

Integrated Growth Agenda Budget Planning

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|------------------|---|
| February 2010 | Discussed Integrated Budget Planning Process |
| April | Announced “More Graduates for Wisconsin” |
| May | Reviewed Annual Accountability Report Discussed Strategic Financing |
| June | Approve <u>Annual</u> Operating Budget for 2010-11 Discuss 2011-13 <u>Biennial</u> Budget: <i>Competitive University Workforce Commission</i> <i>Research to Jobs Implementation</i> |

Integrated Growth Agenda Budget Planning

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|---------------|---|
| July | Discuss 2011-13 <u>Biennial</u> Budget |
| August | Approve 2011-13 Biennial Budget |
| September | Submit 2011-13 Biennial Budget Request to DOA |
| February 2011 | Governor introduces his 2011-13 Biennial Budget |
| July 2011 | New Biennial Budget Takes Effect |

Challenges in the 2009-11 Budget

\$255 million in reductions, reallocations, and savings

| | GPR | Program Revenue | Auxiliary Transfers | TOTAL |
|---------------------------|----------------------|------------------------|----------------------------|----------------------|
| Operating Budget | \$120,449,600 | \$17,609,200 | \$23,250,000 | \$161,308,800 |
| Rescinded Pay Plan | \$27,075,400 | \$10,760,200 | | |
| Furloughs | \$40,505,000 | \$16,057,400 | | |
| TOTAL | \$187,929,000 | \$44,426,800 | \$23,250,000 | \$255,605,800 |



2010-11 Annual Operating Budget and Tuition/Fee Schedules

FY 2010-11
Annual Budget

Tuition Policy
& Practice

Auxiliary
Services

Tuition & Fees

Overall Budget Changes

| (in millions) | 2009-10 Budget | 2010-11 Budget | Change |
|---------------|-------------------|-------------------|---------|
| GPR | \$1,139.8 | \$1,179.3 | \$39.5 |
| Fees | \$1,051.4 | \$1,111.7 | \$60.3 |
| Other | \$2,563.1 | \$3,302.3 | \$739.2 |
| Total | \$4,754.3 | \$5,593.3 | \$839.0 |

FY 2010-11 Annual Budget

Key Budget Modifications GPR/Fees

2009-10 to 2010-11

| | |
|------------------------------|-----------|
| 2009-10 Budget | \$2,191.2 |
| WI Institutes for Discovery | 8.2 |
| Tuition Increase Grant (TIG) | 6.4 |
| Recruitment/retention | 5.0 |
| Utilities and Debt Service | 8.9 |

FY 2009-10 Annual Budget

Key Budget Modifications GPR/Fees

2009-10 to 2010-11

| | |
|--|-----------|
| Remove One-Time Genomics | (2.0) |
| Pay Plan & Fringe Changes | 32.5 |
| Furlough Savings | (1.5) |
| Tuition Offset to General Reduction | 17.0 |
| Self Supporting Activities | 24.6 |
| 2010-11 GPR/Fees | \$2,291.1 |

FY 2010-11 Annual Budget

- **Potential added costs**

- ✓ \$200 M Required State Lapse
- ✓ Potential Fringe Benefit Shortfall
- ✓ Potential Midyear Lapse

Tuition Policy and Practice

- **Tuition policy principles**

- ✓ Balance educational quality, ability to pay, access through tuition and financial aid
- ✓ Seek increases that are moderate and predictable subject to the need to maintain quality
- ✓ Seek to maximize financial aid support
- ✓ Assume general tuition revenues to cover regular budget increases under 65% GPR/35% fees split

Tuition Policy and Practice

- **Why are increases necessary in FY 2011?**
 - ✓ Offset of \$35 million general reduction to maintain capacity for Growth Agenda, and
 - ✓ Continue key instructional and support services
 - ✓ Limit impact on access and quality:
 - Class size increases
 - # of faculty teaching
 - # of classes offered

Tuition Policy and Practice

- **What makes up the 5.5% Increase?**
 - ✓ \$16 million for fringes and pay increases
 - ✓ \$17 million to offset the general reduction to continue the Growth Agenda
 - ✓ Funding for the tuition share of utilities, student technology fee and recruitment and retention funds

Tuition Policy and Practice

- Increases FY 2006-2010: Resident Undergraduate

| % | 2007 | 2008 | 2009 | 2010 | 2011 |
|-----------------------|------|------|------|---------------|--------------|
| Madison | 6.8% | 5.5% | 5.5% | 5.5% + MIU | 5.5%+ MIU |
| Milwaukee | 6.8% | 5.5% | 5.5% | 5.5% | 5.5% |
| Comprehensives | 6.8% | 5.5% | 5.5% | 5.5% | 5.5% |
| Colleges | 7.3% | 0.0% | 0.0% | 0.0% | 0.0% |

Tuition Policy and Practice

Comparison to Peers

- UW-Madison* – 2nd lowest tuition of Big 10 peers after increases
- Madison, Milwaukee and Comprehensives all remain below 2009-10 peer average even with 2010-11 proposed increases
- Colleges will for the fourth consecutive year have no tuition increase

*Not full set of peers

Improving Affordability

- Increase in WHEG funds and number of Awards.
- Provide Tuition increase grants for middle income students.
- PELL grant maximum increases \$200 in 2010-11.
- Freeze in tuition for students at Colleges (13,000+)
- Madison and Eau Claire differentials include financial aid.
- Increases in private institutional aid.
- Initiatives to reduce time to degree.

Auxiliary Services

- **Use of fee increases**
 - ✓ Student Initiatives
 - ✓ Contracts with new vendors
 - ✓ Added services
 - ✓ New buildings
 - ✓ Facility maintenance

Auxiliary Services

- **Segregated fees**

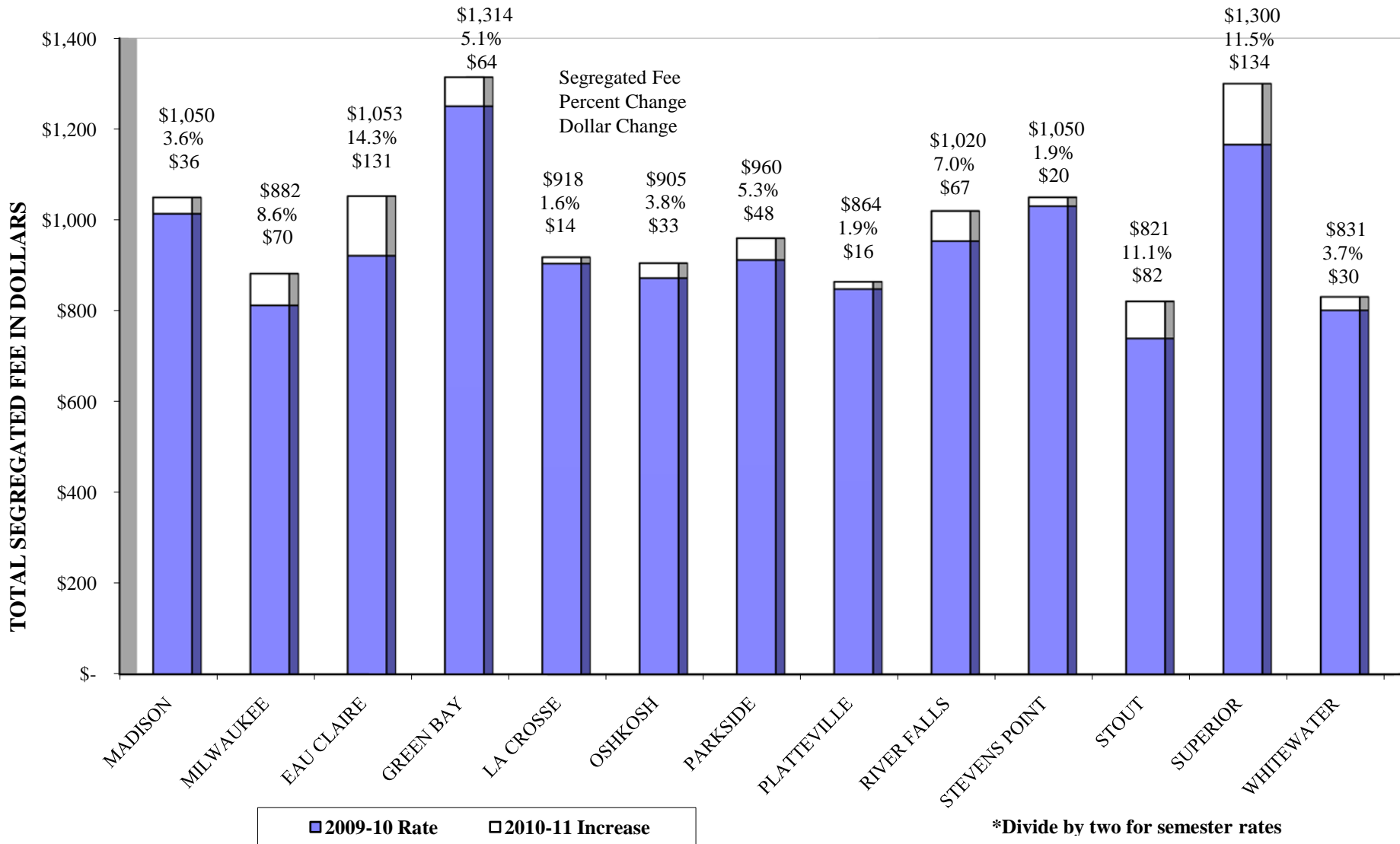
- ✓ What are segregated fees?

- Fees for programs and services such as health services, recreational sports, athletics, parking, student organizations, union, child care, etc.

- ✓ Why are they necessary?

- They fund programs and services that support life on campus. Each campus makes choices on the type of service, and amount of fee charged for each service

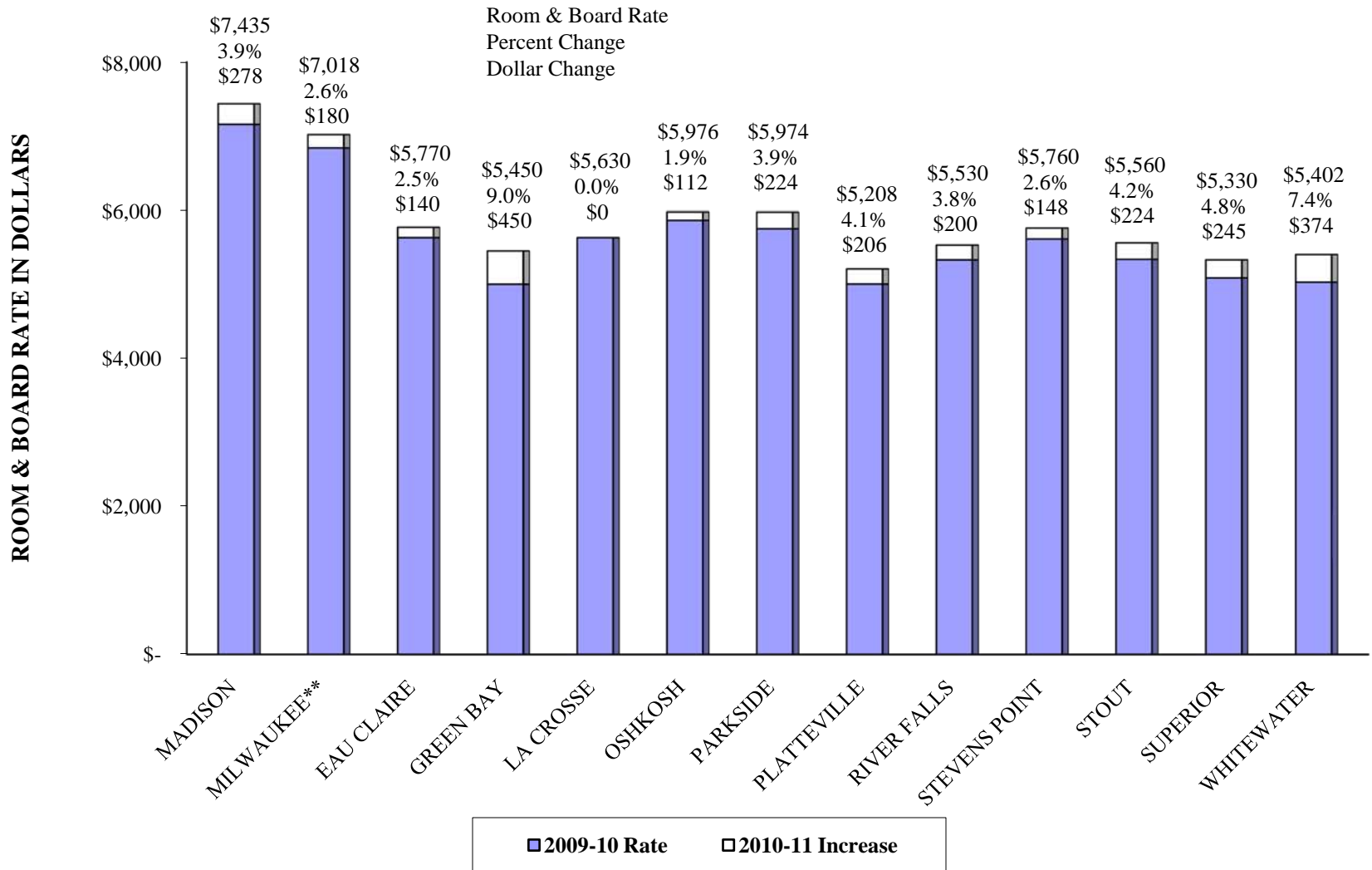
Segregated Fees by Campus



Segregated Fees by Campus

- ✓ Segregated Fees range from \$821 at UW-Stout to \$1,314 at UW-Green Bay and average \$997.
- ✓ Increases range from \$14 at UW-La Crosse to \$134 at UW-Superior.
- ✓ The major reasons for increases are:
 - ✓ Funding for major projects and student approved facility enhancements.
 - ✓ Student initiated programming.
 - ✓ Higher compensation, supplies and expense.

Room & Board Rates by Campus



Room & Board Rates by Campus

- ✓ Room and Board costs range from 5,208 at UW-Platteville to \$7,435 at UW-Madison, with an average of \$5,849
- ✓ Increases range from \$0 at UW-La Crosse to \$450 at UW-Green Bay. The average increase is \$213 (3.8%)
- ✓ The major reasons for increases are:
 - ✓ New and renovated residence halls
 - ✓ Facility maintenance projects
 - ✓ New meal plans and extended service hours

Tuition and Fees

- **What is the average increase in cost for an undergraduate resident?**
 - ✓ \$631 for students residing on campus using a meal plan and not eligible for hold harmless on tuition increase
(less than 25% of students live on campus)
 - ✓ \$417 for students paying tuition and fees and not eligible for hold harmless on tuition increase
 - ✓ \$57 for students paying only segregated fees and eligible for hold harmless on tuition increase