Overview of FY23 Budget Presentation

✓ Summary of Key Budget Factors
✓ Review of Revenues and Expenses
✓ Tuition
✓ Segregated Fees and Room and Board
✓ Campus Budget Narratives
Summary of Key Factors Heading into FY23

- Campuses are emerging out of the pandemic and revenues are starting to rebound
- **One-time federal funding** has largely been drawn down
- **Inflationary impact on goods and services** is affecting operations
- **Pay Plan** and compensation obligations constrain budgets
- **Modest overall increase in the cost of attendance** for resident undergraduates including a **continuation of the tuition freeze**
FY23 Annual Budget: Revenue Sources
Total FY23 Revenue

- **Estimated FY2022-23 Revenue:** $6.82 billion

  - Federal Financial Aid/Other: 15% ($1.01B)
  - Gifts, Grants, Contracts: 21% ($1.46B)
  - Federal Indirect Reimbursement: 3% ($200.2M)
  - General Program Operations: 8% ($489.4M)
  - Tuition: 24% ($793.8M)
  - Auxiliary Operations: 12% ($1.027B)
  - General Purpose Revenue (GPR): 15% ($1.63B)
  - GPR Debt Service: 3% ($211.4M)
  - Federal Financial Aid/Other: 15% ($1.01B)

- Estimated FY2022-23 Revenue: $6.82 billion
Change in Revenue (FY23/FY22)

- **Estimated FY2022-23 Revenue: $6.82 billion; $275.2M over FY22**

### Revenue Breakdown
- **Tuition**: $54.5M
- **Federal Financial Aid/Other**: ($44M)
- **Gifts, Grants, Contracts**: $84.7M
- **Federal Indirect Reimbursement**: $44.6M
- **General Program Operations**: $24.5M
- **Auxiliary Operations**: $21.2M
- **General Purpose Revenue (GPR)**: $5.5M
- **GPR Debt Service**: $44.6M

**Total Revenue**: $84.7M
Key Revenue Change: State Support (GPR)

- New operational funding of $27.2M over FY22, including:
  - $5.5 million to support anticipated debt service obligations
  - $250,000 in ongoing funding to support Foster Youth Programs for students who formerly resided in a foster or group home
  - $21.4 million for the state’s share of Pay Plan and anticipated Fringe Benefit increases
Focus on Pay Plan

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

<table>
<thead>
<tr>
<th>Campus Share</th>
<th>General Purpose Revenue (GPR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$8.6M</td>
<td>$21.4M</td>
</tr>
</tbody>
</table>

Total FY23 Pay Plan Cost: $30M
Cumulative Impact of the Unfunded Campus Share of Pay Plan FY19 - FY23

Five year total: $48.5M
Key Revenue Change: Tuition Revenue

- *Net tuition revenue increase of $54.5M over FY22, including:*

  - **UW-Madison:** Increase of $74.3M to reflect non-resident and professional school tuition increases previously approved by the Board of Regents
  - An increase of $4.9M collectively at **UW-Green Bay, UW-La Crosse, UW-Stevens Point, UW-Oshkosh**
  - Several campuses **decreased tuition revenue** by an aggregate of approximately $24M
Other Notable GPR Funding Increase for FY23

$5M in ongoing funding 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.
FY23 Annual Budget: Expenses
Total FY23 All Funds Budget by Expense

- **Estimated FY2023 Expenditures: $6.87 billion**

  - **Salaries and Wages**: 40%, $2.75B
  - **Fringe Benefits**: 14%, $961.8M
  - **Financial Aid**: 15%, $1.03B
  - **Debt Service**: 7%, $480.9M
  - **Supplies and Expenses**: 24%, $1.65B
FY23 Change in Expense: Supplies and Expenses

+ $132.8M over FY22

- Utilities
- Travel
- Equipment
- Leases
- Software
- Professional Development
- Consultants
- Contractual Services
- Police/Security Services
FY23 Annual Budget: 
*Tuition*
FY23 Tuition for Resident Undergraduates

Biennial budget *did 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.

Governor Evers’ $25M one-time allocation to “fund the freeze”
FY23 Annual Budget: Auxiliary Rates
FY2023 Guidance on Auxiliary Rates

Rate increases for Segregated Fees and Room and Board are limited to:

- Mandated compensation
- Contractual agreements
- Debt service
- Enumerated capital projects
- Student-initiated proposals
- Student safety
- Market salary adjustments
Segregated fees are charges, in addition to tuition, assessed to all students for student services, organized activities, programs, and facilities.

Segregated fees constitute about 8.5% of the cost of attendance, or about $1,430 on average for an undergraduate.

Total Segregated Fees will increase, on average at 4-year institutions by $40 per year, or 2.9%.
FY23 Auxiliaries: Segregated Fees by Category

- Student Initiated Programming: 34%
- Pay Plan and Fringes: 23%
- Market Salary Adjustments: 8%
- Major Projects: 16%
- Student Safety: 9%
- Contractual Changes: 10%
- Oshkosh: Child Care and Recreation Center
- Parkside: Student Center
- Stout: Recreation Center Complex

Average Increase of $40 [2.9%]

- Mental Health; and University Centers
- Sports Programming & Facilities; Transit; Student Life; and University Centers
- Sports Programming & Facilities; Organized Activities; Health and Counseling; University Centers; Student Life; and Transit

- Oshkosh: Child Care and Recreation Center
- Parkside: Student Center
- Stout: Recreation Center Complex

Average Increase of $40 [2.9%]
FY2023 Auxiliary Rates: Room and Board

Room and Board constitutes about half of the cost of attendance, or $8,371 on average for a resident undergraduate living on campus.

Room and Board rates will increase, on average, by $231 per year, or by 2.8%.

- Increased costs of utilities, debt service, food supply, and compensation are attributed for 89% of the rate increases for next academic year.
FY23 Auxiliaries: Room and Board Increases by Category

- Increased food contracts and food costs at all 13 campuses

- Increased costs for utilities, custodial, and laundry contracts

- Debt Service, including Towers and Suites at Eau Claire and South Hall at Stout

- Major Projects 8%
- Student Safety 9%
- Student Initiated 2%
- Pay Plan and Fringes 10%
- Market Salary Adjustments 8%

Average Increase of $231 [2.8%]
### Average Cost for the Academic Year for Majority of Students Living on a 4 Year Campus

<table>
<thead>
<tr>
<th>UW Campus</th>
<th>Tuition</th>
<th>Segregated Fees</th>
<th>Room</th>
<th>Meal Plan</th>
<th>Total Cost of Attendance</th>
<th>Total % Increase over AY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madison</td>
<td>$9,273</td>
<td>$1,523</td>
<td>$7,167</td>
<td>$4,050</td>
<td>$22,013</td>
<td>1.6%</td>
</tr>
<tr>
<td>Milwaukee</td>
<td>$8,091</td>
<td>$1,529</td>
<td>$6,274</td>
<td>$4,274</td>
<td>$20,168</td>
<td>0.5%</td>
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<tr>
<td>Eau Claire</td>
<td>$7,361</td>
<td>$1,413</td>
<td>$5,325</td>
<td>$3,460</td>
<td>$17,559</td>
<td>2.8%</td>
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<tr>
<td>Green Bay</td>
<td>$6,298</td>
<td>$1,575</td>
<td>$4,748</td>
<td>$2,950</td>
<td>$15,571</td>
<td>1.8%</td>
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<tr>
<td>La Crosse</td>
<td>$7,585</td>
<td>$1,473</td>
<td>$4,233</td>
<td>$2,796</td>
<td>$16,087</td>
<td>1.7%</td>
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<tr>
<td>Oshkosh</td>
<td>$6,422</td>
<td>$1,373</td>
<td>$5,209</td>
<td>$3,460</td>
<td>$16,464</td>
<td>1.8%</td>
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<tr>
<td>Parkside</td>
<td>$6,298</td>
<td>$1,168</td>
<td>$4,905</td>
<td>$2,900</td>
<td>$15,271</td>
<td>0.6%</td>
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<tr>
<td>Platteville</td>
<td>$6,418</td>
<td>$1,224</td>
<td>$5,587</td>
<td>$3,220</td>
<td>$16,449</td>
<td>0.6%</td>
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<tr>
<td>River Falls</td>
<td>$6,428</td>
<td>$1,528</td>
<td>$4,584</td>
<td>$2,650</td>
<td>$15,190</td>
<td>1.7%</td>
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<tr>
<td>Stevens Point</td>
<td>$6,698</td>
<td>$1,533</td>
<td>$4,750</td>
<td>$3,500</td>
<td>$16,481</td>
<td>3.0%</td>
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<tr>
<td>Stout</td>
<td>$7,020</td>
<td>$1,474</td>
<td>$4,830</td>
<td>$3,218</td>
<td>$16,542</td>
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<tr>
<td>Superior</td>
<td>$6,535</td>
<td>$1,632</td>
<td>$4,477</td>
<td>$2,940</td>
<td>$15,584</td>
<td>1.5%</td>
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<tr>
<td>Whitewater</td>
<td>$6,519</td>
<td>$1,149</td>
<td>$4,517</td>
<td>$2,792</td>
<td>$14,977</td>
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<tr>
<td><strong>Average</strong></td>
<td>$6,996</td>
<td>$1,430</td>
<td>$5,124</td>
<td>$3,247</td>
<td>$16,797</td>
<td>1.7%</td>
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</table>
Summary Budget Detail by UW Institution

- **Strategic Initiatives, Key Budget Drivers, Enrollments, Philanthropy, Revenue/Expense, & Auxiliary Information**

**UW-La Crosse Mission Statement**

The University of Wisconsin-La Crosse provides a challenging, dynamic, and diverse learning environment in which the entire university community is fully engaged in supporting student success. Acknowledging and respecting the unique contributions of all, UW-L is a regional academic and cultural center that prepares students to take their place in a constantly changing world community.

**Key Drivers in the FY22/23 Annual Budget:**

- In FY23, revenues are expected to increase by 1.5% or $1.3 million from the prior year. Key drivers in the FY22/23 Annual Budget:
  - **Strategic Initiatives, Key Budget Drivers, Enrollments, Philanthropy, Revenue/Expense, & Auxiliary Information**

**Strategic Budget Actions in the FY22/23 Annual Budget:**

- Scholarship & Undergraduate Studies: UW-La Crosse is prioritizing $300k in base budget funds to promote undergraduate studies and the hiring of 1.5 FTEs to support student success.
- **Philanthropy:**
  - Scholarships
  - Tuition
  - Auxiliary Services

**Total Fall Enrollments, 2017-18 to 2021-22**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Fall Enrollments</th>
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</thead>
<tbody>
<tr>
<td>2017-18</td>
<td>6,349</td>
</tr>
<tr>
<td>2018-19</td>
<td>6,350</td>
</tr>
<tr>
<td>2019-20</td>
<td>6,350</td>
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<tr>
<td>2020-21</td>
<td>6,344</td>
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<tr>
<td>2021-22</td>
<td>6,343</td>
</tr>
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**FY22 to FY23 Budget Summary**

<table>
<thead>
<tr>
<th>Category</th>
<th>FY22</th>
<th>FY23</th>
<th>Difference</th>
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</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$56,825,674</td>
<td>$58,991,232</td>
<td>$2,165,558</td>
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<tr>
<td>Expenses</td>
<td>$51,890,421</td>
<td>$56,811,404</td>
<td>$4,920,983</td>
</tr>
<tr>
<td>Surplus</td>
<td>$4,935,253</td>
<td>$2,180,828</td>
<td></td>
</tr>
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</table>

**Expenses and projected change from prior year (FY22 to FY23)**

- **Revenue:**
  - Tuition & Fees
  - Student Services
  - Auxiliary Services

- **Expenses:**
  - Personnel
  - Tuition & Fees
  - Student Services
  - Auxiliary Services
Themes from Campus Budget Narratives

- Inflationary pressure affecting overall costs of good and services, utilities, and capital projects
- Challenging employment market making it difficult to both attract and retain talent
- Financial obligations from Pay Plan increases and compensation adjustments
- Deferred maintenance needs constrain campus resources
Themes from Campus Budget Narratives

- Anticipated **rebound to pre-COVID revenues** in auxiliary and general program operations
- While several campuses are reporting enrollment declines in traditional undergraduate enrollment, **growth in graduate and self-supporting programs** is helping to augment overall tuition revenue
- **Strategic planning to support key initiatives** in Equity, Diversity, and Inclusion (EDI), student success, retention, enrollment management, and new programs is prevalent throughout
Looking Ahead

- UWSA and the UW campuses are **closely tracking inflation** and the effect on both operations and capital planning
- Establishing **an accelerated timeline for auxiliary and tuition rate setting** for Fall of 2023
- President Rothman has **initiated a strategic planning effort** that will inform UW System priorities moving forward
- BOR initiating efforts to review considerations on how **state support (GPR) should be allocated**
- **Biennial Budget Request** to be presented to the Board of Regents for approval at the August meeting
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, Sara Voigts, Lindsay Holguin
QUESTIONS?