FY25 Annual Budget:  

Revenue Sources
FY25 TOTAL EXPENSE BUDGET

Key Revenue Sources:
- General Purpose Revenue (GPR): 14.3%
- Tuition: 22.5%
- Gifts, Grants, Contracts: 23.9%
- Federal Indirect Reimbursement: 3.5%
- Federal Financial Aid/Other: 11.1%
- General Program Operations: 8.1%
- Auxiliary Operations: 13.6%

Estimated FY2024-25 Total Expenditures: $7.98 billion
REVENUE SOURCE: GPR (STATE SUPPORT)

- General Purpose Revenue (GPR) 14.3%
- Tuition 22.5%
- Gifts, Grants, Contracts 23.9%
- Federal Indirect Reimbursement 3.5%
- Federal Financial Aid/Other 11.1%
- General Program Operations 8.1%
- Auxiliary Operations 13.6%
- GPR Debt Service 3%

$1.14B
$241.4M
$1.14B
BUDGET CHANGE: GPR (STATE SUPPORT)

- General Purpose Revenue (GPR): + $22.5M
- GPR Debt Service: + $43.4M
- Tuition: 22.5%
- Auxiliary Operations: 13.6%
- Gifts, Grants, Contracts: 23.9%
- Federal Indirect Reimbursement: 3.5%
- Federal Financial Aid/Other: 11.1%
- General Program Operations: 8.1%
BUDGET CHANGE: GPR (STATE SUPPORT)

- General Purpose Revenue (GPR) + $22.5M
- GPR Debt Service + $43.4M
- General Program Operations 13.6%
- Auxiliary Operations 23.9%
- Federal Indirect Reimbursement 3.5%
- Gifts, Grants, Contracts 22.5%
- Federal Financial Aid/Other Attributable to salaries and fringe benefits from the 2% increase in Pay Plan; increase in debt service financing costs

- $22.5M increase in debt service financing costs
- $43.4M increase in debt service financing costs
BREAKDOWN OF CHANGES IN FY25 GPR OVER FY24

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<td><strong>FY25 GPR Budget</strong></td>
<td><strong>$1,380,758,976</strong></td>
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FY25 GPR Increase over FY24: $65,856,168

% increase FY25/FY24: 5.0%
OTHER NOTABLE FY25 GPR BUDGET ITEMS

- **Wisconsin Grant**: the state’s primary need-based financial aid program
  - Level funding from FY24 at $61.9M
  - Legislative change in FY24 removed statutory cap on financial aid awards

- **Nursing Educators Initiative**: fellowship and loan repayment program for Wisconsin institutions of higher education
  - Level funding from FY24 at $5M
  - UW campuses received $1.5M in FY24, or 30% of total appropriation

*Funded through the Higher Education Aids Board (HEAB)*
FY25 REVENUE SOURCE: TUITION

- General Purpose Revenue (GPR): 14.3%
- GPR Debt Service: 3%
- Tuition: 22.5%
- Gifts, Grants, Contracts: 23.9%
- Federal Indirect Reimbursement: 3.5%
- Federal Financial Aid/Other: 11.1%
- General Program Operations: 8.1%
- Auxiliary Operations: 13.6%
- $1.79B
FY25 BUDGET CHANGE: TUITION

- General Purpose Revenue (GPR) 14.3%
- GPR Debt Service 3%
- Tuition + $71.4M
- Auxiliary Operations 13.6%
- Federal Indirect Reimbursement 3.5%
- Gifts, Grants, Contracts 23.9%
- Federal Financial Aid/Other 11.1%
- General Program Operations 8.1%
FY25 BUDGET CHANGE: TUITION

Budget increase of 4.2% primarily reflects new revenue from general and program-specific tuition increases; additional tuition revenue for graduate and professional schools at UW Madison; use of one-time balances.
FY25 REVENUE SOURCE: AUXILIARIES

- General Purpose Revenue (GPR): 14.3%
- GPR Debt Service: 3%
- Tuition: 22.5%
- Federal Indirect Reimbursement: 3.5%
- General Program Operations: 8.1%
- Gifts, Grants, Contracts: 23.9%
- Federal Financial Aid/Other: 11.1%

Total Revenue: $1.08B

Auxiliary Operations: 13.6%
FY25 BUDGET CHANGE: AUXILIARIES

General Purpose Revenue (GPR) 14.3%
GPR Debt Service 3%
Tuition 22.5%
Gifts, Grants, Contracts 23.9%
Federal Indirect Reimbursement 3.5%
Federal Financial Aid/Other 11.1%
General Program Operations 8.1%
Auxiliary Operations + $44.5M
FY25 BUDGET CHANGE: AUXILIARIES

4.3% budget increase reflects additional revenue from increased housing/dining rates, debt service; pre-design costs for capital projects; use of balances

+ $44.5M

Federal Financial Aid/Other 11.1%
Gifts, Grants, Contracts 23.9%
Federal Indirect Reimbursement 3.5%
General Program Operations 8.1%
Tuition 22.5%
GPR Debt Service 3%
General Purpose Revenue (GPR) 14.3%
Auxiliary Operations
FY25 REVENUE SOURCE: GENERAL PROGRAM OPS

- General Purpose Revenue (GPR): 14.3%
- GPR Debt Service: 3%
- Tuition: 22.5%
- Gifts, Grants, Contracts: 23.9%
- Federal Indirect Reimbursement: 3.5%
- Federal Financial Aid/Other: 11.1%
- Auxiliary Operations: 13.6%
- General Program Operations: 8.1%

Total Revenue: $642.8M
FY25 BUDGET CHANGE: GENERAL PROGRAM OPS

- General Purpose Revenue (GPR) 14.3%
- GPR Debt Service 3%
- Tuition 22.5%
- Federal Financial Aid/Other 11.1%
- Gifts, Grants, Contracts 23.9%
- Federal Indirect Reimbursement 3.5%
- Auxiliary Operations 13.6%
- General Program Operations

+$39.6M
FY25 BUDGET CHANGE: GENERAL PROGRAM OPS

A 6.5% increase reflecting growth from enterprise revenue activities across system; one-time costs associated with ATP implementation

- Federal Financial Aid/Other 11.1%
- General Purpose Revenue (GPR) 14.3%
- GPR Debt Service 3%
- Tuition 22.5%
- Gifts, Grants, Contracts 23.9%
- Federal Indirect Reimbursement 3.5%
- Auxiliary Operations 13.6%
- General Program Operations

+$39.6M
FY25 REVENUE SOURCE: GIFTS, GRANTS, CONTRACTS

- General Purpose Revenue (GPR) 14.3%
- GPR Debt Service 3%
- Tuition 22.5%
- Federal Indirect Reimbursement 3.5%
- Federal Financial Aid/Other 11.1%
- Gifts, Grants, Contracts 23.9%
- General Program Operations 8.1%
- Auxiliary Operations 13.6%
- $1.9B
FY25 BUDGET CHANGE: GIFTS, GRANTS, CONTRACTS

General Purpose Revenue (GPR) 14.3%
GPR Debt Service 3%
Tuition 22.5%
Auxiliary Operations 13.6%
Federal Financial Aid/Other 11.1%
Federal Indirect Reimbursement 3.5%
General Program Operations 8.1%
Gifts, Grants, Contracts + $208.8M
FY25 BUDGET CHANGE: GIFTS, GRANTS, CONTRACTS

Reflects a 12.4% increase over previous year, primarily attributable to increase in research activity and philanthropic support at UW Madison.

- Federal Financial Aid/Other: 11.1%
- Federai Indirect Reimbursement: 3.5%
- Gifts, Grants, Contracts: + $208.8M
- Tuition: 22.5%
- General Program Operations: 8.1%
- Auxiliary Operations: 13.6%
- General Purpose Revenue (GPR): 14.3%
- GPR Debt Service: 3%

+ $208.8M Reflects a 12.4% increase over previous year, primarily attributable to increase in research activity and philanthropic support at UW Madison.
FY25 REVENUE SOURCE: FEDERAL INDIRECT

- General Purpose Revenue (GPR): 14.3%
- GPR Debt Service: 3%
- Tuition: 22.5%
- Gifts, Grants, Contracts: 23.9%
- Federal Financial Aid/Other: 11.1%
- Federal Indirect Reimbursement: 3.5%
- Auxiliary Operations: 13.6%
- General Program Operations: 8.1%

Total: $277.2M
FY25 BUDGET CHANGE: FEDERAL INDIRECT

- Federal Indirect Reimbursement: + $36.5M
- Tuition: 22.5%
- Gifts, Grants, Contracts: 23.9%
- Federal Financial Aid/Other: 11.1%
- General Program Operations: 8.1%
- Auxiliary Operations: 13.6%
- GPR Debt Service: 3%
- General Purpose Revenue (GPR): 14.3%
FY25 BUDGET CHANGE: FEDERAL INDIRECT

A budget increase of 15% directly related to research activity primarily at UW Madison

+ $36.5M
FY25 REVENUE SOURCE: FEDERAL FINANCIAL AID/OTHER

- Federal Financial Aid/Other: $881.3M
- General Purpose Revenue (GPR): 14.3%
- GPR Debt Service: 3%
- Tuition: 22.5%
- Gifts, Grants, Contracts: 23.9%
- Federal Indirect Reimbursement: 3.5%
- Auxiliary Operations: 13.6%
- General Program Operations: 8.1%
FY25 BUDGET CHANGE: FEDERAL FINANCIAL AID/OTHER

- General Purpose Revenue (GPR): 14.3%
- GPR Debt Service: 3%
- Tuition: 22.5%
- Federal Indirect Reimbursement: 3.5%
- Gifts, Grants, Contracts: 23.9%
- Federal Financial Aid/Other: $(3.9M)
- Auxiliary Operations: 13.6%
- General Program Operations: 8.1%
CHANGE IN FY25 BUDGET OVER FY24

- **Total Change over FY24:** $462.8M, or 5.8% increase

- **General Program Operations:** + $44.5M
- **Federal Indirect Reimbursement:** + $36.5M
- **Gifts, Grants, Contracts:** + $39.6M
- **Federal Financial Aid/Other:** + $208.8M
- **Tuition:** + $71.4M
- **GPR Debt Service:** + $43.4M
- **General Purpose Revenue (GPR):** + $22.5M
- **Auxiliary Operations:** + $44.5M

- **Change in FY25 Budget over FY24:**
  - **Total Change over FY24:** $462.8M, or 5.8% increase
FY25 TOTAL EXPENSE BUDGET

- General Purpose Revenue (GPR) 14.3%
- GPR Debt Service 3%
- Tuition 22.5%
- Federal Indirect Reimbursement 3.5%
- Gifts, Grants, Contracts 23.9%
- Federal Financial Aid/Other 11.1%
- General Program Operations 8.1%
- Auxiliary Operations 13.6%

Estimated FY2024-25 Total Expenditures: $7.98 billion

Estimated FY2024-25 Total Expenditures:
- $1.9B
- $642.8M
- $277.2M
- $881.3M
- $1.08B
- $1.14B
- $241.4M

Estimated FY2024-25 Total Expenditures: $7.98 billion
SUPPLEMENTAL BUDGET INFORMATION

- Structural Deficits
- Campus Expenditure Reductions
- Projected Unrestricted Balances
- Budget Alignment with Strategic Plan
- Looking Ahead
10 of 13 UW campuses reported a structural deficit for FY24.

Madison, Stevens Point, Stout, did not report a structural deficit for FY24.
FY25 STRUCTURAL DEFICIT AS A PERCENT OF FY25 BUDGETED EXPENSES

- Milwaukee, Platteville, Green Bay, and La Crosse eliminated their structural deficits.

- Parkside, River Falls, Superior

- Oshkosh

- Eau Claire, Whitewater

- <1%

- 1% - 4%

- >4%
**STRUCTURAL DEFICIT PROJECTIONS**

*Deficit as a percent of expenses is denoted*

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<td>Milwaukee</td>
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<td>Eau Claire</td>
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<td>Green Bay</td>
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<td>La Crosse</td>
<td>8.0%</td>
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<td>Oshkosh</td>
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<td>Parkside</td>
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</tr>
<tr>
<td>Stevens Point</td>
<td>3.3%</td>
<td>&lt;1%</td>
</tr>
</tbody>
</table>

| # structural deficits: | 10 | 6 |

*FY24 expressed as a percent of FY23 actuals; FY25 is projected as a percent of FY25 budgeted expense*
CAMPUS EFFORTS TO REDUCE COSTS

Strategic Plan goal to eliminate structural deficits by FY28

Some specific expense reduction efforts include:

- **UW Oshkosh**: Reduced ~250 position (17%), including 140 layoffs, 76 voluntary, incentivized retirements and 34 eliminated vacant positions. Implemented a tiered system of intermittent furloughs yielding $2.1M in temporary savings in FY24. Increase average teaching loads to 4-4 (4 classes per term, 4 credits each) from 3-3 to reduce part-time faculty expenses.

- **UW Platteville**: Align “Administration & Academic Leaders” and “Non-Instructional Academic Staff” levels to enrollment levels, with position reductions of 45.8% and 27.5%, respectively.

- **UW River Falls**: Realignment of 2 colleges to form the College of Education, Business and Allied Health; Reviewing SCH/faculty workload with intent to identify opportunities to merge sections and offer more courses on a rotational basis.

- **UW Green Bay**: Eliminated $3.5M in one-time spending initiatives in FY24; reduced ongoing base budget by $2M in FY25.

- **Overall, since FY18, the number of Full Time Equivalent (FTE) positions is down at the non-Madison campuses by 948 FTEs**
GPR/TUITION BALANCES FY13 THROUGH FY24 (ESTIMATED)
FOCUS ON UW OSHKOSH

- Announced $18M operating budget deficit in October 2023
- Implemented Institutional Realignment Plan (IRP) to reduce expenses over 2 fiscal years (FY24 & FY25)
  - Actions include: Voluntary retirement incentives, 2% budget reduction, layoffs, etc.
- Projected to fully deplete unrestricted fund balances by FY24 year end resulting in a projected $7.6M cash deficit
- FY25 IRP includes review of program alignment
- FY25 estimated GPR/Tuition structural deficit: $8.6M
FOCUS ON UW OSHKOSH (CONT’D)

UW System Actions:

- **UW System will temporarily backfill FY24 operating deficit** with system balances; UWO will effectively borrow funds with interest until balance is positive.

- **Heightened budget monitoring** throughout FY25 including evaluation of final FY24 year-end position, progress on IRP financial goals, review of fall ‘24 enrollment data ("10th day" student census), and 90-day recurring updates with UWSA and campus leadership.

- **Resubmission of Fiscal Realignment Plan** in late September and UW System assessment on progress and determination of next steps.

- **Report back to BOR** on overall fiscal outlook at September 26th meeting.
Individual campus narratives in the budget document highlight specific initiatives that support the UW Strategic Plan, including:

**Strategic Plan Goal: Global leader in research, scholarship, and creative activity**

**UW Madison**

- Wisconsin RISE, Research, Innovation and Scholarly Excellence is designed to help address significant, complex challenges of particular importance to Wisconsin and the world. Two specific initiatives are being implemented:
  - **Rise AI.** RISE AI will accelerate the growth of UW–Madison’s network of AI innovators, adding up to 50 new faculty positions at all levels across campus to complement regular hiring over the next 3-5 years. New AI-focused faculty will join schools, colleges, centers, institutes and other units across campus.
  - **Rise-EARTH.** RISE-EARTH will focus around two themes. The first is to reimagine economic and environmental systems to, for example, find innovative ways to revitalize communities with new modes of transportation or renew agricultural lands to reduce erosion and enhance biodiversity. The other will be aimed at building sustainable energy and technical systems — for instance, developing new clean energy technologies and ways to capture and store carbon.
ANNUAL BUDGET ALIGNMENT WITH STRATEGIC PLAN (CONT’D)

- **Strategic Plan Goal: Champion student success outcomes across the higher education life cycle**

**UW Milwaukee**
- Target student aid packages through comprehensive four-year awards and retention, re-entry, and completion grants of $10 million of UW-Milwaukee initiated aid.

**UW Eau Claire**
- Addition of online programming options for a bachelor’s in business administration, the new Professional Studies major, and converting the Master of Science in Nursing to hybrid/online. The campus is also partnering with UW-Stout to provide access to educational opportunities at the Stanley Prison facility.

**UW Green Bay**
- Develop and implement a plan to support students from rural backgrounds that includes providing comprehensive networks for delivery of wraparound services and advising.
Strategic Plan Goal: We will ensure our universities are financially and environmentally sustainable so that they are positioned to fulfill their strategic missions

Across UW System
- Reduced number of campuses with a structural deficit from 10 down to 6, with a goal of eliminating all structural deficits by FY28.

UW Parkside
- Completed third-party assessment to assist the campus in identifying opportunities to improve its outdoor athletic facilities through public private partnerships (“P3”).

UW Oshkosh
- The Sustainability Institute for Regional Transformations is an example of campus leadership and commitment to environmental sustainability in the region.
SUMMARY BUDGET DETAIL BY UW INSTITUTION

- Enrollments, Revenue/Expense, Balance Projections, & Alignment with Strategic Plan
## PROGRESS ON FINANCIAL REPORTING TO IMPROVE TRANSPARENCY AND ACCOUNTABILITY

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41
LOOKING AHEAD

- **Initial Financial Realignment Plans** due to UWSA by June 30, 2024

- **FY24 Year-end Review** and **FY24 Budget-to-Actual** reports by campus at the August BOR meeting

- **FY25/27 Biennial Budget Recommendations** at August BOR meeting

- Deloitte concludes review in August of the **Current State Assessment reports** for the 12 non-Madison campuses
  - UW System report will be completed later in the fall

- Board of Regents to be apprised on any substantive changes and developments regarding FY25
QUESTIONS?