect Reimbursement: 3%
- Gifts, Grants, Contracts: 21%
- General Program Operations: 7%
- Auxiliary: 11%
- General Purpose Revenue (GPR): 15%
- GPR Debt Service: 3%
- Tuition: 24%

-4% ($43.1M)
Total Revenue

Estimated FY2022 Revenue: $6.545 billion

- General Program Operations: $175.7M, 7%
- Federal Indirect Reimbursement: $444.9M, 3%
- Gifts, Grants, Contracts: $1.38B, 21%
- Federal Financial Aid/Other: $1.05B, 16%
- Tuition: $1.58B, 24%
- Auxiliary: $709.6M, 11%
- GPR Debt Service: $205.9M, 3%
- General Purpose Revenue (GPR): $1.01B, 15%

Total Revenue: $205.9M, $709.6M, $1.01B, $444.9M, $1.05B, $1.38B, $1.58B, $1.05B, $1.01B, $205.9M.
Revenue Change

Net increase in total FY2022 Revenue: $24.1M, or .4%

- General Purpose Revenue (GPR): + $42.3M (15%)
- GPR Debt Service: $(13.2M) (3%)
- Tuition: + $289K (24%)
- Gifts, Grants, Contracts: + $25.6M (21%)
- Federal Financial Aid/Other: + $60.9M (16%)
- Federal Indirect Reimbursement: + $289K (3%)
- Auxiliary: + $11M (11%)
- General Program Operations: $(43M) (7%)
State GPR Budget Increases

- A Net Increase in Operational GPR of $42.3M -- a 4.4% increase over FY2021, including:
  - $2.5 million to advance efforts amongst UW institutions in support of the Freshwater Collaborative
  - $1 million intended for UW-Extension Cooperative County Agricultural Agents
  - $250,000 for UW Institutions to support Foster Youth Programs for students who formerly resided in a foster or group home
  - $21 million for the state’s share of Pay Plan and $17.1 million for anticipated Fringe Benefit increases
Other State GPR Budget Increases

- **FY2021-22 budget also calls for $500,000 in one-time funding for two new initiatives:**
  - $250,000 in one-time funding to support collaboration efforts between the UW-Madison Nelson Institute for Environmental Studies and the U.S. Department of Defense
  - $250,000 in one-time funding to foster collaboration amongst the UW System, the U.S. Department of Defense, and The Water Council – a global partnership based in Milwaukee to advance water research and economic development
Focus on Key Funding Increase: Pay Plan

- Pay Plan costs are shared by state and the campus
  - Campus share **not** funded in state budget

Legislative Joint Committee on Employee Relations (JCOER) will act on 21/23 Pay Plan in Summer/Fall 2021

FY22

- Campus Share 30%
- General Purpose Revenue (GPR) 70%

- Total FY22 Pay Plan Cost: $29.4M
  - $8.4M
  - $21.0M
Notable Biennial Funding Increase for FY23

$5M in ongoing funding in FY23 to support a Nurse Educator Initiative in Wisconsin

- Funding appropriated through the Higher Education AIDS Board (HEAB)
  - Program provides: (a) fellowships to students who enroll in programs for degrees in doctor of nursing practice or doctor of philosophy in nursing; (b) educational loan repayment assistance to recruit and retain faculty; and (c) postdoctoral fellowships or loan repayment assistance for nursing educators that commit to teach for three consecutive years at a UW System institution, Wisconsin Technical College, or private, non-profit college in Wisconsin.
FY2022 Annual Budget: 
*Tuition*
Biennial budget *does not* include language prohibiting the Board of Regents from setting tuition
2021-22 Tuition

Biennial budget *does not* include language prohibiting the Board of Regents from setting tuition.

BOR budget resolution calls for no *increases* in resident undergraduate tuition for the upcoming academic year.
2021-22 Tuition

Biennial budget *does not* include language prohibiting the Board of Regents from setting tuition.

BOR budget resolution calls for **no increases in resident undergraduate tuition** for the upcoming academic year.

*Ninth consecutive year of no increased tuition for resident undergraduates*
2021-22 Tuition

Biennial budget *does not* include language prohibiting the Board of Regents from setting tuition.

BOR budget resolution calls for *no increases in resident undergraduate tuition* for the upcoming academic year.

*Net tuition revenue increase* of $11M attributable to professional school increases and enrollment changes at UW-Madison and differential tuition and service-based pricing programs at UW-Stevens Point.
Change in Resident Undergraduate Tuition at Midwest Flagships, 2015-16 to 2020-21

Tuition & Fees
University of Illinois-Urbana-Champaign $16,862
University of Michigan $15,948
University of Minnesota-Twin Cities $15,027
The Ohio State University $11,518
Indiana University-Bloomington $11,221
University of Wisconsin-Madison $10,742
University of Iowa $9,606
Green line represents 12% of budgeted expenditures, the BOR reporting threshold for program revenue balances in Regent Policy Document 21-6

Includes impact of June 8, 2021 decision to rescind $45M budget lapse

FY 2013: 551.5
FY 2014: 395.4
FY 2015: 337.4
FY 2016: 295.6
FY 2017: 277.2
FY 2018: 300.9
FY 2019: 245
FY 2020: 227.3
FY 2021 estimated: 294.9
FY2022 Annual Budget: 
*Auxiliary Rates*
FY2022 Auxiliary Rates

Auxiliary rate increases are limited to: mandated compensation, contractual agreements, debt service, enumerated capital projects, student-initiated proposals, and student safety
FY2022 Auxiliary Rates

Auxiliary rate increases are limited to: mandated compensation, contractual agreements, debt service, enumerated capital projects, student-initiated proposals, and student safety.

Total Segregated Fees at 4-year campuses will increase, on average, by $10 per year -- or by .1%
FY2022 Auxiliary Rates

Auxiliary rate increases are limited to: mandated compensation, contractual agreements, debt service, enumerated capital projects, student-initiated proposals, and student safety.

Total Segregated Fees at 4-year campuses will increase, on average, by $10 per year -- or by .1%

5 campuses reduced segregated fees or held fees flat from the prior year.
FY2022 Auxiliary Rates

Auxiliary rate increases are limited to: mandated compensation, contractual agreements, debt service, enumerated capital projects, student-initiated proposals, and student safety.

Total Segregated Fees at 4-year campuses will increase, on average, by $10 per year -- or by .1%.

Room and Board rates at 4-year campuses will increase, on average, by $150 per year -- or by 1.8%.
Auxiliaries: Segregated Fees by Category

- Pay Plan and Compensation (41%)
- Student Initiated (25%)
- Contractual Changes (9%)
- Sports Programming and Organized Activities at 8 Campuses

- Major Projects and Student Safety (25%)
  - The Fieldhouse at La Crosse
  - Falcon Center at River Falls
  - Recreation Complex at Stout

- Average Increase of $10 [.1%]
Auxiliaries: Room and Board Increases by Category

- **Major Projects** 38%
- **Contractual** 41%
- **Student Initiated** 9%
- **Pay Plan and Compensation** 12%

- **Average Increase of $150 [1.8%]**

**Major Projects at 7 UW institutions, including:**
- Initiating Electrical Upgrades at 9 Residence Halls at River Falls
- Roof and Energy Projects and Debot Renovations at Stevens Point
### Average Cost of Attendance for Upcoming Academic Year

<table>
<thead>
<tr>
<th>UW Institution</th>
<th>Tuition</th>
<th>Segregated Fees</th>
<th>Room</th>
<th>Meal Plan</th>
<th>Total Cost</th>
<th>Total % Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madison</td>
<td>$9,273</td>
<td>$1,447</td>
<td>$7,367</td>
<td>$4,100</td>
<td>$22,187</td>
<td>1.0%</td>
</tr>
<tr>
<td>Milwaukee</td>
<td>$8,091</td>
<td>$1,519</td>
<td>$6,274</td>
<td>$4,189</td>
<td>$20,073</td>
<td>0.1%</td>
</tr>
<tr>
<td>Eau Claire</td>
<td>$7,361</td>
<td>$1,373</td>
<td>$5,170</td>
<td>$3,180</td>
<td>$17,084</td>
<td>0.9%</td>
</tr>
<tr>
<td>Green Bay</td>
<td>$6,298</td>
<td>$1,575</td>
<td>$4,575</td>
<td>$2,850</td>
<td>$15,298</td>
<td>1.1%</td>
</tr>
<tr>
<td>La Crosse</td>
<td>$7,585</td>
<td>$1,436</td>
<td>$4,130</td>
<td>$2,674</td>
<td>$15,825</td>
<td>1.3%</td>
</tr>
<tr>
<td>Oshkosh</td>
<td>$6,422</td>
<td>$1,311</td>
<td>$4,662</td>
<td>$3,330</td>
<td>$15,725</td>
<td>0.9%</td>
</tr>
<tr>
<td>Parkside</td>
<td>$6,298</td>
<td>$1,146</td>
<td>$4,908</td>
<td>$2,856</td>
<td>$15,208</td>
<td>0.7%</td>
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<tr>
<td>Platteville</td>
<td>$6,418</td>
<td>$1,206</td>
<td>$5,057</td>
<td>$3,160</td>
<td>$15,841</td>
<td>0.7%</td>
</tr>
<tr>
<td>River Falls</td>
<td>$6,428</td>
<td>$1,484</td>
<td>$4,450</td>
<td>$2,572</td>
<td>$14,934</td>
<td>1.8%</td>
</tr>
<tr>
<td>Stevens Point</td>
<td>$6,698</td>
<td>$1,503</td>
<td>$4,600</td>
<td>$3,200</td>
<td>$16,001</td>
<td>1.3%</td>
</tr>
<tr>
<td>Stout</td>
<td>$7,020</td>
<td>$1,364</td>
<td>$4,810</td>
<td>$2,988</td>
<td>$16,182</td>
<td>1.7%</td>
</tr>
<tr>
<td>Superior</td>
<td>$6,535</td>
<td>$1,620</td>
<td>$4,433</td>
<td>$2,772</td>
<td>$15,360</td>
<td>0.5%</td>
</tr>
<tr>
<td>Whitewater</td>
<td>$6,519</td>
<td>$1,037</td>
<td>$5,435</td>
<td>$2,724</td>
<td>$15,715</td>
<td>1.3%</td>
</tr>
<tr>
<td><strong>Average for 4-year campuses:</strong></td>
<td>$6,996</td>
<td>$1,386</td>
<td>$5,067</td>
<td>$3,123</td>
<td>$16,572</td>
<td>1.0%</td>
</tr>
</tbody>
</table>

- **Sticker price for the cost of attendance is up 1%**
Summary Budget Detail by UW Institution

- Enrollments, Revenue/Expense, & Auxiliary Information

[Graphs and charts showing budget details for University of Wisconsin institutions]
GPR Allocation Background
GPR Allocation Background

- General Purpose Revenue (GPR) base funding continues for each campus into the next year with **incremental increases and/or decreases annually** based, in part, on:
  - Biennial budget changes
  - Pay plan increases and fringe benefit adjustments
  - Adjusted utility costs based on actual expenses
GPR Allocation Background

Previous Review of GPR Allocation

- There have been several efforts to comprehensively review the GPR allocation “formula” since 1998 with the last effort in 2014-15. The committees had broad representation from campuses, Board of Regents, and UW System.
  - No substantive changes to the underlying allocation were made as a result of those efforts

- Two minor changes to the GPR allocation have occurred since 2017:
  - Return of $25M lapse in FY18
  - Allocation of $45M in Outcomes-Based Funding FY2019-20
Revenue Source: GPR only

- Federal Financial Aid/Other: 16% ($1.05B)
- Gifts, Grants, Contracts: 21% ($1.38B)
- Federal Indirect Cost Reimbursement: 3% ($175.7M)
- General Program Operations: 7% ($444.9M)
- Auxiliary Operations: 11% ($709.6M)
- Tuition: 24% ($1.58B)
- GPR: 18% ($1.2B)
$1.2 billion GPR Breakout

- Remaining Budget: 24%
- Outcomes-based Funding: 4%
- Professional Schools: 7%
- Research/Public Service: 4%
- System Administration: 7%
- UW Madison Extension: 3%
- Financial Aid: 1%
- State Lab/Vet Diagnostic: 2%
- Utilities: 10%
- Debt Service: 18%
- Fringe: 20%

Remaining Budget 24%
$1.2 billion GPR Breakout

- Fringe: 20%
- Debt Service: 18%
- Utilities: 10%
- State Lab/Vet Diagnostic: 2%
- Financial Aid: 1%
- UW Madison Extension: 3%
- System Administration: 7%
- Research/Public Service: 4%
- Professional Schools: 7%
- Outcomes-based Funding: 4%
- Remaining Budget: 24%

UNIVERSITY OF WISCONSIN SYSTEM
$1.2 billion GPR Breakout

- Remaining Budget: 24%
- Fringe: 20%
- Debt Service: 18%
- Utilities: 10%
- State Lab/Vet Diagnostic: 2%
- Financial Aid: 1%
- Outcomes-based Funding: 4%
- Professional Schools: 7%
- Research/Public Service: 4%
- System Administration: 7%
- UW Madison Extension: 3%
- System Administration: 7%
- Professional Schools: 7%
- Outcomes-based Funding: 4%
- Financial Aid: 1%

Total: $253M
Looking Ahead

- Awaiting final outcome of the biennial budget including the approval of Pay Plan by the Joint Committee on Employee Relations (JCOER)
- Reviewing timeline for future auxiliary and tuition setting
- Reviewing considerations on how state support (GPR) should be allocated amongst UW Institutions

➢ Board of Regents to be apprised on any substantive changes and developments regarding FY2022
Acknowledgements

**Partners at the UW Institutions:** Chancellors, Chief Business Officers, Budget Directors, Controllers, Auxiliary Unit Heads

**UWSA Staff:** Renee Stephenson, Aimee Arnold, Julie Gordon, Gary Buehler, Jennifer Goytowski, Chrissy Klappa, Mickie Krall, Katie Ptaszek
QUESTIONS?