2019-21
Biennial Budget Request

Board of Regents Meeting August 23, 2018
Sean P. Nelson, Vice President for Finance
Biennial Budget Recommendation Timeline

- June
  - Financial Aid
  - Yes Wisconsin Grant

- August
  - Operating Budget:
    - Yes Outcomes-based Funding
    - Yes Capacity-building Initiatives
  - Tuition
  - Authorities and Accountabilities
  - Standard Budget Adjustments
  - Performance Measures and Statutory Reporting
  - Capital

- December
  - Compensation
Financial Aid

- At June meeting, BOR approved a funding request to increase the **Wisconsin Grant** to the FY10 average award level
  - A total biennial increase of $6.5 million
- BOR Request Approved by Higher Education Aids Board (HEAB) on July 29, 2018
Employee Compensation

- 2% + 2% Current Pay Plan for FY19
- Study underway to benchmark faculty and staff salaries against peers

- **Initial Recommendation is for a minimum of CPI + CPI (≈ 2.5% + 2.5%) in the next biennium**
  - Final Recommendation to the BOR at the December meeting
How Employee Compensation is Funded

Funding Scenario: CPI + CPI Increase over Biennium

Tuition 30%

General Purpose Revenue (GPR) 70%

$72.9M

$30.1M

$103M
Tuition

- **Not recommending an increase** in resident tuition at this time
- Wisconsin Statutes **grant Board of Regents the authority set tuition and fees**
- Tuition Freeze has been **legislatively-mandated since 2013-15** through provisions in biennial budget bills
- An increase tied to the Consumer Price Index (CPI) would **generate $40M in revenue** over next Biennium
Tuition Balances

Millions of Dollars

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<tr>
<td>551.5</td>
<td>395.4</td>
<td>337.4</td>
<td>295.6</td>
<td>277.2</td>
<td>300.8</td>
<td>254.4</td>
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**Tuition Frozen**

*Estimate FY18 – FY19 Biennium*
BIENNIAL BUDGET RECOMMENDATIONS:
1) Outcomes-based Funding
2) Capacity-building Initiatives
Outcomes-based Funding

- **2017-19 Biennial Budget created outcomes-based funding, establishing the following four goals:**
  1. Growing and ensuring student access
  2. Improving and excelling at student progress and completion
  3. Expanding contributions to the workforce
  4. Enhancing operational efficiency and effectiveness

- **UWSA convened working group to develop model**
  - Four metrics developed to support each legislative goal
  - BOR approved in December 2017; JFC approved in April 2018

- **Future Biennial Budget **Performance Measures** will be based on Outcomes-based goals**
Requested Investment for **Outcomes-based Funding**

General Purpose Revenue (GPR)

<table>
<thead>
<tr>
<th>Year</th>
<th>2019-20</th>
<th>2020-21</th>
<th>Biennium Total</th>
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<tbody>
<tr>
<td></td>
<td>$27,500,000</td>
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<td>$82,500,000</td>
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Capacity-building Initiatives

- Requested Initiatives from all UW Campuses that are in Alignment with UW System and/or Key State Priorities

**UWSA Priorities:**
- Transfer
- Internships
- Improve Graduation Rates
- Retention
- Affordability

**State Priorities:**
- Workforce Development
- Retain/Attract Talent
- Entrepreneurship and Innovation
- Affordability

Campus Initiatives Align with UWSA and State Priorities
Capacity-building Initiatives (cont’d)

Two key focus areas from the initiatives emerged:

Student Success

- Enhancing Student Advising
- Supporting student services for transfers, adults, and veterans
- Focusing on internships and student employment
- Adding undergraduate research opportunities

Workforce Need

- Increasing capacity and graduates in healthcare professions
- Improving access to Science, Technology, Engineering, and Math (STEM) programs
- Pioneering new programming to meet emerging state needs
Requested Investment for **Capacity-building Initiatives**

**General Purpose Revenue (GPR)**

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<th>2019-20</th>
<th>2020-21</th>
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<td>$25,000,000</td>
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<tr>
<td><strong>Biennium Total</strong></td>
<td>$25,000,000</td>
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Biennial Operating Budget Investment Summary

- **Outcomes-based Funding**: $82.5M total for biennium
- **Capacity-building Initiatives**: $25M for second year of biennium

Requested Operating Budget Investment for the FY19-21 Biennium: $107.5M
Recommended GPR Budget Investment

General Purpose Revenue (GPR) in Millions

<table>
<thead>
<tr>
<th></th>
<th>2018-19 Budget</th>
<th>2019-20 Budget</th>
<th>2020-21 Budget</th>
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<tbody>
<tr>
<td>General Purpose Revenue (GPR) in Millions</td>
<td>1110</td>
<td>1130</td>
<td>1150</td>
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<td>2018-19 Budget</td>
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<td>2.4%</td>
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<td>2019-20 Budget</td>
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<td>4.7%</td>
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<td>2020-21 Budget</td>
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Authorities and Accountabilities

- The Biennial Budget request proposes several legislative changes, most notably:
  - Program Revenue Project Management
Other Required Budget Detail

- State statutes include additional requirements for state agencies, including submission of:
  - A flat budget request
  - A 5% reduction plan
  - Base budget review

- **Standard Budget Adjustments** ("Cost-to-Continue")

- Biennial budget resolution seeks authority for the President to approve and submit the above items
QUESTIONS?
Acknowledgements

Chancellors, Campus Leadership

UWSA Budget Team: Aimee Arnold, Gary Buehler, Julie Gordon, Jennifer Goytowski, Chrissy Klappa, Mickie Krall, Renee Stephenson