

UW-Superior Tuition Balance

Tuition balances at UW-Superior

UW-Superior generated \$12.5 million in tuition in FY12. After expenditures, at the end of the fiscal year the tuition balance was \$1.1 million. This \$1.1 million represents 0.3 percent of the \$414 million in total tuition balances throughout the UW System and 1.5 percent of the total UW-Superior campus budget. This balance is a snapshot of the account on June 30, 2012. Like the balance in a checkbook, the number will vary greatly based on the timing of expenditures and revenue.

The role of tuition

The portion of funding the UW System receives through state allocated General Purpose Revenue (GPR) has decreased to 19.2 percent. As a result, the institutions have become more reliant on tuition to operate. Tuition fluctuates from year to year based on enrollments. For example, if UW-Superior enrolls 100 fewer students in an academic year, the university would lose \$653,500 in tuition and fees*.

Just as people keep money in their bank account for unanticipated items such as automobile repairs or car unanticipated medical expense, most universities have some cash available to weather short-term operating uncertainties including enrollment drops, underperforming endowments, state budget lapses and natural disasters as well provide short-term funding of projects or activities.

The use of tuition balances

UW-Superior is committed to sound and responsible management practices. Tuition dollars remaining at the end of a fiscal year are used for items which require one-time funding, state budget cuts, investments in infrastructure, and student needs. We are always sensitive to the cost of college to students as we know that many must work to pay for college, and 87 percent of UW Superior students have some form of financial aid.

FY13 expenditures from the FY12 tuition balance:

Higher Learning Commission Accreditation	\$24,400
UW System assessed FY13 Common Systems (annual)	\$275,000
State Budget Lapse	\$175,000
FY12 year-end encumbrances	\$46,300
Veteran remission payments	\$253,400
Department carry-forward funding requests	\$127,000
Academic Affairs unbudgeted commitments	\$207,000
Total to date	\$1,108,100

*Tuition figures based on full-time resident undergraduate rates

UW-Superior Biennial Budget

The impact of tuition freeze or cuts to proposed biennial budget

The impact of a tuition freeze in conjunction with a cut of the proposed \$181 million in UW System funding from the state biennial budget would result in a devastating loss of \$3.3 million dollars to UW-Superior in 2013-2015. Illustrative examples of the size of the cut include:

- \$344,000 – Which would eliminate funding for the proposed 2 percent pay plan for employees who have not seen a raise in 4-5 years and are 18 percent below their faculty peers in terms of equity pay.
- \$1.5 million – Approximate savings from eliminating 38 full-time positions.
- \$1.7 million – Cost to fund all Information Technology functions.
- \$1.8 million – Total cost of all athletic programs and Wessman Arena.
- \$500,000 - \$700,000+ – Cost to fund an entire academic department and all of its associated programs.

Because over 83 percent of the \$181 million in state funding includes fixed operating costs, a cut to the biennial budget means that student tuition dollars will now have to pay for fixed costs such as utilities increases, compensation increases, and increases in debt service which would normally be covered by the state. It is a permanent cut to our institutional budget, a further disinvestment in education by the state, and a transfer of the state's higher education funding obligation to our students.