



UNIVERSITY OF WISCONSIN SYSTEM

Fiscal Year 2019-20 Annual Operating Budget

Board of Regents Meeting July 11, 2019

Sean P. Nelson, Vice President for Finance

2019-20 Annual Budget at a Glance

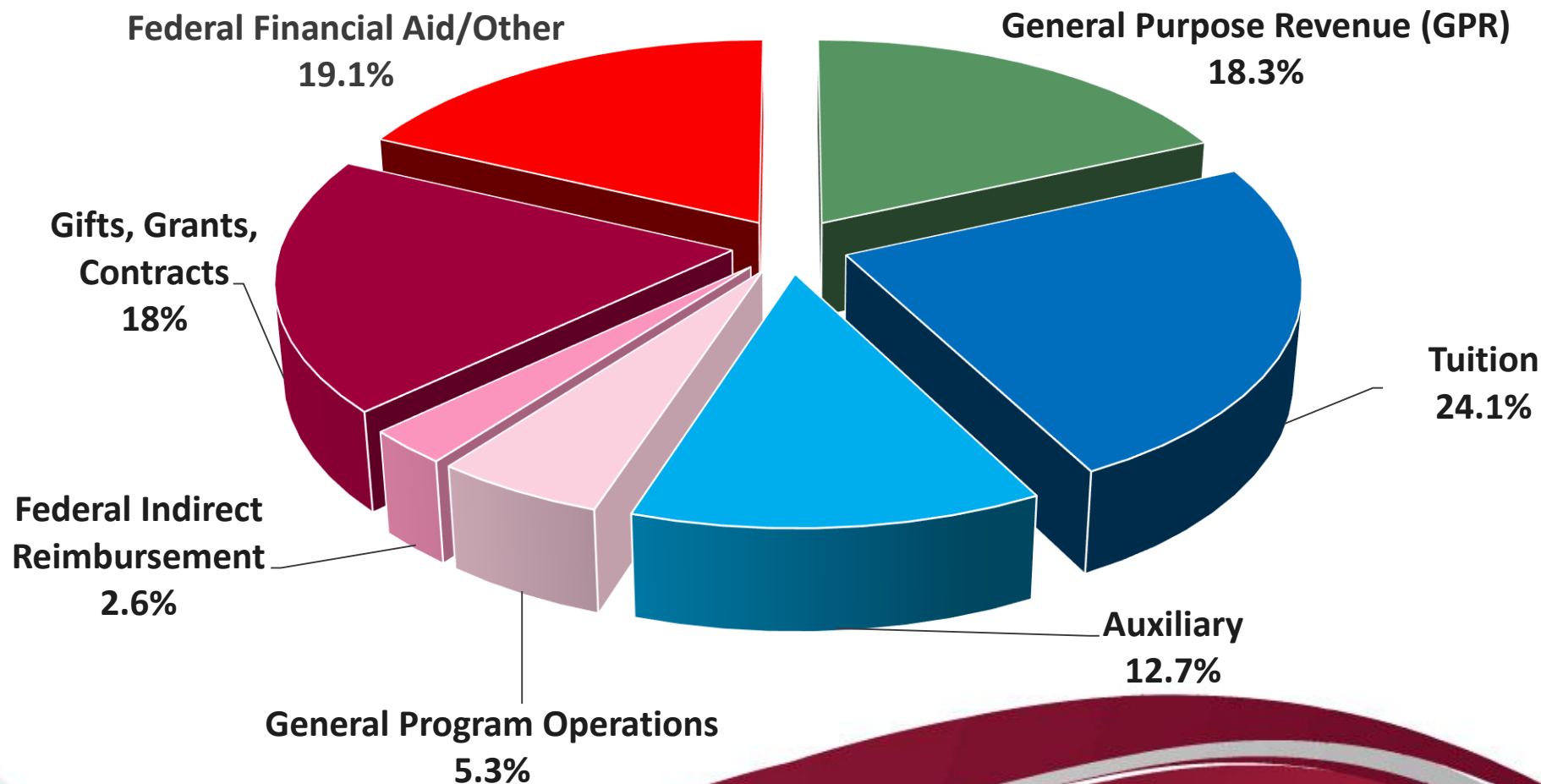
Estimated Revenues: \$6.326 billion

Estimated Expenditures: (\$6.382 billion)

- Resident undergraduate tuition **frozen** for 7th consecutive year
- Segregated Fees and Room and Board increases **limited**
- Average cost of attendance up **less than 1%**
- **Additional state investment** for Pay Plan and other campus funding priorities

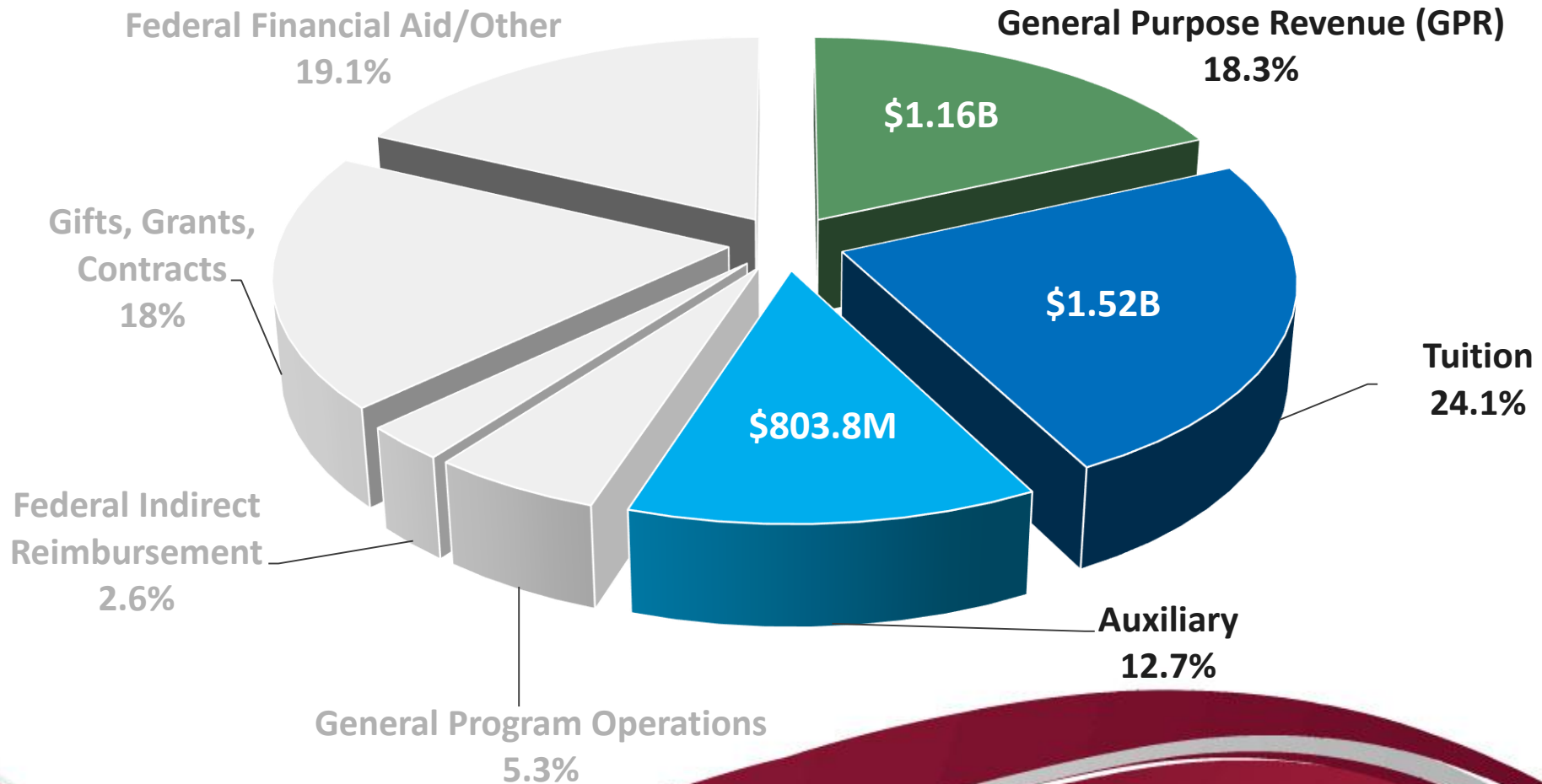
Revenue Sources

Estimated FY20 Revenue: \$6.326 billion



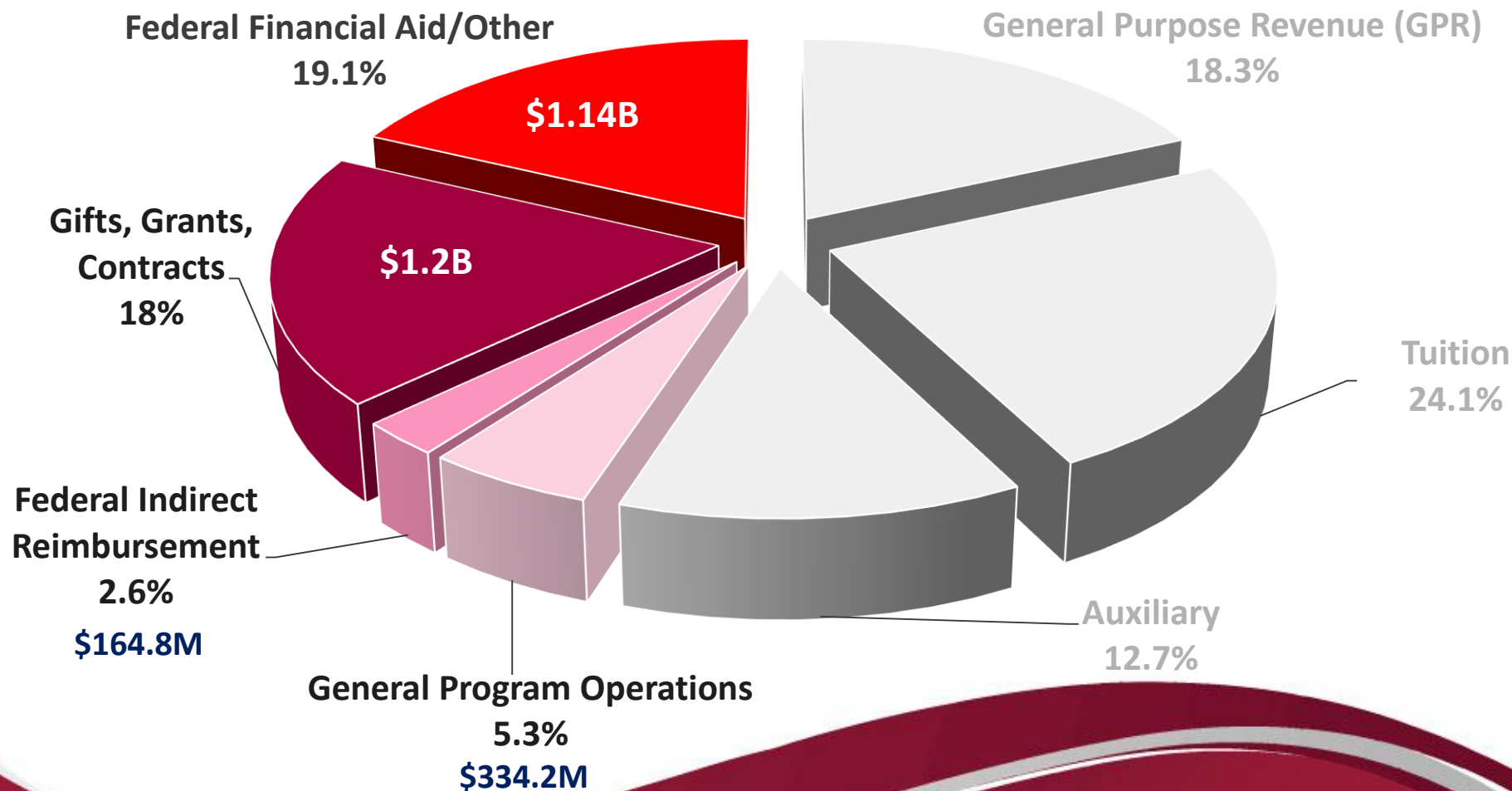
Revenue Sources

Estimated FY20 Revenue: \$6.326 billion



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Estimated FY20 Revenue: \$6.326 billion



FY20 Budgeted Expenses and Staffing Levels

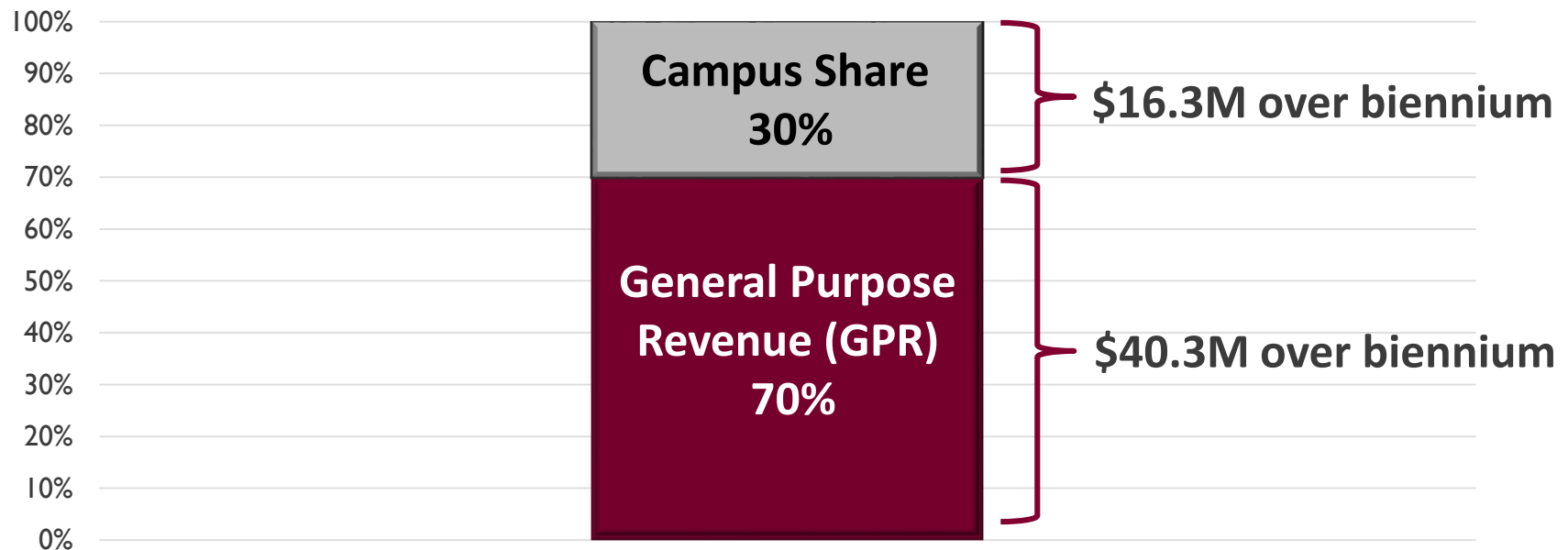
➤ Salaries and fringe are 53% of **All Funds** budget

- **76% of GPR/Tuition** is budgeted for salaries and fringe
- **Faculty** positions up 1.5%, or about 95 FTEs, to approximately 6,200 FTEs
- **Academic/University Staff** down 1%, or about 275 FTEs, to approximately 26,800 FTEs

Fund Source	FY18/19	FY19/20	Change in FTE
GPR/Tuition	20,240	20,235	-6
Auxiliaries	3,699	3,688	-11
Operations Receipts	2,054	2,174	120
Federal Indirect Cost	1,405	1,341	-64
Gifts, Grants, & Contracts	8,190	7,460	-730
Federal Financial Aid	30	32	2
Other	579	417	-162
Total FTEs:	36,197	35,346	-850

Key Funding Increase: Pay Plan

- **2% + 2% Pay Plan** over the Biennium
 - Campus share not funded in state budget



➤ *Legislative Joint Committee on Employee Relations (JCOER) will act on Compensation Plan in Summer/Fall 2019*

Key Funding Increases

- **\$22.5M in funding for the UW campuses** in FY20
 - Funding held in Joint Finance Committee's (JFC) supplemental appropriation
 - ❖ **Need JFC approval** for release of funding
 - ❖ If plan approved, **biennium funding will total \$45M**
- **UW System will develop a spending plan** for approval by Board of Regents prior to submission to JFC

Additional State Funding in Budget

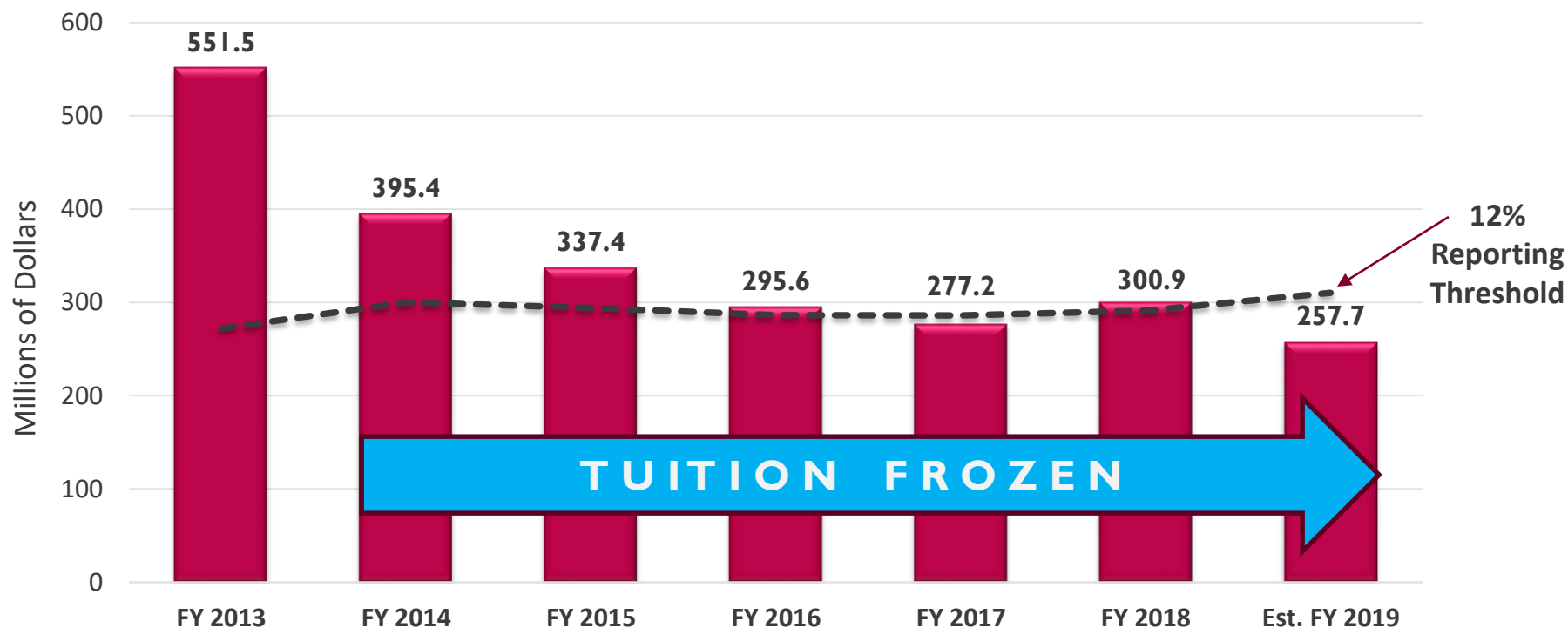
- **Dairy Innovation Hub** \$1M [\$8.8M over biennium]
 - Funding for River Falls, Platteville, Madison
 - ❖ **Need JFC approval** for release of funding
- \$3.7M for “**Cost-to-continue**” budget adjustments
 - Includes debt service, lease payments, and fringe
- **Wisconsin Grant**, the state’s **needs-based financial aid** program, level funded at \$61.9M

2019-20 Tuition

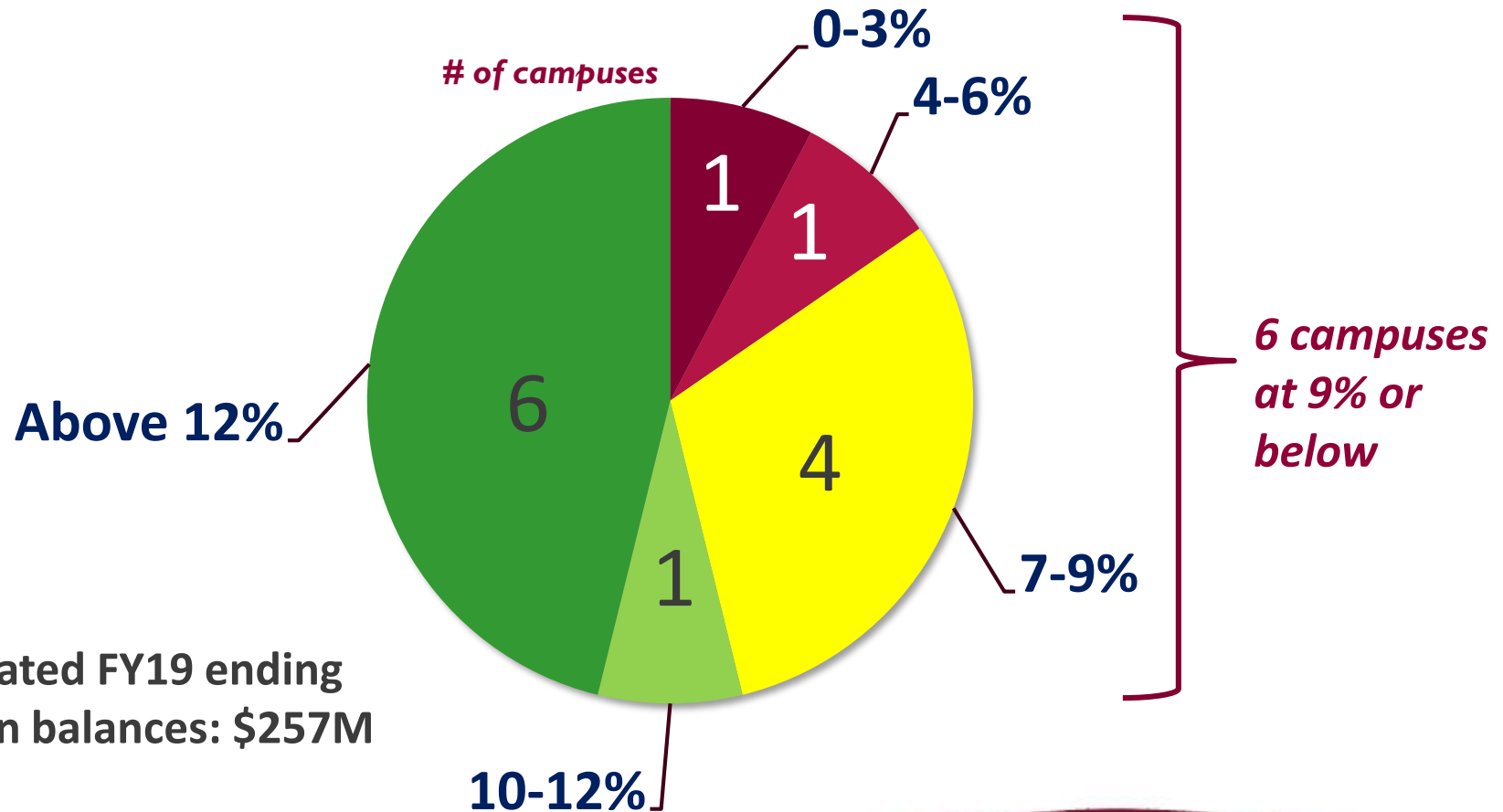
**7th consecutive year of resident
undergraduate tuition freeze**

**Net Tuition Revenue increase of \$22.8 million
attributable to *market-driven* professional
school and non-resident increases**

GPR/Tuition Balances



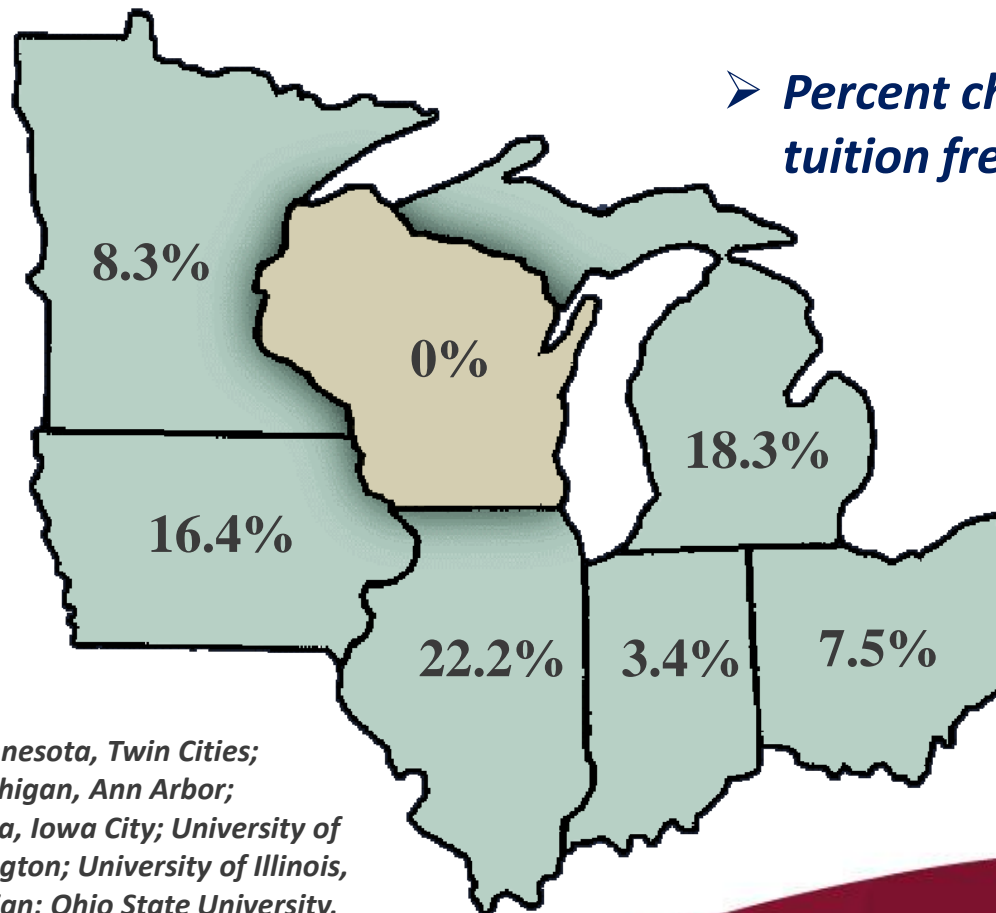
Tuition Balances as a Percent of Operating Expenses



➤ Estimated FY19 ending tuition balances: \$257M

Tuition Change: UW-Madison Relative to Peers*

➤ *Percent change since start of tuition freeze (AY13/14 – AY18/19)*



*

*University of Minnesota, Twin Cities;
University of Michigan, Ann Arbor;
University of Iowa, Iowa City; University of
Indiana, Bloomington; University of Illinois,
Urbana-Champaign; Ohio State University,
Columbus (source: IPEDS)*

2019-20 Auxiliaries

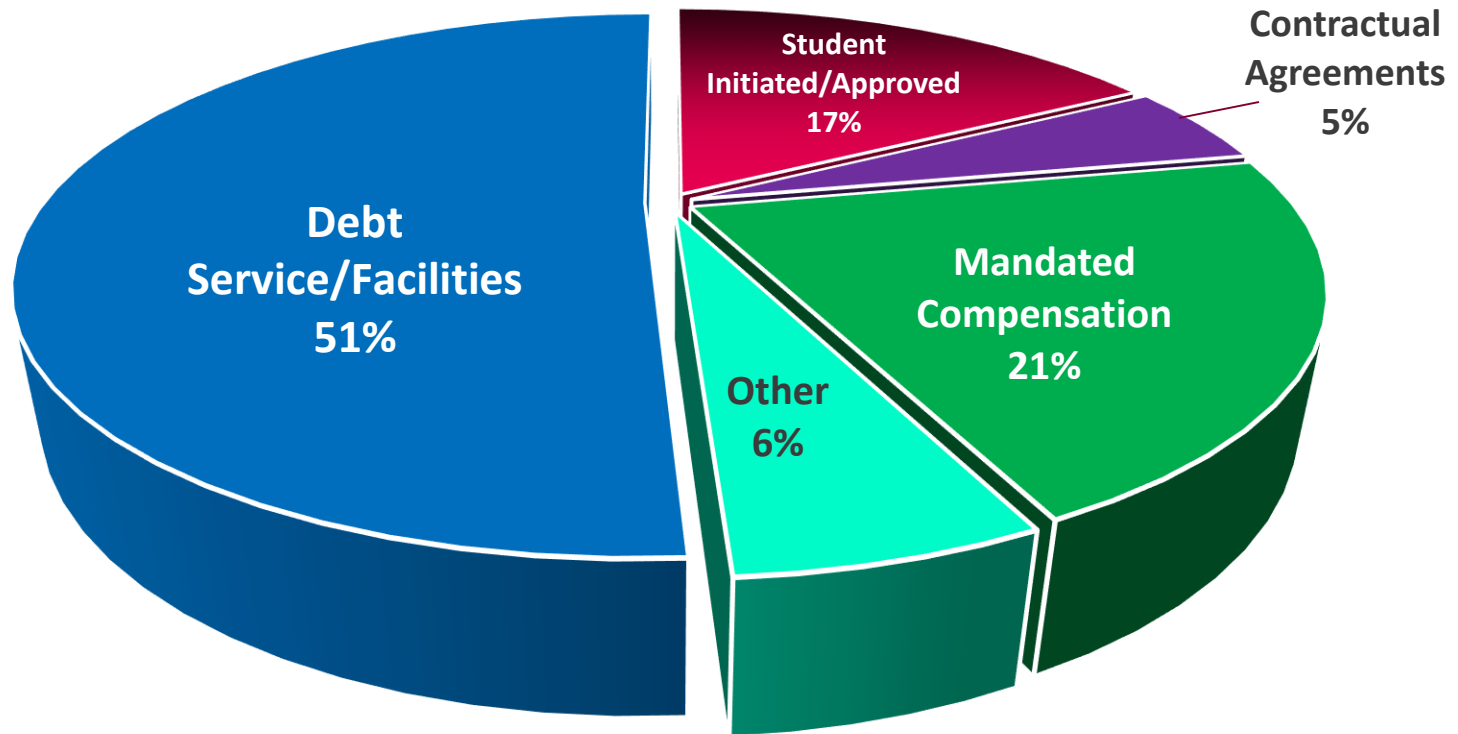
TOTAL segregated fees will increase at 4-year institutions by an average of \$36 per year, or by 2.7%

Room and board rates will increase at 4-year institutions by an average of \$105 per year, or by 1.4%

Auxiliary Rate Change Limitations

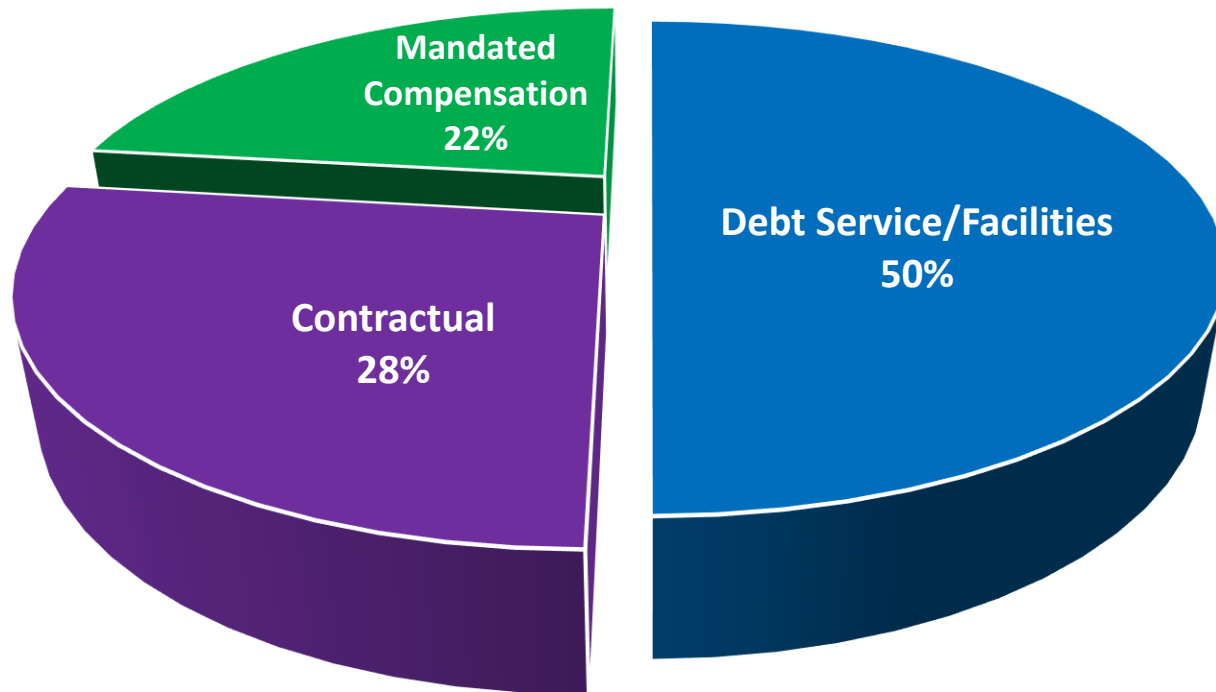
- Campuses instructed that **proposed rate changes must be limited to:**
 - ✓ Pay Plan and associated fringe benefits
 - ✓ Documented contractual increases
 - ✓ Debt service
 - ✓ Enumerated capital projects
 - ✓ Proposed student-initiated programming
 - ✓ Student safety

2019-20 Auxiliaries: Segregated Fee Increases by Category



➔ Average Increase of \$36 [2.7%]

2019-20 Auxiliaries: Room and Board Increases by Category



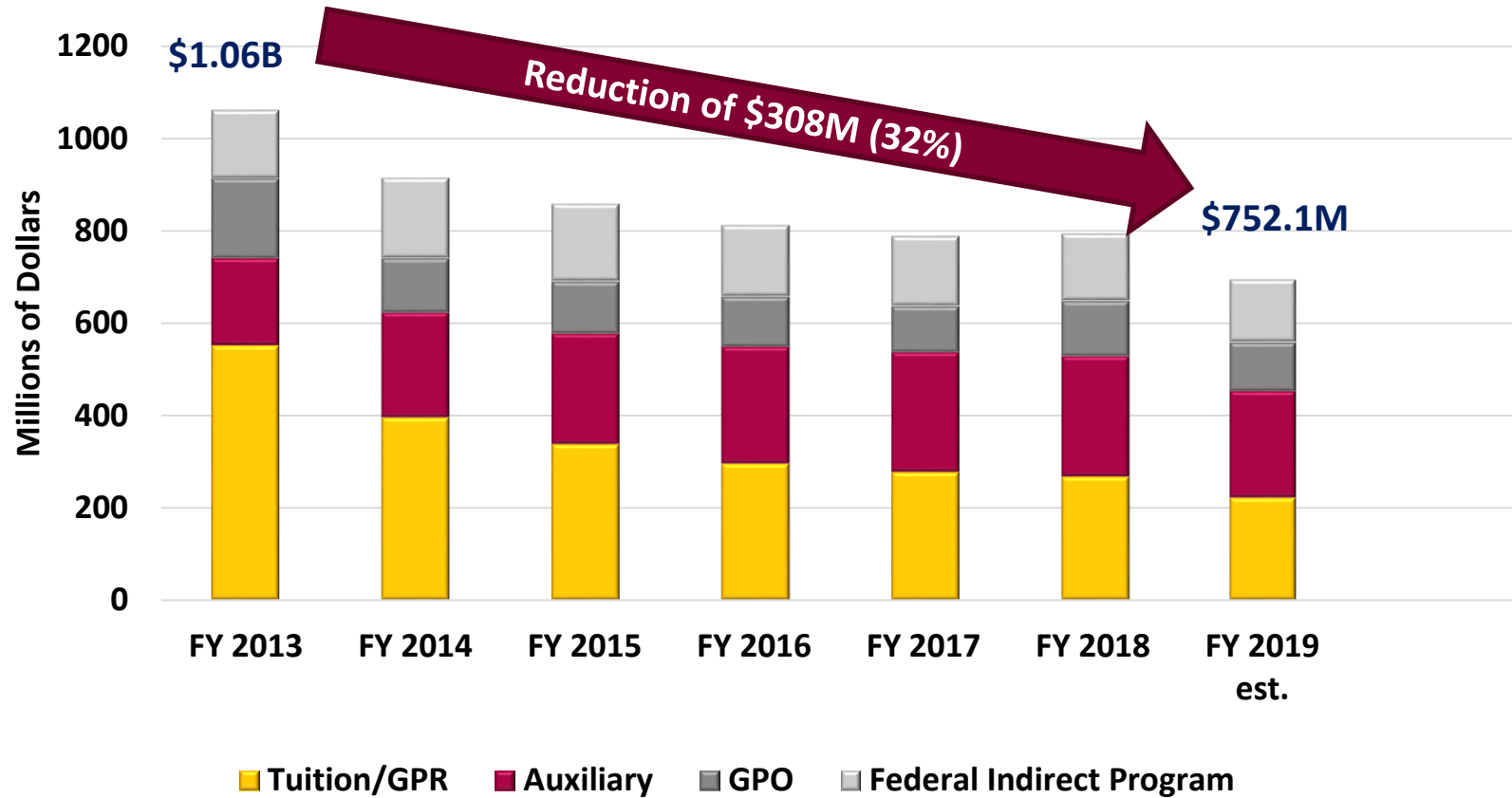
 Average Increase of \$105 [1.4%]

Average Cost of Attendance

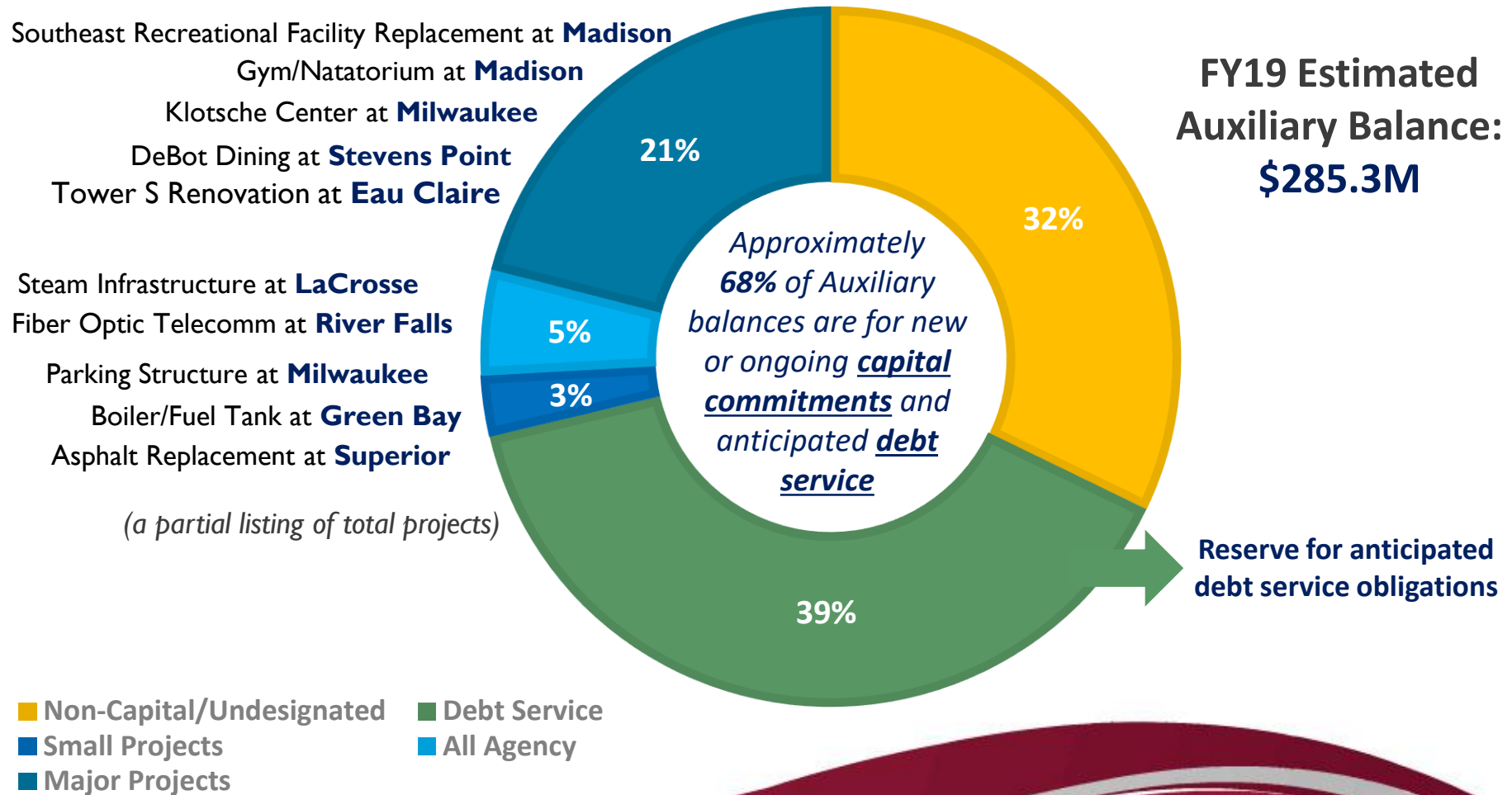
Campus	Tuition	Seg Fee	Room Rate	Meal Plan	FY20 Total	Percent Increase over FY19
Madison	\$ 9,273	\$ 1,452	\$ 7,067	\$ 4,100	\$ 21,892	2.0%
Milwaukee	\$ 8,091	\$ 1,507	\$ 6,220	\$ 4,189	\$ 20,007	0.1%
Eau Claire	\$ 7,361	\$ 1,339	\$ 5,012	\$ 2,990	\$ 16,702	0.5%
Green Bay	\$ 6,298	\$ 1,575	\$ 4,445	\$ 2,769	\$ 15,087	0.5%
La Crosse	\$ 7,585	\$ 1,368	\$ 3,921	\$ 2,544	\$ 15,418	1.0%
Oshkosh	\$ 6,422	\$ 1,234	\$ 4,784	\$ 3,150	\$ 15,590	1.4%
Parkside	\$ 6,298	\$ 1,123	\$ 4,787	\$ 3,052	\$ 15,260	1.3%
Platteville	\$ 6,418	\$ 1,205	\$ 4,945	\$ 3,050	\$ 15,618	1.3%
River Falls	\$ 6,428	\$ 1,442	\$ 4,136	\$ 2,390	\$ 14,396	0.1%
Stevens Point	\$ 6,698	\$ 1,420	\$ 4,422	\$ 3,090	\$ 15,630	1.1%
Stout	\$ 7,020	\$ 1,218	\$ 4,400	\$ 2,574	\$ 15,212	0.6%
Superior	\$ 6,535	\$ 1,597	\$ 3,848	\$ 2,718	\$ 14,698	0.4%
Whitewater	\$ 6,519	\$ 1,010	\$ 4,297	\$ 2,550	\$ 14,376	0.9%
Average:	\$ 6,996	\$ 1,345	\$ 4,793	\$ 3,013	\$16,147	0.9%

➡ *Sticker price for the cost of attendance is up less than 1%*

Unrestricted Program Revenue Balances



Auxiliary Balances: A Closer Look at Commitments

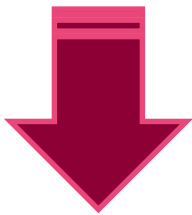


Additional Fund Sources



Projected Expenditure Increases:

- General Program Operations: 13.2% [\$40.1M]
- Federal Indirect Cost Reimbursement: 2.2% [\$3.7M]



Projected Expenditure Decreases:

- Gifts, Grants, Contracts: - 6.7% (\$86M)
- Federal Financial Aid/Other: - 4% (\$46.1M)

Restructuring: Budget Update

- FY20 Starts “Phase II” of the restructuring
 - Full budget integration of the former UW Colleges to the receiving institutions
- President Cross committed to **holding the 7 receiving institutions harmless** for the structural deficit through the end of FY20
- Additional conversations underway **to extend the hold harmless period through the end of FY21**

Acknowledgments

- **Partners at the UW Campuses:** Chancellors, Chief Business Officers, Budget Directors, Controllers, Auxiliary Units
- **UWSA Budget Team:** Renee Stephenson, Aimee Arnold, Julie Gordon, Gary Buehler, Jennifer Goytowski, Chrissy Klappa, Mickie Krall, Jane Frankiewicz, Shelley Miller



UNIVERSITY OF WISCONSIN SYSTEM

QUESTIONS?