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

- General Purpose Revenue (GPR) 17%
- Tuition 24%
- Gifts, Grants, Contracts 20%
- Federal Indirect Reimbursement 2%
- General Program Operations 5%
- Auxiliary 12%
- Other (including Federal Financial Aid) 20%
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

<table>
<thead>
<tr>
<th>Description</th>
<th>In Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated 2017-18 Beginning Balance</td>
<td>$274.15</td>
</tr>
<tr>
<td><strong>Operational GPR</strong></td>
<td>$ 840.6</td>
</tr>
<tr>
<td><strong>GPR Debt Service</strong></td>
<td>$ 220.9</td>
</tr>
<tr>
<td><strong>Sub-total GPR:</strong></td>
<td>$1,061.5</td>
</tr>
<tr>
<td><strong>Tuition Revenue</strong></td>
<td>$1,453.7</td>
</tr>
<tr>
<td><strong>Total GPR/Tuition:</strong></td>
<td>$2,516.2</td>
</tr>
<tr>
<td><strong>Planned Expenditures:</strong></td>
<td>($2,571.6)</td>
</tr>
<tr>
<td>Planned Use of Tuition Balances</td>
<td>($ 56.34)</td>
</tr>
<tr>
<td>Estimated 2017-18 Ending Balance</td>
<td>$217.81</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Description</th>
<th>In Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Beginning Balance</td>
<td>$275.46</td>
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<tr>
<td>Revenue</td>
<td>$ 728.80</td>
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<tr>
<td>Planned Expenditures</td>
<td>($777.18)</td>
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<tr>
<td>Planned Use of Balances</td>
<td>($48.38)</td>
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<tr>
<td>Estimated Ending Balance</td>
<td>$227.08</td>
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<tr>
<td>Est. Funding for Facilities</td>
<td>($ 97.00)</td>
</tr>
<tr>
<td>Adjusted Est. Ending Balance</td>
<td>$130.08</td>
</tr>
</tbody>
</table>
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

Program Revenue Balances

Millions of Dollars

FY 2013 | FY 2014 | FY 2015 | FY 2016 | Est. FY 2017 | Est. FY 2018

- Actual
- Estimates

Tuition/GPR | Auxiliary | GPO | Federal Indirect Program
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
2009-10 to 2017-18 Total Budget Change

Total Budget Excluding One-Time Funds

Billions

- GPR (excluding Debt Service)
- GPR Debt Service
- Tuition
- Other
- Federal Direct Student Loans

Years:
- 2009-10
- 2011-12
- 2013-14
- 2015-16
- 2016-17
- 2017-18