Fiscal Year 2018-19
Annual Operating Budget

Board of Regents Meeting      June 8, 2018
Sean P. Nelson, Vice President for Finance
2018-19 Annual Budget Highlights

- State funding **increased** by 5.6% [$59.7M]
- Resident undergraduate tuition **frozen** for sixth consecutive year
- Segregated fee increases **limited**
- Program revenue balances projected to further **decline**
Total 2018-19 UW System Budget

Revenues: $6.250 billion

Expenditures: ($6.349 billion)

Planned Use of Program Revenue Balances: ($98.9 million)
Expenditures

Estimated FY18/19 Expenditures: $6.35 billion

- General Purpose Revenue (GPR): 18%
- Tuition: 24%
- Auxiliary: 12%
- Federal Financial Aid/Other: 18%
- Gifts, Grants, Contracts: 20%
- Federal Indirect Reimbursement: 3%
- General Program Operations: 5%
State GPR Budget Increases

A Net Increase in State GPR of $59.6 million in 2018-19, or 5.6%, including:

- $42.6 million for salary Pay Plan
  - 2% on July 1, 2018 and 2% on January 1, 2019

- $26.25 million for Performance-based Funding
  - Funding to be allocated to the campuses from the UW System in the Fall of 2018
Additional Fund Sources

Projected Expenditure Increases:
- General Program Operations: 3.8% [$11.2M]
- Federal Indirect Cost Reimbursement: 6.6% [$10M]
- Gifts, Grants, Contracts: 6% [$72.8M]

Projected Expenditure Decrease:
- Federal Financial Aid/Other: - 3.8% ($45.9M)
2018-19 Tuition

6th consecutive year of resident undergraduate tuition freeze

Net Tuition Revenue increase of $34.7 million attributable to professional school increases and non-resident tuition at UW-Madison
2018-19 Auxiliaries

TOTAL segregated fees will increase at 4-year institutions by an average of $33 per year, or by 2.6%

Room and board rates will increase at 4-year institutions by an average of $118 per year, or by 1.6%
2018-19 Auxiliaries: Segregated Fee Increases

- Debt/Facilities: 55%
- Mandated Compensation: 26%
- Contractual Agreements: 8%
- Student Initiated: 11%

Average Increase of $33 [2.6%]
2018-19 Auxiliaries: Room and Board Increases

- Debt/Facilities: 63%
- Contractual: 19%
- Mandated Compensation: 16%
- Student Initiated: 2%

Average Increase of $118 [1.6%]
## Average Cost for Resident Freshman*

<table>
<thead>
<tr>
<th>Campus</th>
<th>Tuition</th>
<th>Seg Fee</th>
<th>Room Rate</th>
<th>Meal Plan</th>
<th>FY19 Total</th>
<th>Percent Increase over FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Madison</td>
<td>$ 9,273</td>
<td>$ 1,282</td>
<td>$ 6,821</td>
<td>$ 3,150</td>
<td>$ 20,526</td>
<td>1.3%</td>
</tr>
<tr>
<td>Milwaukee</td>
<td>$ 8,091</td>
<td>$ 1,497</td>
<td>$ 6,150</td>
<td>$ 4,028</td>
<td>$ 19,766</td>
<td>0.4%</td>
</tr>
<tr>
<td>Eau Claire</td>
<td>$ 7,361</td>
<td>$ 1,309</td>
<td>$ 5,290</td>
<td>$ 2,899</td>
<td>$ 16,859</td>
<td>1.9%</td>
</tr>
<tr>
<td>Green Bay</td>
<td>$ 6,298</td>
<td>$ 1,580</td>
<td>$ 4,375</td>
<td>$ 2,234</td>
<td>$ 14,487</td>
<td>0.0%</td>
</tr>
<tr>
<td>La Crosse</td>
<td>$ 7,585</td>
<td>$ 1,348</td>
<td>$ 4,298</td>
<td>$ 2,043</td>
<td>$ 15,274</td>
<td>0.9%</td>
</tr>
<tr>
<td>Oshkosh</td>
<td>$ 6,422</td>
<td>$ 1,199</td>
<td>$ 5,158</td>
<td>$ 2,846</td>
<td>$ 15,625</td>
<td>1.3%</td>
</tr>
<tr>
<td>Parkside</td>
<td>$ 6,298</td>
<td>$ 1,090</td>
<td>$ 4,764</td>
<td>$ 2,062</td>
<td>$ 14,214</td>
<td>0.4%</td>
</tr>
<tr>
<td>Platteville</td>
<td>$ 6,418</td>
<td>$ 1,153</td>
<td>$ 4,609</td>
<td>$ 2,971</td>
<td>$ 15,151</td>
<td>1.3%</td>
</tr>
<tr>
<td>River Falls</td>
<td>$ 6,428</td>
<td>$ 1,434</td>
<td>$ 4,286</td>
<td>$ 2,227</td>
<td>$ 14,375</td>
<td>0.1%</td>
</tr>
<tr>
<td>Stevens Point</td>
<td>$ 6,698</td>
<td>$ 1,390</td>
<td>$ 4,651</td>
<td>$ 2,944</td>
<td>$ 15,683</td>
<td>0.8%</td>
</tr>
<tr>
<td>Stout</td>
<td>$ 7,020</td>
<td>$ 1,147</td>
<td>$ 4,427</td>
<td>$ 2,595</td>
<td>$ 15,189</td>
<td>1.4%</td>
</tr>
<tr>
<td>Superior</td>
<td>$ 6,535</td>
<td>$ 1,591</td>
<td>$ 4,164</td>
<td>$ 2,842</td>
<td>$ 15,132</td>
<td>0.6%</td>
</tr>
<tr>
<td>Whitewater</td>
<td>$ 6,519</td>
<td>$ 1,008</td>
<td>$ 4,520</td>
<td>$ 2,081</td>
<td>$ 14,128</td>
<td>2.1%</td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>$6,996</strong></td>
<td><strong>$1,310</strong></td>
<td><strong>$4,886</strong></td>
<td><strong>$2,686</strong></td>
<td><strong>$15,878</strong></td>
<td><strong>1.0%</strong></td>
</tr>
</tbody>
</table>

*Excludes books, transportation, and miscellaneous costs.
Tuition balances are estimated to decrease by $330.1 million, or approximately 60%, between 2012-13 and 2018-19.

Auxiliary balances are expected to decrease by $29.9 million, or approximately 11%, from 2017-18 to 2018-19.
GPR/Tuition Balances

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Millions of Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>551.5</td>
</tr>
<tr>
<td>FY 2014</td>
<td>395.4</td>
</tr>
<tr>
<td>FY 2015</td>
<td>337.4</td>
</tr>
<tr>
<td>FY 2016</td>
<td>295.6</td>
</tr>
<tr>
<td>FY 2017</td>
<td>277.2</td>
</tr>
<tr>
<td>Est. FY 2018</td>
<td>267.2</td>
</tr>
<tr>
<td>Est. FY 2019</td>
<td>221.4</td>
</tr>
</tbody>
</table>

Tuition Frozen

Estimate FY18 – FY19 Biennium

12% Reporting Threshold
Auxiliary Balances

45% of balances committed for capital projects in FY19
Restructuring: FY19 Pro Forma Budgets

- The 7 receiving institutions developed Pro Forma budgets based on the UW Colleges FY19 budget submission
  - Each receiving institution was provided with a crosswalk with estimated funding distributions
  - Pro Forma budgets are included in Appendix A as an informational supplement

- Higher Learning Commission decision on June 28th
Other FY19 Budget Notes

- Full **budget reallocation** of UW Colleges and UW-Extension will occur during 2018-19
- Realignment of current UW System resources to support **Information Security** efforts
- New **budget and planning system** implementation ("Plan UW") is underway and will be phased in over the next several years