



# OVERVIEW OF THE 2013-14 ANNUAL BUDGET

Board of Regents  
July 11, 2013

# Overview of FY 2013-14 Annual Budget

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- **Budget Revisions & Vetoes**
- **One-time Needs in 2013-14**
- **2013-14 GPR/Fee Changes**
- **2013-14 Recommended Tuition Rates**
- **Auxiliary Operations & Other Fees**
- **Program Revenue Balances & Policy Requirements**

# Veto Impacting the Annual Budget

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- **The Governor's veto holds differential tuition at 2012-13 levels.**
- **The Governor vetoed the freeze on allocable segregated fees.**

# One-Time Unfunded Costs

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One-Time Funding	2013-14
Incentive Grants	\$11,250,000
Carbone Cancer Center	\$3,750,000
WARM/TRIUMPH	\$1,500,000
UW Flexible Option	\$650,000
Transfer to HEAB for WHEG-UW	\$58,345,400
State Lab of Hygiene (SLH)	\$136,400
<b>Total</b>	<b>\$75,631,800</b>



\*The cost of the UW Flexible Option will be treated as onetime in 2013-14. The ongoing amount of \$1.3m will be managed as ongoing in the 2014-15 fiscal year.

# Ongoing Reductions and Unfunded Costs

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Ongoing Reductions & Unfunded Costs	2013-14
Base Budget Reductions	\$32,844,300
Compensation Plans	\$15,300,000
Unfunded Cost to Continue	\$3,940,900
<b>Estimated Ongoing Reductions</b>	<b>\$52,085,200</b>

The tuition freeze prevents the UW System from generating the dollars needed to fund the share of compensation and cost to continue.

- This results in a base budget reduction for UW institutions.

# Summary of Unfunded Obligations

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Unfunded Obligations	2013-14
One-Time Needs	\$75,631,800
Unfunded Compensation and Cost- to-Continue	\$19,240,900
Base Budget Reduction	\$32,844,300
<b>Total Unfunded Obligations</b>	<b>\$127,717,000</b>

# 2013-14 GPR/Fee Funding and Budget Changes

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## Increases

- \$10.4 million GPR for 2011-12 salary & fringe benefits costs
- \$31.1 million GPR for debt service
- \$26.8 million GPR/Fees estimated compensation and fringe benefits

## Decreases

- \$32.8 million GPR base budget reduction
- \$19.2 million in unfunded compensation and cost to continue

## Budgeted

- \$41.5 million for increases in academic fee authority

Net Total: \$57.7 million (Table A-1)

# GPR/Fee Budget Changes 2012-13 to 2013-14

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## Resolution 5

	<b>GPR</b>	<b>Fees</b>	<b>Total</b>
<b>2012-13 Operating Budget Document</b>	<b>\$1,135,221,084</b>	<b>\$1,277,395,072</b>	<b>\$2,412,616,156</b>
<b>2013-14 % Changes</b>	<b>1.4%</b>	<b>3.2%</b>	<b>2.4%</b>
<b>Net 2013-14 Changes</b>	<b>\$16,181,616</b>	<b>\$41,506,143</b>	<b>\$57,687,759</b>
<b>2013-14 Budget</b>	<b>\$1,151,402,700</b>	<b>\$1,318,901,215</b>	<b>\$2,470,303,915</b>



# 2013-14 Recommended Annual Tuition Rates

## Table B - 1

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Tuition freeze on resident and non-resident undergraduate and graduate students.

UW-Madison tuition increases for four of its professional schools.

Deferred

The Board is asked to continue the UW-Madison Engineering differential.

This keeps tuition frozen at the 2012 rates.

# Auxiliary Operations & Other Fees

Tables C -3 through C - 6

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## Non GPR/Fee OTHER FUNDS

- ❖ Increase: \$38 M
- ❖ 1.1% change and supports 58.8% of the total budget
- ❖ Includes: auxiliaries, federal and private gifts, grants, contracts, other operating receipts, noncredit instruction, & trust funds

- 4-year institution average recommended segregated fee increase: 3.4% for 2013-14 (\$36)
- UW-Colleges recommended segregated fee increase: 5.5% (\$19)
- Average recommended room and board rate increase: 3.0% (\$125)

# Program Revenue Balances 2011-12

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Fund #	Fund Name	2011-12 Year End Balance
128	Auxiliary Operations	\$184,003,940
131	Academic Tuition	\$414,141,007
189	Extension Credit Activities	\$45,367,550

## Notes

- **Auxiliary Operations Reporting:** Statutory reporting of balances that are student fee funded.
- **Cost of Auxiliary Operations:** 2.1% growth due to increased retirement costs and the need to fund the cost of a 1% pay plan.
- **Fund 131:** Balances will be drawn down to pay for one-time costs.

# Program Revenue Policy Requirements

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By September 1, 2013 to the Joint Committee on Audit

- ❑ **Methodology calculating PR balances and reserves for the UW System as a whole and for individual institutions and Extension.**

By January 1, 2014 to the Joint Committee on Finance

- ❑ **For the UW System as a whole and for each institution and Extension:**
  - 1) Proposed limits on program revenue account balances and proposed reports related to those limits
  - 2) Proposed policies regarding the annual distribution of tuition and fee revenue and state GPR
  - 3) Proposed policies regarding the expenditure of tuition and fee revenue and state GPR

# Program Revenue Balance Projections

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In millions

Fund #	Fund Name	2012-13 ESTIMATED Year End Balance	2013-14 ESTIMATED Year End Balance
128	Auxiliary Operations	\$196.9	\$118.0
131	Academic Tuition	\$534.4	\$304.1
189	Extension Credit Activities	\$54.3	\$40.3

# 2013-14 Annual Budget

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## Questions and Discussion

