



UNIVERSITY OF WISCONSIN SYSTEM

Fiscal Year 2017-18 Annual Operating Budget

Board of Regents Meeting - July 6, 2017

Sean Nelson, Vice President for Finance

2017-18 Annual Budget Highlights

- State funding increased by 3.7%
- Resident undergraduate tuition frozen for fifth consecutive year
- Limited segregated fee increases
- Program revenue balances projected to further decline

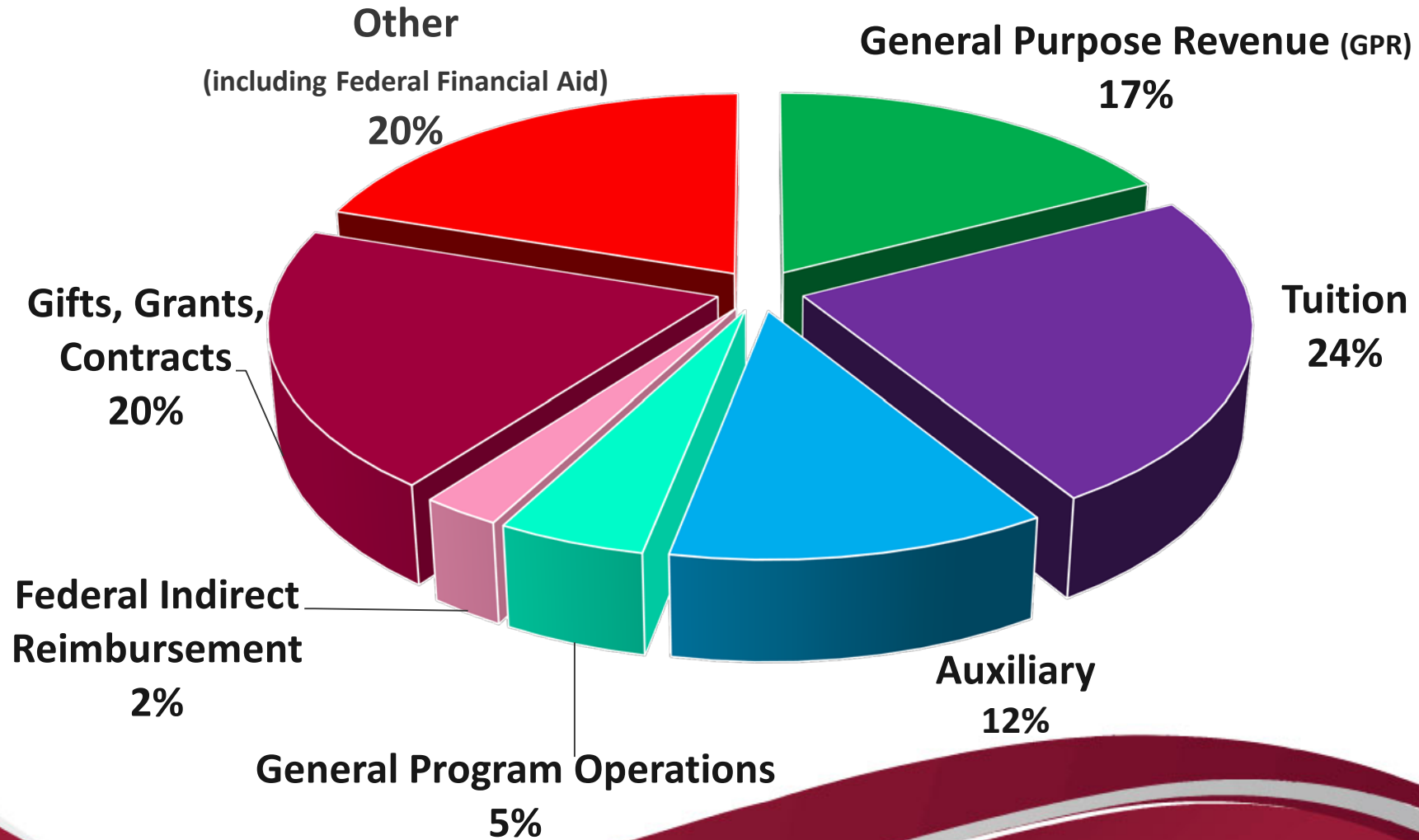
Total 2017-18 UW System Budget

Revenues: \$6.108 billion

Expenditures: (\$6.221 billion)

Planned Use of Program Revenue Balances:
(\$113.20 million)

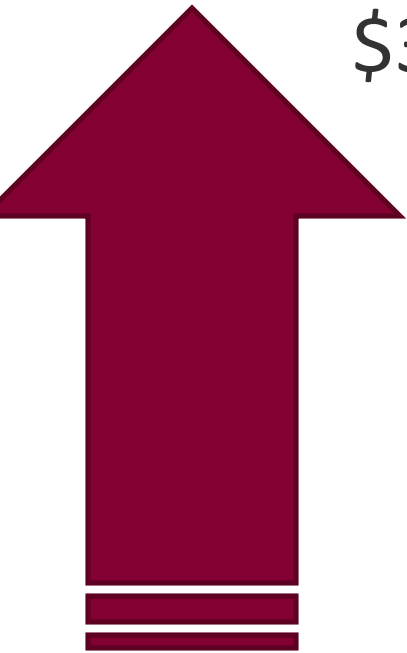
Revenue Sources



State GPR Budget Increases

UW System's State GPR budget increases by \$37.8 million (3.7%) in 2017-18

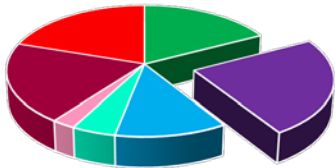
- \$25 million lapse returned from the State
- Additional \$12.8 million:
 - \$5.2 million debt service – restricted and cannot be used for other purposes
 - \$5 million innovation fund to increase enrollment in high demand fields
 - Other initiatives such as Carbone Cancer Center, Alzheimer's research, Flex Option financial aid, etc.



2017-18 Tuition

Resident undergraduate tuition frozen
for fifth year

Non-resident, international and graduate tuition
increases approved by Board in December 2016
= \$24.2 million anticipated new revenue



GPR/Tuition

	In Millions	
Estimated 2017-18 Beginning Balance		\$274.15
<i>Operational GPR</i>	\$ 840.6	
<i>GPR Debt Service</i>	<u>\$ 220.9</u>	
Sub-total GPR:	\$1,061.5	
<i>Tuition Revenue</i>	<u>\$1,453.7</u>	
Total GPR/Tuition:	\$2,516.2	
Planned Expenditures:	<u>(\$2,571.6)</u>	
Planned Use of Tuition Balances		<u>(\$ 56.34)</u>
Estimated 2017-18 Ending Balance		\$217.81

2017-18 Auxiliaries

Allocable segregated fees frozen as intended by
Joint Committee on Finance
(except for rates returning to 2015-16 levels)

TOTAL allocable and non-allocable segregated
fees increases at 4-year institutions
average \$32 per year (2.6%)

Room and board increases at 4-year institutions
average \$187 per year (2.6%)

Auxiliary Operations

	In Millions	
Estimated Beginning Balance		\$275.46
<i>Revenue</i>	\$ 728.80	
<i>Planned Expenditures</i>	<u>(\$777.18)</u>	
Planned Use of Balances		<u>(\$48.38)</u>
Estimated Ending Balance		\$227.08
<i>Est. Funding for Facilities</i>		(\$ 97.00)
Adjusted Est. Ending Balance		\$130.08

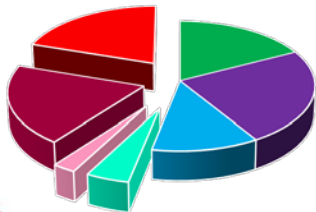


Additional Budget Background

General Program Operation expenditures are projected to increase by 1.8%

Federal Indirect Cost Reimbursement and Gifts, Grants and Contracts have virtually no change in 2017-18

Other funds are decreasing by \$49.8 million due to expected federal financial aid reductions

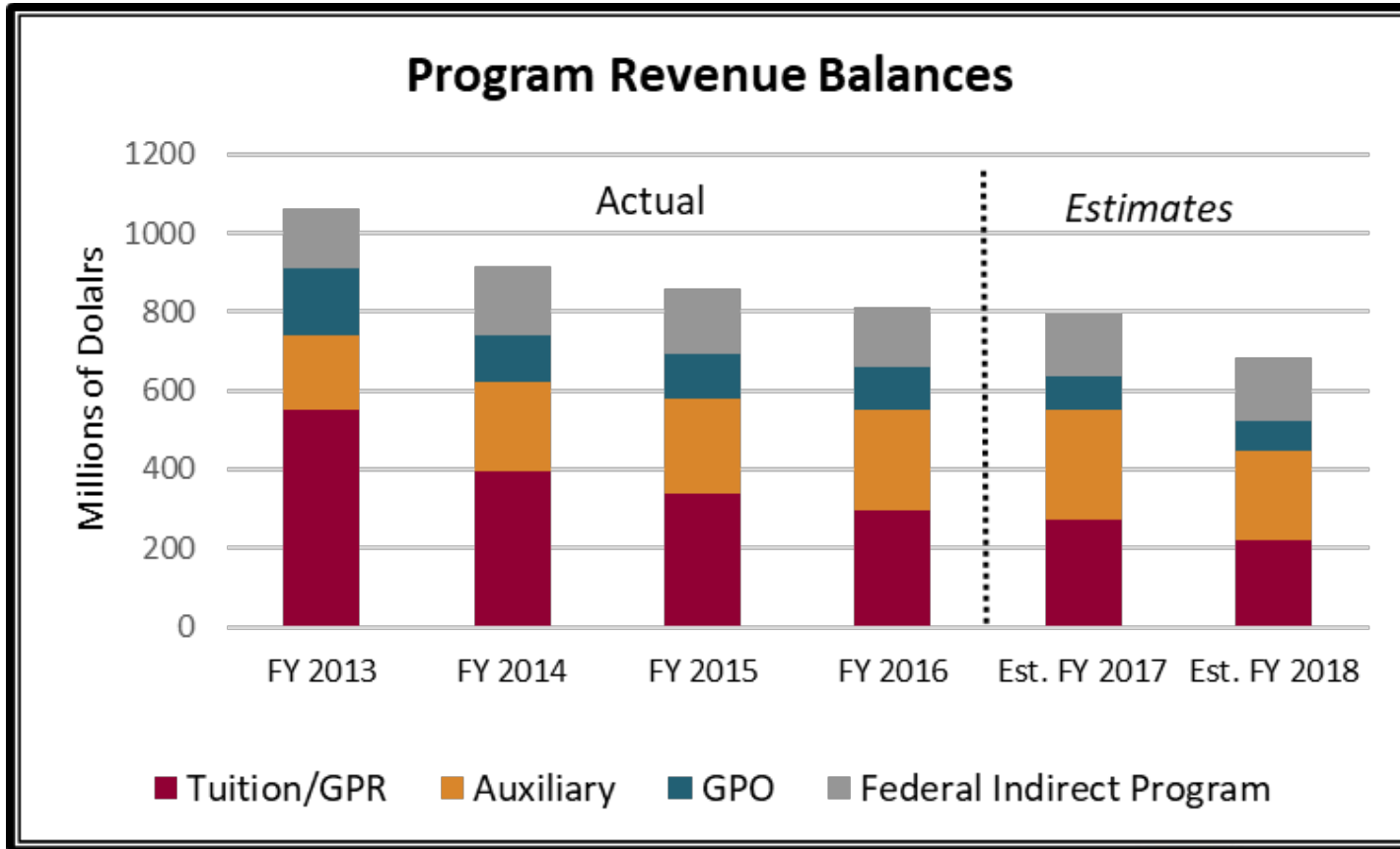


Program Revenue Balances

Tuition balances are estimated to decrease by \$277.3 million between 2012-13 and 2016-17.
That equals a 50.3% decline.

Auxiliary balances expected to increase:
42.7% due to delayed capital projects
Segregated fees can only be used as intended

Program Revenue Balances



Wisconsin Grant

- Joint Committee on Finance approved \$5.7 million increase in funding for UW System students
- First increase since 2010-2011
- Funding goes to Wisconsin Higher Educational Aids Board (not UW System)
- 1 in 4 resident undergraduate students receive a Wisconsin Grant
- Average Wisconsin Grant award could increase by approximately 10% from \$1,754 to \$1,925

Potential Impact of Biennial Budget on the 2018-19 Annual Budget

- \$26.25 million for outcomes-based funding
- Pay plan increase of 2% effective September 30, 2018
- Additional 2% pay plan increase effective May 26, 2019
- Other initiatives included in biennial budget are being analyzed for potential financial impact on UW System



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2009-10 to 2017-18 Total Budget Change

