



UNIVERSITY OF WISCONSIN SYSTEM

2019-21 Biennial Budget Request

Board of Regents Meeting August 23, 2018

Sean P. Nelson, Vice President for Finance

Biennial Budget Recommendation Timeline

June

BOR Meeting

- Financial Aid
- ✓ Wisconsin Grant

August

BOR Meeting

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

December

BOR Meeting

- 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

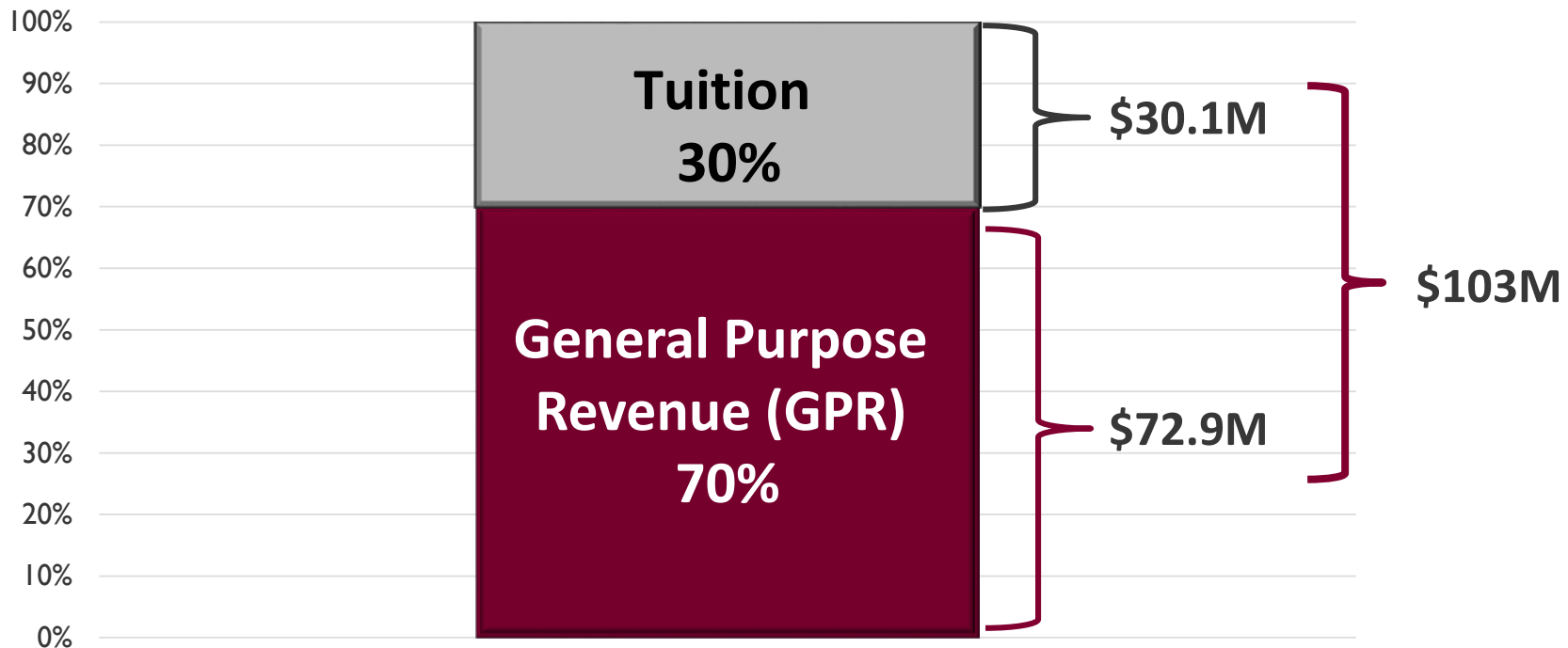


Employee Compensation

- 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 ($\approx 2.5\% + 2.5\%$) 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

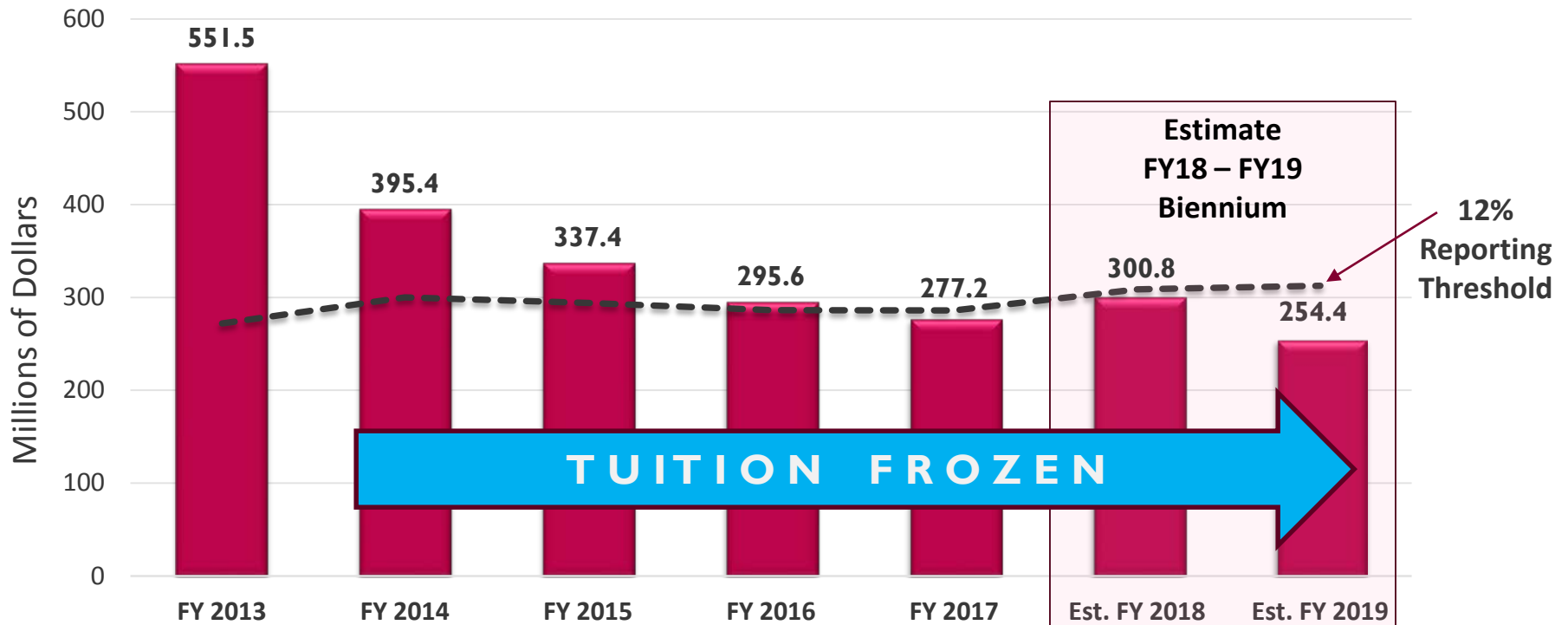




Tuition

- **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





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BIENNIAL BUDGET RECOMMENDATIONS:

- 1) Outcomes-based Funding**
- 2) Capacity-building Initiatives**



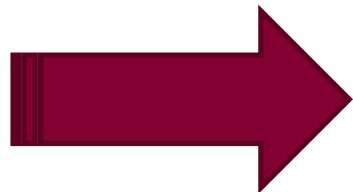
Outcomes-based Funding

- **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)

2019-20	\$27,500,000	\$27,500,000
2020-21	-	\$27,500,000
	\$27,500,000	\$55,000,000



Biennium Total
\$82,500,000



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

**Campus Initiatives
Align with UWSA and
State Priorities**

State Priorities:

- Workforce Development
- Retain/Attract Talent
- Entrepreneurship and Innovation
- Affordability

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

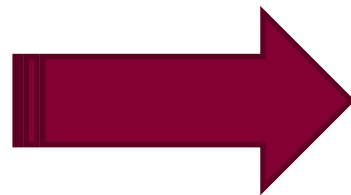
Workforce Need

- ✓ 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)

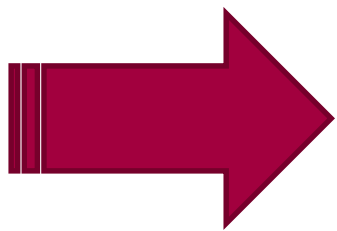
2019-20	-	-
2020-21	-	<u>\$25,000,000</u>
	-	\$25,000,000



Biennium Total
\$25,000,000

Biennial Operating Budget Investment Summary

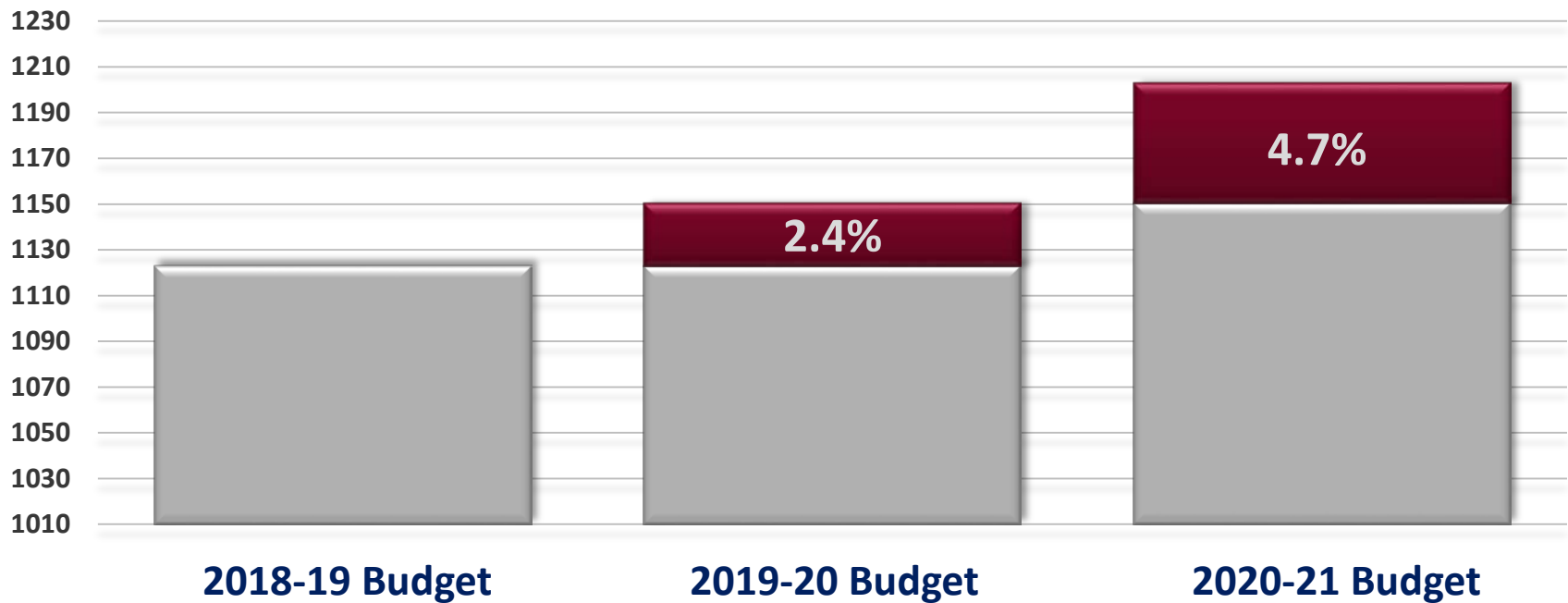
- **Outcomes-based Funding:** \$82.5M total for biennium
- **Capacity-building Initiatives:** \$25M for second year of biennium



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

Recommended GPR Budget Investment

General Purpose Revenue (GPR) in Millions



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



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QUESTIONS?

Acknowledgements

Chancellors, Campus Leadership

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