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

- 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

Estimated Revenues: $6.326 billion
Estimated Expenditures: ($6.382 billion)
Revenue Sources

- General Purpose Revenue (GPR): 18.3%
- Tuition: 24.1%
- Federal Financial Aid/Other: 19.1%
- Gifts, Grants, Contracts: 18%
- Federal Indirect Reimbursement: 2.6%
- General Program Operations: 5.3%
- Auxiliary: 12.7%

Estimated FY20 Revenue: $6.326 billion
Revenue Sources

Federal Financial Aid/Other: 19.1%
Gifts, Grants, Contracts: 18%
Federal Indirect Reimbursement: 2.6%
General Program Operations: 5.3%
Tuition: 24.1%
Auxiliary: 12.7%

Estimated FY20 Revenue: $6.326 billion

- General Purpose Revenue (GPR): $1.52B
- Federal Financial Aid/Other: $1.16B
- Gifts, Grants, Contracts: $803.8M
- Federal Indirect Reimbursement
- General Program Operations
- Tuition
- Auxiliary
Revenue Sources

Estimated FY20 Revenue: $6.326 billion

- General Purpose Revenue (GPR) 18.3%
- Tuition 24.1%
- Auxiliary 12.7%
- Federal Financial Aid/Other 19.1%
- Gifts, Grants, Contracts 18%
- Federal Indirect Reimbursement 2.6%
- General Program Operations 5.3%
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

<table>
<thead>
<tr>
<th>Fund Source</th>
<th>FY18/19</th>
<th>FY19/20</th>
<th>Change in FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>GPR/Tuition</td>
<td>20,240</td>
<td>20,235</td>
<td>-6</td>
</tr>
<tr>
<td>Auxiliaries</td>
<td>3,699</td>
<td>3,688</td>
<td>-11</td>
</tr>
<tr>
<td>Operations Receipts</td>
<td>2,054</td>
<td>2,174</td>
<td>120</td>
</tr>
<tr>
<td>Federal Indirect Cost</td>
<td>1,405</td>
<td>1,341</td>
<td>-64</td>
</tr>
<tr>
<td>Gifts, Grants, &amp; Contracts</td>
<td>8,190</td>
<td>7,460</td>
<td>-730</td>
</tr>
<tr>
<td>Federal Financial Aid</td>
<td>30</td>
<td>32</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>579</td>
<td>417</td>
<td>-162</td>
</tr>
</tbody>
</table>

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

Millions of Dollars


551.5    |  395.4   |  337.4   |  295.6   |  277.2   |  300.9   |  257.7

TUITION FROZEN

12% Reporting Threshold
Tuition Balances as a Percent of Operating Expenses

- **Above 12%**: 6 campuses
- **7-9%**: 4 campuses
- **10-12%**: 1 campus
- **4-6%**: 1 campus
- **0-3%**: 1 campus

- **6 campuses at 9% or below**

- 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

- Debt Service/Facilities: 51%
- Student Initiated/Approved: 17%
- Contractual Agreements: 5%
- Mandated Compensation: 21%
- Other: 6%

Average Increase of $36 [2.7%]
2019-20 Auxiliaries: Room and Board Increases by Category

- Mandated Compensation: 22%
- Contractual: 28%
- Debt Service/Facilities: 50%

Average Increase of $105 [1.4%]
## Average Cost of Attendance

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

*Sticker price for the cost of attendance is up less than 1%*
Unrestricted Program Revenue Balances

FY 2013
FY 2014
FY 2015
FY 2016
FY 2017
FY 2018
FY 2019 est.

Tuition/GPR
Auxiliary
GPO
Federal Indirect Program

Millions of Dollars

$1.06B

Reduction of $308M (32%)

$752.1M

University of Wisconsin System
Auxiliary Balances: A Closer Look at Commitments

Southeast Recreational Facility Replacement at Madison
Gym/Natatorium at Madison
Klotsche Center at Milwaukee
DeBot Dining at Stevens Point
Tower S Renovation at Eau Claire

Parking Structure at Milwaukee
Boiler/Fuel Tank at Green Bay
Asphalt Replacement at Superior
Fiber Optic Telecomm at River Falls

(a partial listing of total projects)

FY19 Estimated Auxiliary Balance: $285.3M

Approximately 68% of Auxiliary balances are for new or ongoing capital commitments and anticipated debt service

Reserve for anticipated debt service obligations
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
QUESTIONS?