

I.2. Business and Finance Committee

Thursday, June 4, 1998
1820 Van Hise Hall
1:00 p.m.

- a. 1998-99 Annual Operating Budget
[Resolution I.2.a.]

(All Regents Invited)

1:30 p.m. 1920 Van Hise

- b. UW-Madison Biennial Budget Presentation
- c. UW Processing Center Final Report on System Accounting and Payroll Consolidation
- d. Best Business Practices Report - Systemwide Financial System
- e. Report of the Vice President
- f. Additional items which may be presented to the Business and Finance Committee with its approval

1998-99 Operating Budget
including approval of
Auxiliary Transfers and Rates
for Academic Tuition, Academic
Tuition Refund Policy and
Schedule, Segregated Fees,
Textbook Rental, Room and
Board, Apartments, and
Parking.

BOARD OF REGENTS

Resolution:

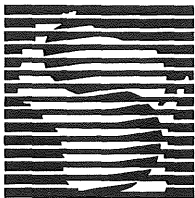
That, upon the recommendation of the President of the University of Wisconsin System, the 1998-99 operating budget be approved, including tuition refund policy and schedule, an auxiliary transfer at UW-Green Bay to retire debt on the Child Care Center, and rates for academic tuition, segregated fees, textbook rental, room and board, apartments, and parking as reflected in the document 1998-99 Operating Budget and Fee Schedules, June, 1998. The 1998-99 amounts are:

GPR	\$ 905,454,702 (33.3%)
<u>Academic Tuition</u>	<u>456,539,641 (16.7%)</u>
Total GPR/Fees	1,361,994,343 (50.0%)
<u>Other</u>	<u>1,359,794,835 (50.0%)</u>
Total	\$ 2,721,789,178(100.0%)

Academic tuition for Minnesota Reciprocity students will be incorporated into the 1998-99 Academic Fees/Tuition Schedule upon receipt of final Minnesota tuition information.

6/5/98

I.2.a.



The University of Wisconsin System

1998-1999
Operating Budget
and Fee Schedules

June, 1998

UW SYSTEM 1998-99 ANNUAL BUDGET

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UW SYSTEM 1998-99 ANNUAL OPERATING BUDGET

EXECUTIVE SUMMARY

INTRODUCTION

The 1998-99 annual operating budget allocates funding for the second year of the current biennium, based upon the final State budget. These allocations and base reallocations reflect the priorities of the Board of Regents' *Study of UW System in the 21st Century*:

- ✓ Due to Wisconsin's healthy economy and higher than projected revenue collections, the State was able to fund a greater share of *unclassified* compensation adjustments in 1997-98 and 1998-99 than originally projected. The GPR share of the standard 3.5% unclassified salaries and fringes (the additional 1% was funded solely on fees) is 70.9%. The normal GPR share is 69.2% of unclassified pay plan. The GPR share is higher this year due to the addition of \$4 million in 1998-99 to help fund the compensation shortfall in 1997-98 and 1998-99.
- ✓ Proposed tuition increases for 98-99 are a full 2% lower than the 7.0% authorized in the final State budget, or 4.9% for resident undergraduates.
- ✓ The State has recognized the importance of the Regents' *21st Century Study* priority of funding Instructional Technology/Distance Education, by increasing the second year funding by an additional \$3,978,500. However, this only begins to meet needs in this pivotal area. As a result:
 - ✓ Institutions have contributed more than twice the required \$6 million reallocation into Instructional Technology/Distance Education, at \$12.1 million.
 - ✓ Students contribute to this key priority through an additional \$500,000 in funding generated from the ongoing student technology fee (2% of tuition at all institutions except UW-Madison, where it is 2.5%).
- ✓ This budget reallocates GPR and tuition funding, and student FTE enrollments, among institutions to better meet student demand, as follows: UW-Parkside's budget was reduced 100 FTE and \$224,400 this year and will be reduced by an additional \$224,400 next year. UW-Milwaukee's budget was reduced by \$88,600 and 20 FTE. In turn, UW-Green Bay's budget was increased by \$100,825 and 76 FTE and UW-La Crosse's budget was increased by \$140,680 and 40 FTE. UW-Oshkosh's budgeted increase for 1997-98 was reduced by \$186,450 due to lower than expected additional enrollment growth.

The State continues to fund financial aid with increases of 4.5% for Wisconsin Higher Education Grants (WHEG), 9.1% for Lawton Undergraduate Minority Retention Grants (LUMRG), and 3.4% for Advanced Opportunity Program (AOP) grants.

- ✓ The ongoing reduction to UW-Extension is decreased, per the State budget, from \$2.5 million in 1997-98, to \$1.5 million in 1998-99.
- ✓ The proposed State Budget Adjustment Bill provides funding of \$1.5 million to UW-Madison for Biological Sciences.
- ✓ This budget includes the first institutional request for a transfer of auxiliaries funding, a flexibility recommendation of the *21st Century Study*. UW-Green Bay requests a transfer of \$104,000 on a one-time basis from four auxiliary operations (University Union, Weidner Center, University Bookstore and University Housing) to retire its deficit from the former Child Care Center.
- ✓ New differential tuition initiatives, encouraged by the *21st Century Study*, are included for: UW-Madison Evening Masters of Business Administration, UW-Milwaukee Allied Health, and UW-Superior Pilot Summer Graduate Per Credit Program.

MAJOR FEATURES

This budget includes tuition, differential tuition initiatives, segregated fee rates, UW auxiliary operations, one institutional request for a transfer of auxiliary funds, and allocation of cost-to-continue increases.

The budget allocates the majority of the new State funding for Instructional Technology/Distance Education which the Joint Committee on Finance released from unallotted reserve. It also allocates the following institution-specific items from the Budget Adjustment Bill:

- \$1.5 million at UW-Madison for Biotechnology
- \$50,000 at UW-Extension for the Humanities Council

Table 1 - 1998-99 GPR/Fees Annual Budget and Changes Comparisons
(in millions)

ITEM	1997-98 Annual Budget Base	Change in 1998-99	1998-99 Annual Budget	For Comparison Purposes Only	
				Change in 1997-98	Change in 1996-97
1. Total GPR	\$879.8	\$25.7 (2.9%)	\$905.5	\$35.4 (4.2%)	-\$5.8 (-0.7%)
2. Total Fee Revenue	\$430.3	\$26.2 (6.1%)	\$465.5	\$30.3 (7.6%)	\$14.1 (3.7%)
3. Overall GPR/Fee	\$1,310.1	\$51.9 (4.0%)	\$1,362.0	\$65.7 (5.3%)	\$8.3 (0.7%)
4. Resident Undergraduate Tuition					
a. UW-Madison		\$141		\$209	\$102
b. UW-Milwaukee		\$140		\$208	\$126
c. UW Comprehensives		\$114		\$169	\$102
d. UW Colleges		\$141		\$177	\$109

GPR/Fees

Comparing annual budget to annual budget, State General Purpose Revenue (GPR) will increase \$25.7 million [2.9%]. Tuition revenue authorization will increase \$26.2 million [6.1%]. The GPR/Fee budget will increase \$51.9 million [4.0%].

Tuition

Undergraduate resident tuition will increase \$141 at UW-Madison, \$140 at UW-Milwaukee, \$114 at the Comprehensive Universities, and \$141 at UW Colleges. The tuition increase for the UW Colleges will result in a resident undergraduate tuition rate that is 86.4% of the rate at the Comprehensive Universities. The long-term goal for the UW Colleges differential tuition initiative is 87%.

All Funds

The 1998-99 UW System all-funds operating budget will increase by \$114.8 million, 4.4% over 1997-98.

Auxiliary Budget and Segregated Fees

The average segregated fee is \$407 with an average increase of \$22.96 (6.0%) excluding UW Colleges; institution rate changes range from -\$3.14 to \$64.00 (-.7% to 20.1%).

At all institutions, student initiated programs are the major reasons for the increases. The UW Colleges average segregated fee is \$194.72 with an average increase of \$8.72 (4.7%); institution rate changes range from -\$1.50 to \$25.12 (-1.1% to 15.1%). Excluding UW Colleges, the weighted average segregated fee is \$412.72, with a weighted average increase of \$23.24 (6.0%). The average room and board rate is \$3,308 with an average increase of \$148 (4.7%); institution rate changes range from -\$80 to \$324 (-2.1% to 11.0%). The weighted average room and board rate is \$3,378, with a weighted average increase of \$164 (5.1%).

Program Revenue Budget

The projected federal programs and projects increase is 4.3% and the projected gift and trust fund income decrease is -.8%. This slight decrease is due to a large one-time gift last year at UW-Madison for completion of the Kohl Center. The percentage changes in this document are over last year's budget projections; actual to actual increases are provided in the UW System's Annual Fiscal Report.

REQUESTED ACTION

The Board of Regents is asked to approve allocation of the 1998-99 fiscal year budget. The proposed budget establishes the:

- **Total GPR/Fee Budget Level and Allocations of New Funding**
- **Tuition Level and Refund Schedule and Policy**
- **Rates for Segregated Fees, Room and Board, Apartments, Parking, and Textbook Rental**
- **Approval for Auxiliary Transfers**
- **Additional Other Program Revenue Budget Totals**

DISCUSSION AND RECOMMENDATIONS

At the March meeting, the Board approved the preliminary Decision Rules [Board of Regents Resolution 7649, March, 1998] to allocate 1998-98 GPR, Fees, and Program Revenue. Approval of this budget will establish the fiscal operating parameters for the UW System in the upcoming year.

Table 2

**UW SYSTEM ANNUAL OPERATING BUDGETS
FISCAL YEARS 1997-98 AND 1998-99**

The following table shows major budget changes in 1997-98 and 1998-99

ITEM	1998-99			1997-98		
	DOLLAR INCREASE	PERCENT INCREASE	TOTAL	DOLLAR INCREASE	PERCENT INCREASE	TOTAL
<u>1997-98 and 1998-99 Appropriation Increases</u>	(in millions)		(in millions)	(in millions)		(in millions)
Total Annual Operating Budget	\$114.8	4.4%	\$2,721.8	\$126.9	5.1%	\$2,607.0
GPR/Fees	\$51.9	4.0%	\$1,362.0	\$65.7	5.3%	\$1,310.1
State General Purpose Revenue (GPR)	\$25.7	2.9%	\$905.5	\$35.4	4.2%	\$879.8
Student Academic Fee Revenue	\$26.2	6.1% *	\$456.5	\$30.3	7.6%	\$430.3
Other Program Revenue	\$62.9	4.9%	\$1,359.8	\$61.2	5.0%	\$1,296.9
Federal Programs and Projects	\$19.8	4.3%	\$479.1	\$22.8	5.2%	\$459.3
Gift and Trust Fund Income	(\$2.1)	-0.8%	\$267.3	\$1.5	0.6%	\$269.4
Auxiliary Operations, Services, and Segregated Fees	\$38.3	9.4%	\$447.0	\$6.6	1.6%	\$408.7
UW Hospital Authority	\$0.8	3.0%	\$27.4	\$26.6	-	\$26.6
Indirect Cost Reimbursements	\$0.9	1.3%	\$64.6	\$0.5	0.9%	\$63.7
Other	\$5.2	7.5%	\$74.4	\$3.2	4.8%	\$69.2
<u>1997-98 and 1998-99 Fee/Rate Increases</u>	(actual dollars)			(actual dollars)		
Resident Undergraduate Fee (Madison)*	\$141	4.9%	\$3,001	\$209	7.9%	\$2,860
Resident Undergraduate Fee (Milwaukee)*	\$140	4.9%	\$2,987	\$208	7.9%	\$2,847
Resident Undergraduate Fee (Comprehensive)*	\$114	4.9%	\$2,426	\$169	7.9%	\$2,312
Resident Undergraduate Fee (Colleges)*	\$141	7.2%	\$2,097	\$177	9.9%	\$1,956
Average Segregated University Fee (1)*	\$23	6.0%	\$407	\$18	5.0%	\$384
Average Room and Board Rate (1)*	\$148	4.7%	\$3,308	\$142	4.7%	\$3,160
<u>Comparative Fiscal Indicators</u>						
Wisconsin Personal Income Projection		5.1%			5.3%	
Wisconsin Personal Income Per Capita Projection		4.0%			4.5%	
Growth in State of Wisconsin GPR Budget		1.6%			6.8%	
Wisconsin Revenue		4.7%			4.8%	
Consumer Price Index Projection		2.2%			1.8%	

(1) Reflects simple average and not weighted average.

* Academic year rates.

** This is not the tuition rate increase, but the revenue increase. Tuition rates are lower.

TABLE 3

UNIVERSITY OF WISCONSIN SYSTEM SOURCES OF FUNDS FOR THE 1998-99 BUDGET

	1996-97 Annual Budget	1997-98 Increase		1998-99 Increase		1998-99 Annual Budget
		\$	%	\$	%	
State General Purpose Revenue (GPR)						
General Program Appropriations	\$739,716,997	\$22,424,819	3.0%	\$28,593,324	3.8%	\$790,735,140
University Hospital & Clinics Board		3,814,511		97,351	2.6%	\$3,911,862
Utilities	41,681,100	(369,100)	-0.9%	955,000	2.3%	42,267,000
Debt Service	<u>62,982,600</u>	<u>9,567,200</u>	<u>15.2%</u>	<u>(4,009,100)</u>	<u>-5.5%</u>	<u>68,540,700</u>
Total GPR	844,380,697	35,437,430	4.2%	25,636,575	2.9%	905,454,702
Revenue from Student Academic Fees	399,961,184	30,303,930	7.6%	26,274,527	6.1%	456,539,641
Total GPR/Academic Fees	1,244,341,881	65,741,360	5.3%	51,911,102	4.0%	1,361,994,343
Federal Programs & Projects	436,506,739	22,811,790	5.2%	19,783,036	4.3%	479,101,565
Gift, Trust, and Seg Fund Income	267,916,408	1,498,688	0.6%	(2,114,261)	-0.8%	267,300,835
University Hospital & Clinics Authority		26,593,000		799,300	3.0%	27,392,300
Auxiliary Operations	402,064,710	6,610,933	1.6%	38,356,880	9.4%	447,032,523
Auxiliary Operations & Services	386,194,510	5,491,533	1.4%	36,491,480	9.3%	428,177,523
State Laboratory of Hygiene	15,870,200	1,119,400	7.1%	1,865,400	11.0%	18,855,000
Operations Receipts	66,019,353	3,140,194	4.8%	5,205,284	7.5%	74,364,831
Indirect Cost Reimbursement	<u>63,208,554</u>	<u>539,749</u>	0.9%	<u>854,478</u>	<u>1.3%</u>	<u>64,602,781</u>
System Total	\$2,480,057,645	\$126,935,714	5.1%	\$114,795,819	4.4%	\$2,721,789,178

* The Hospital and Clinics became a public authority in 1996-97, at which time a new program revenue appropriation was created for the authority.

QUICK HELP INDEX

<i>If you want to know:</i>	<i>See page:</i>
How much tuition will increase	4
How much GPR will increase	ii
How much the segregated fee will be	14
The reasons for segregated fee changes	15
What the 1998-99 room and board rates will be	18
What undergraduate resident tuition increases will be	4
What UW institutions will base reallocate for Instructional Technology/Distance Education	28

I. ALLOCATIONS

- This year continues the reallocation of base resources across campuses under Enrollment Management. UW-Parkside's budget was reduced 100 FTE and \$224,400 this year and will be reduced by an additional \$224,400 next year. UW-Milwaukee's budget was reduced by \$88,600 and 20 FTE. In turn, UW-Green Bay's budget was increased by \$100,825 and 76 FTE and UW-LaCrosse's budget was increased by \$140,680 and 40 FTE. UW-Oshkosh's budgeted increase for 1997-98 was reduced by \$186,450 due to lower than expected additional enrollment growth.
- IT/DE funds were released from the Joint Finance Committee's unallotted reserve and are distributed to the institutions in this budget.
- The compensation reserve was only funded to cover 75% of the GPR share of all salaries. Because of this, classified pay plan for 1997-98 and 1998-99 was distributed at 81.4% (75% of GPR funding at .7454 and full fee funding at .2546). The balance of funding is to come from base reallocations. Fringe benefits were fully funded in the compensation reserve at the regular split.
- Unclassified pay plan is funded 55.9% by GPR and 44.1% from fees. The normal fee share is 30.8%.
- UW-Extension's ongoing base reduction decreases from \$2.5 million in 1997-98 to \$1.5 million in 1998-99.
- UW-Madison added a differential tuition initiative this year for its evening MBA program, increasing funding by \$368,000.
- Fee Revenue decreases due to tuition remissions for Graduate and Program/Project Assistants which results in reduced expenditure requirements.
- The UW System experienced a \$4.0 million reduction in GPR debt service due to retirement of bonds and scheduled project levels.

TABLE 4

**UNIVERSITY OF WISCONSIN SYSTEM
1998-99 ANNUAL BUDGET
CHANGES BY INSTITUTION
GPR/FEES**

	1997-98 GPR/FEES	COMPENSATION ADJUSTMENTS & FRINGE BENEFIT SUPPLEMENTS *	STUDENT TECHNOLOGY FEE	IT/ DISTANCE EDUCATION	BUDGET REDUCTION **	TUITION TARGETS/ DIFFERENTIAL TUITION/ INTERSESSION	OTHER ***	FINANCIAL AID ****	UTILITIES	DEBT SERVICE	1998-99 GPR/FEES	TOTAL CHANGE
MADISON	\$406,117,573	\$12,747,999	\$231,325	\$1,128,690	(\$94,393)	\$778,889	(\$3,650,527)	\$112,634	\$317,593	(\$1,515,159)	\$416,174,624	\$10,057,051
MILWAUKEE	133,548,628	3,999,557	61,878	537,086	(12,257)	34,400	(972,879)	114,816	68,314	(566,317)	136,813,226	3,264,598
EAU CLAIRE	50,855,765	1,578,238	24,624	313,962	(13,738)	172,809		12,594	13,273	(214,602)	52,742,925	1,887,160
GREEN BAY	23,767,953	733,622	11,594	1,332,807	(7,184)	458,342		4,926	12,453	(136,387)	26,178,126	2,410,173
LA CROSSE	42,723,547	1,332,025	22,344	272,991	(3,971)	810,276	638,600	6,089	16,457	(192,113)	45,626,245	2,902,698
OSHKOSH	49,922,572	1,543,136	24,551	291,728	(8,897)	(186,450)		20,393	19,230	(221,781)	51,404,482	1,481,910
PARKSIDE	23,888,702	663,101	9,300	129,783	(10,262)	(224,400)	(15,937)	29,317	15,417	(134,344)	24,350,677	461,975
PLATTEVILLE	29,041,148	850,288	13,415	150,064	(2,730)			775	13,306	(168,058)	29,898,208	857,060
RIVER FALLS	28,197,187	882,984	12,219	164,458	(14,291)	335,088	45,600	(3,062)	12,916	(154,027)	29,479,072	1,281,885
STEVENS POINT	44,052,521	1,374,384	22,131	259,338	(4,081)	253,204		1,446	18,947	(214,564)	45,763,326	1,710,805
STOUT	39,056,242	1,177,771	18,714	202,189	(3,838)	50,000		13,139	344,382	(202,575)	40,656,024	1,599,782
SUPERIOR	14,635,888	415,115	5,292	120,000	(1,308)	34,000		(954)	9,299	(90,244)	15,127,088	491,200
WHITEWATER	45,865,242	1,431,484	25,840	273,676	(7,072)	390,261		16,273	21,852	(198,929)	47,818,627	1,953,385
COLLEGES	31,767,969	1,067,864	16,773	255,946	(3,186)		16,000	5,014	69,292		33,195,672	1,427,703
EXTENSION	46,067,080	1,553,945		219,471	995,154		50,000		1,640		48,887,290	2,820,210
SYSTEM ADMINISTRATION	6,780,494	279,711					(400)				7,059,805	279,311
SYSTEMWIDE	24,317,908	8,332,367		(2,146,654)	(15,346)	(2,906,419)	2,748,257		629		30,330,742	6,012,834
SYSTEM TOTAL EXCL FB	\$1,040,606,419	\$39,963,591	\$500,000	\$3,505,535	\$792,600	\$0	(\$1,141,286)	\$333,400	\$955,000	(\$4,009,100)	\$1,081,506,159	\$40,899,740
FRINGE BENEFITS	269,476,822	10,573,175		472,965			(34,778)				280,488,184	11,011,362
SYSTEM TOTAL INCL FB	\$1,310,083,241	\$50,536,766	\$500,000	\$3,978,500	\$792,600	\$0	(\$1,176,064)	\$333,400	\$955,000	(\$4,009,100)	\$1,361,994,343	\$51,911,102

* Includes 'Additional Tuition Flexibility (107% Authority)'.

** Includes General Budget Reduction (\$-94,700), Vehicle Fleet Reduction (\$-112,700) and the Partial Restoration of UW Extension Reduction (\$1,000,000).

*** Includes Advising (\$113,300), Allied Health (\$1,658,000), Adjustment for Graduate Remissions (\$-5,171,300), Pre-College (\$83,000), Additional Biotechnology Sciences Faculty (\$1,500,000) and Humanities Council (\$50,000).

**** Includes base budget increases for Advanced Opportunity Grants (AOP) and Lawton Undergraduate Minority Retention Grants (LUMRG).

Table 5

UNIVERSITY OF WISCONSIN SYSTEM 1997-98 AND 1998-99 ANNUAL BUDGET BY INSTITUTION AND PROGRAM (GPR/FEEES)
--

	<u>Total</u>	<u>Instruction</u>	<u>Research</u>	<u>Public Service</u>	<u>Academic Support</u>	<u>Hospitals</u>	<u>Farm Operations</u>	<u>Student Services</u>	<u>Financial Aid</u>	<u>Auxiliary Enterprises</u>	<u>Physical Plant</u>	<u>Institutional Support</u>	<u>Debt Service on Acad Bldg</u>
<u>UW-Madison</u>													
1997-98 Budget	510,720,977	238,003,852	47,471,940	7,890,319	67,560,752	1,649,842	4,752,292	21,299,778	3,677,658		59,596,234	27,926,606	30,891,704
Change	15,098,244	3,747,808	3,432,649	795,813	4,600,174	72,967	210,064	1,135,526	112,634		1,209,825	1,295,943	(1,515,159)
1998-99 Budget	525,819,221	241,751,660	50,904,589	8,686,132	72,160,926	1,722,809	4,962,356	22,435,304	3,790,292		60,806,059	29,222,549	29,376,545
<u>UW-Milwaukee</u>													
1997-98 Budget	164,297,748	81,016,179	7,433,387	658,692	28,198,997			9,430,287	1,963,640	83,299	15,689,579	10,319,664	9,504,024
Change	5,360,036	1,316,986	303,136	69,398	2,018,045			803,759	114,816	(25,908)	775,164	550,957	(566,317)
1998-99 Budget	169,657,784	82,333,165	7,736,523	728,090	30,217,042			10,234,046	2,078,456	57,391	16,464,743	10,870,621	8,937,707
<u>UW-Eau Claire</u>													
1997-98 Budget	64,754,553	35,282,123	58,981	114,219	8,436,247			5,508,256	271,608		6,271,362	5,300,347	3,511,410
Change	2,970,385	1,710,801	(1,331)	5,825	709,924			231,439	12,594		272,996	242,739	(214,602)
1998-99 Budget	67,724,938	36,992,924	57,650	120,044	9,146,171			5,739,695	284,202		6,544,358	5,543,086	3,296,808
<u>UW-Green Bay</u>													
1997-98 Budget	30,211,188	13,858,716	82,023	488,702	3,850,662			2,774,595	99,837		3,320,073	3,516,556	2,220,024
Change	2,933,196	1,928,903	4,701	2,536	518,315			372,949	4,926		90,813	146,440	(136,387)
1998-99 Budget	33,144,384	15,787,619	86,724	491,238	4,368,977			3,147,544	104,763		3,410,886	3,662,996	2,083,637
<u>UW-La Crosse</u>													
1997-98 Budget	53,897,114	30,170,900	173,520	396,015	6,922,939			3,821,472	198,455		4,916,234	4,069,113	3,228,466
Change	3,795,909	2,774,059	3,427	104,813	626,324			190,271	6,089		241,914	41,125	(192,113)
1998-99 Budget	57,693,023	32,944,959	176,947	500,828	7,549,263			4,011,743	204,544		5,158,148	4,110,238	3,036,353
<u>UW-Oshkosh</u>													
1997-98 Budget	62,495,977	34,713,519	85,068	176,496	8,331,057			4,579,770	159,611		6,077,707	4,607,414	3,765,335
Change	2,289,478	1,266,322	3,423	3,570	583,711			232,974	20,393		204,899	195,967	(221,781)
1998-99 Budget	64,785,455	35,979,841	88,491	180,066	8,914,768			4,812,744	180,004		6,282,606	4,803,381	3,543,554
<u>UW-Parkside</u>													
1997-98 Budget	29,615,330	13,147,251	125,485	63,239	3,851,497			2,984,335	169,120		3,649,672	3,317,647	2,307,084
Change	800,448	149,134	(14,567)	132,211	396,141			50,127	29,317		118,001	74,428	(134,344)
1998-99 Budget	30,415,778	13,296,385	110,918	195,450	4,247,638			3,034,462	198,437		3,767,673	3,392,075	2,172,740
<u>UW-Platteville</u>													
1997-98 Budget	36,593,781	19,038,789		6,000	4,970,572	129,784	2,381,094		84,781		3,750,860	3,438,734	2,793,167
Change	1,436,122	939,781		0	309,041	6,647	106,872		775		117,434	123,630	(168,058)
1998-99 Budget	38,029,903	19,978,570		6,000	5,279,613	136,431	2,487,966		85,556		3,868,294	3,562,364	2,625,109
<u>UW-River Falls</u>													
1997-98 Budget	35,887,822	18,588,568	8,483	93,235	4,280,547	290,475	2,860,224		135,919		3,850,849	3,240,279	2,539,243
Change	1,870,462	853,558	(478)	(41,048)	567,238	29,100	206,399		(3,062)		181,801	230,981	(154,027)
1998-99 Budget	37,758,284	19,442,126	8,005	52,187	4,847,785	319,575	3,066,623		132,857		4,032,650	3,471,260	2,385,216
<u>UW-Stevens Point</u>													
1997-98 Budget	56,188,166	30,071,586	152,285	453,518	7,534,250			3,952,286	285,802		5,437,945	4,665,749	3,634,745
Change	2,426,969	1,000,975	4,105	15,481	911,489			332,732	1,446		71,320	303,985	(214,564)
1998-99 Budget	58,615,135	31,072,561	156,390	468,999	8,445,739			4,285,018	287,248		5,509,265	4,969,734	3,420,181

Table 5 (inued)

**UNIVERSITY OF WISCONSIN SYSTEM
1997-99 AND 1998-99 ANNUAL BUDGET
BY INSTITUTION AND PROGRAM
(GPR/FEES)**

	<u>Total</u>	<u>Instruction</u>	<u>Research</u>	<u>Public Service</u>	<u>Academic Support</u>	<u>Hospitals</u>	<u>Farm Operations</u>	<u>Student Services</u>	<u>Financial Aid</u>	<u>Auxiliary Enterprises</u>	<u>Physical Plant</u>	<u>Institutional Support</u>	<u>Debt Service on Acad Bldgs</u>
<u>UW-Stout</u>													
1997-98 Budget	49,758,814	24,825,918	125,372	43,946	6,560,141			4,280,440	346,781		5,395,308	4,887,147	3,293,761
Change	2,630,631	1,355,745	(1,362)	64,566	397,382			197,071	13,139		486,999	319,666	(202,575)
1998-99 Budget	52,389,445	26,181,663	124,010	108,512	6,957,523			4,477,511	359,920		5,882,307	5,206,813	3,091,186
<u>UW-Superior</u>													
1997-98 Budget	18,704,934	8,738,451	0	56,138	1,795,979			1,852,484	54,838		2,768,798	1,929,210	1,509,036
Change	773,234	489,346	0	2,165	123,382			29,877	(954)		122,771	96,891	(90,244)
1998-99 Budget	19,478,168	9,227,797	0	58,303	1,919,361			1,882,361	53,884		2,891,569	2,026,101	1,418,792
<u>UW-Whitewater</u>													
1997-98 Budget	57,720,544	30,953,559	156,785	209,664	7,007,217			4,761,392	394,385		5,559,910	5,325,831	3,351,801
Change	2,876,555	1,721,399	7,709	10,195	682,404			144,438	16,273		176,349	316,717	(198,929)
1998-99 Budget	60,597,099	32,674,958	164,494	219,859	7,689,621			4,905,830	410,658		5,736,259	5,642,548	3,152,872
<u>UW-Colleges</u>													
1997-98 Budget	41,090,634	23,605,378		33,572	4,763,689			3,503,412	24,600		4,820,652	4,339,331	
Change	2,043,890	423,567		(32,585)	590,365			183,506	5,014		211,040	662,983	
1998-99 Budget	43,134,524	24,028,945		987	5,354,054			3,686,918	29,614		5,031,692	5,002,314	
<u>UW-Extension</u>													
1997-98 Budget	59,092,665	8,603,035		36,372,206	8,514,199			752,837			784,273	4,066,115	
Change	3,212,139	187,848		2,133,269	833,383			(93,492)			40,743	110,388	
1998-99 Budget	62,304,804	8,790,883		38,505,475	9,347,582			659,345			825,016	4,176,503	
<u>UW-System Admin</u>													
1997-98 Budget	9,007,105											9,007,105	
Change	413,414											413,414	
1998-99 Budget	9,420,519											9,420,519	
<u>UW-Systemwide</u>													
1997-98 Budget	30,045,889	10,829,174	758,872	111,634	8,646,508			950,288	15,000		2,645,926	6,088,487	
Change	979,990	3,112,298	(9,041)	(89,534)	(1,344,118)			(51,898)	0		(1,024,681)	386,964	
1998-99 Budget	31,025,879	13,941,472	749,831	22,100	7,302,390			898,390	15,000		1,621,245	6,475,451	
<u>System Total</u>													
1997-98 Budget	1,310,083,241	621,446,998	56,632,201	47,167,595	181,225,253	1,649,842	5,172,551	75,692,950	7,882,035	83,299	134,535,382	106,045,335	72,549,800
Change	51,911,102	22,978,530	3,732,371	3,176,675	12,523,200	72,967	245,811	4,072,550	333,400	(25,908)	3,297,388	5,513,218	(4,009,100)
1998-99 Budget	1,361,994,343	644,425,528	60,364,572	50,344,270	193,748,453	1,722,809	5,418,362	79,765,500	8,215,435	57,391	137,832,770	111,558,553	68,540,700

II. ACADEMIC TUITION, SEGREGATED FEE RATES AND REFUND POLICY AND SCHEDULE

1998-99 TUITION RATES

Annual tuition rates for the 1998-99 academic year will increase between \$114 and \$141 for resident undergraduate students. The proposed tuition increases are crucial in UW System efforts to provide quality instructional services.

The UW System was prudent in its use of tuition flexibility. If all of the available 1998-99 tuition flexibility had been used to increase tuition, resident undergraduate increases would have been \$59 higher at UW-Madison and UW-Milwaukee, \$48 more at UW Comprehensive Universities, and \$40 higher at the UW Colleges.

Resident Undergraduates	Increase at Full Tuition Flexibility	Actual Tuition Increase	Tuition Discount
UW-Madison	\$200	\$141	\$59
UW-Milwaukee	\$199	\$140	\$59
UW Comprehensives	\$162	\$114	\$48
UW Colleges	\$181	\$141	\$40

At 4.9%, the undergraduate resident tuition increase is 2% below the 7.0% tuition increase authorized in the final state budget. This rate is .8% higher than the average percentage tuition increases planned by institutions in neighboring states but, is below the average dollar increases. The UW-Madison proposed annual tuition of \$3,001 continues to be below the midpoint of these institutional rates by approximately \$600. Excluding the UW System, increases range from a possible 2.0% with a dollar increase of \$89 at Michigan State University to 6.0% with a dollar increase of \$203 at Ohio State University. Estimated 1998-99 tuition increases are:

Institution	Tuition Percent Increase	Tuition Dollar Increase	Estimated Tuition (a)	State Support Increase
Illinois - Urbana	3.0%	\$99	\$3,407	4.0%
Indiana	4.0%	\$139	\$3,625	3.7%
Iowa	3.9%	\$94	\$2,507	5.5%
Michigan (b)	n/a	n/a	n/a	n/a
Michigan State	2.0%-3.0%	\$89-\$134	\$4,552-\$4,597	1.5%-3.0%
Minnesota -Twin Cities	3.0%	\$114	\$3,910	5.4%
Ohio State	6.0%	\$203	\$3,590	2.6%
Penn State	3.7%	\$210	\$5,892	3.25%
Purdue	5.8%	\$182	\$3,317	4.0%
UW-Madison	4.9%	\$141	\$3,001	2.9%
Average excluding UW	4.1%	\$147	\$4,048	3.9%
Midpoint excluding UW	3.8%	\$137	\$3,608	3.9%
UW Distance from Midpoint	1.1%	\$4	(\$607)	(1.0%)

(a) These amounts represent tuition only and do not include segregated fees.

(b) The University of Michigan tuition increase is not available because their budget has not yet been passed by the state of Michigan.

The following tables summarize the 1997-98 academic year tuition levels (including segregated fees) for UW-Madison, UW-Milwaukee, and the Comprehensive Universities in relation to the mid-point of their peer groups.

UW-MADISON BIG TEN PEER GROUP TUITION			
	TUITION AND SEGREGATED FEES	PEER GROUP MID-POINT*	DISTANCE FROM MID-POINT
Resident Undergraduate	\$3,240	\$4,151	(\$ 911)
Non-resident Undergraduate	\$10,979	\$11,519	(\$ 540)
Resident Graduate	\$4,690	\$4,890	(\$ 200)
Non-resident Graduate	\$14,393	\$11,015	\$3,379

UW-MILWAUKEE PEER GROUP TUITION			
	TUITION AND SEGREGATED FEES	PEER GROUP MID-POINT*	DISTANCE FROM MID-POINT
Resident Undergraduate	\$3,326	\$3,874	(\$ 548)
Non-resident Undergraduate	\$10,789	\$9,332	\$1,458
Resident Graduate	\$4,770	\$4,880	(\$ 110)
Non-resident Graduate	\$14,432	\$9,503	\$4,929

UW COMPREHENSIVES PEER GROUP TUITION			
	TUITION AND SEGREGATED FEES	PEER GROUP MID-POINT*	DISTANCE FROM MID-POINT
Resident Undergraduate	\$2,688	\$3,033	(\$345)
Non-resident Undergraduate	\$8,630	\$7,309	\$1,321
Resident Graduate	\$3,505	\$3,363	\$142
Non-resident Graduate	\$10,734	\$7,276	\$3,458

* The peer mid-point excludes the UW institution within that peer group.

The 1997-98 academic year was the initial year for several differential tuition programs. The Board of Regents approved the use of differential tuition for unique programs with strong demand and/or special operating costs to help accommodate variances in demand, allow for the fair coverage of marginal costs and provide the ability to charge market rates. The three differential tuition programs approved by the Board of Regents for 1997-98 were:

- the UW-Madison Doctor of Pharmacy Program
- the enhanced UW-Eau Claire Undergraduate Baccalaureate Degree Program
- and the UW-La Crosse undergraduate Occupational Therapy and Physician Assistant programs and the graduate Physical Therapy program

The Board of Regents has approved three additional differential programs to take effect in 1998-99, including:

- the UW-Madison Evening Masters of Business Administration
- the UW-Superior Graduate Program, which will be implemented as a pilot per credit program in the summer of 1998
- and the UW-Milwaukee Graduate Programs in Communication Science and Disorders, and Occupational Therapy. The Graduate Program in Physical Therapy was also approved for a differential tuition which will be implemented in 1999-00.

In addition, this budget marks the third year of the previously approved UW Colleges differential tuition increases intended to raise tuition to 87% of the Comprehensives. In 1998-99 this differential increase raises the UW Colleges tuition to 86.4% of the Comprehensives' rate. Tuition will still be \$194 (9.3%) below the full-time rate for college parallel programs in the Wisconsin Technical College System.

TABLE 6

**UNIVERSITY OF WISCONSIN SYSTEM
PROPOSED 1998-99
TUITION SCHEDULE
FOR FULL ACADEMIC YEAR**

	1997-98 TUITION (Includes Special Fees)	1998-99 TUITION (a)(b)(c)			
		TUITION	SEMESTER TUITION	DOLLAR INCREASE (Academic Year)	SEMESTER INCREASE
UW-MADISON					
<u>Resident</u>					
Undergraduate	\$2,860	\$3,001	\$1,501	\$141	\$71
Graduate	\$4,310	\$4,522	\$2,261	\$212	\$106
Business Masters (d)	\$5,284	\$5,543	\$2,772	\$259	\$130
Law School	\$5,528	\$5,799	\$2,900	\$271	\$136
Medical School	\$14,400	\$15,106	\$7,553	\$706	\$353
Veterinary School	\$10,444	\$10,956	\$5,478	\$512	\$256
<u>Nonresident</u>					
Undergraduate	\$10,599	\$11,182	\$5,591	\$583	\$292
Graduate	\$14,013	\$14,784	\$7,392	\$771	\$386
Business Masters (d)	\$14,998	\$15,823	\$7,912	\$825	\$413
Law School	\$15,060	\$15,889	\$7,945	\$829	\$415
Medical School	\$21,250	\$22,419	\$11,210	\$1,169	\$585
Veterinary School	\$15,412	\$16,260	\$8,130	\$848	\$424
UW-MILWAUKEE					
<u>Resident</u>					
Undergraduate	\$2,847	\$2,987	\$1,494	\$140	\$70
Graduate	\$4,291	\$4,502	\$2,251	\$211	\$106
Business Masters (d)	\$5,284	\$5,543	\$2,772	\$259	\$130
<u>Nonresident</u>					
Undergraduate	\$10,310	\$10,878	\$5,439	\$568	\$284
Graduate	\$13,953	\$14,721	\$7,361	\$768	\$384
Business Masters (d)	\$14,956	\$15,779	\$7,890	\$823	\$412
UW COMPREHENSIVE UNIVERSITIES GENERAL RATES					
<u>Resident</u>					
Undergraduate	\$2,312	\$2,426	\$1,213	\$114	\$57
Graduate	\$3,129	\$3,283	\$1,642	\$154	\$77
Business Masters (d)	\$3,526	\$3,699	\$1,850	\$173	\$87
<u>Nonresident</u>					
Undergraduate	\$8,254	\$8,708	\$4,354	\$454	\$227
Graduate	\$10,358	\$10,928	\$5,464	\$570	\$285
Business Masters (d)	\$10,759	\$11,351	\$5,676	\$592	\$296
UW COLLEGES (e)					
<u>Resident</u>	\$1,956	\$2,097	\$1,049	\$141	\$70
<u>Nonresident</u>	\$7,023	\$7,571	\$3,786	\$548	\$274

(a) Refer to Table 7 for tuition rates of the differential tuition programs approved by the Board of Regents.

(b) Tuition rates for pilot distance education projects will be established per Regent Resolution I.2.h. as approved February 9, 1996.

(c) Resident undergraduate tuition increases by 4.9% and nonresident undergraduate tuition increases by 5.5%, except at UW Colleges which increases by 7.2% for resident students and 7.8% for nonresident students.

(d) Students who were registered as a masters student in Business prior to the Fall 1989 semester will pay \$800 less at the Doctoral Universities and \$320 less at the Comprehensive Universities.

(e) The tuition increase for students attending the UW Colleges results in a resident undergraduate rate equal to 86.4% of the comprehensive universities general rate, compared with a goal of 87%.

TABLE 7

UNIVERSITY OF WISCONSIN SYSTEM
PROPOSED 1998-99
DIFFERENTIAL TUITION SCHEDULE
 (for semester rate, divide academic year by 2)

	1998-99		1999
	ACADEMIC YEAR TUITION	SEMESTER TUITION	SUMMER SESSION TUITION (a)
UW-MADISON			
<u>Resident</u>			
Evening MBA	\$9,344	\$4,672	\$2,336
Pharmacy	\$6,347	\$3,174	\$1,590
<u>Nonresident</u>			
Evening MBA	\$15,823	\$7,912	\$3,956
Pharmacy	\$14,454	\$7,227	\$3,618
UW-MILWAUKEE			
<u>Resident</u>			
Communication Science & Disorders	\$4,931	\$2,466	\$1,236
Occupational Therapy	\$4,931	\$2,466	\$1,236
Physical Therapy	not until 99/00		not until 99/00
<u>Nonresident</u>			
Communication Science & Disorders	\$16,116	\$8,058	\$4,032
Occupational Therapy	\$16,116	\$8,058	\$4,032
Physical Therapy	not until 99/00		not until 99/00
UW-EAU CLAIRE			
<u>Resident</u>			
Undergraduate	\$2,526	\$1,263	\$636
<u>Nonresident</u>			
Undergraduate	\$8,808	\$4,404	\$2,202
UW-LA CROSSE			
<u>Resident</u>			
Occupational Therapy	\$2,904	\$1,452	\$726
Physician Assistant	\$2,904	\$1,452	\$726
Physical Therapy	\$3,929	\$1,965	\$1,095
<u>Nonresident</u>			
Occupational Therapy	\$10,412	\$5,206	\$2,604
Physician Assistant	\$10,412	\$5,206	\$2,604
Physical Therapy	\$13,067	\$6,534	\$3,630
UW-SUPERIOR			
<u>Resident</u>			
Summer Graduate Program	\$3,283	\$1,642	\$915
<u>Nonresident</u>			
Summer Graduate Program	\$10,928	\$5,464	\$3,040
UW COLLEGES			
<u>Resident</u>	\$2,097	\$1,049	\$528
<u>Nonresident</u>	\$7,571	\$3,786	\$1,896

UW - Madison Evening Masters of Business Administration beginning Fall 1998 with a \$584 per credit rate, is designed to serve individuals who work full-time.

UW - Madison Doctor of Pharmacy Program was implemented in Fall, 1997. It is a six year professional program, with the first two years considered pre-Pharmacy.

UW - Milwaukee Allied Health Graduate Programs raise general tuition by 10% in 1998-99 and by 10% again in 1999-00 to help defray the costs of these expensive health science programs. The Physical Therapy Program will not be implemented until 1999-00.

UW - Eau Claire Undergraduate Baccalaureate Program began in Fall, 1997 with a differential rate of \$50 per semester which funds such opportunities as faculty/student collaborative research, service-learning programs, internships, and freshman seminars/capstone courses.

UW - La Crosse Allied Health Programs, implemented in Fall 1997, raise tuition by 10% annually in 1997-98 and 1998-99 to help defray costs for operating the undergraduate Occupational Therapy and Physician Assistant programs and the graduate Physical Therapy program.

UW Superior Summer Graduate Program is a pilot per credit based (\$174 per credit) program implemented in the summer of 1998. The results of this pilot implementation will be reevaluated subsequent to extending the program.

UW Colleges are in the third year of a previously approved differential tuition phased in to raise tuition to 87% of the Comprehensives rate. The 1998-99 increase raises resident undergraduate tuition to 86.4% of the Comprehensives general rate.

(a) Represents tuition paid by a "full-time" summer session student. Full-time is defined as 1/2 of the full-time academic year semester load. The summer session per credit rate equals the semester per credit rate for the previous academic year rounded to the nearest dollar.

TABLE 8

**UNIVERSITY OF WISCONSIN SYSTEM
RECOMMENDED 1999 SUMMER SESSION
TUITION SCHEDULE (a)**

	<u>1998 Tuition</u>	<u>Proposed 1999 Tuition</u>
UW-MADISON (b)		
<u>Resident</u>		
Undergraduate	\$714	\$756
Graduate	\$1,080	\$1,132
Business Masters (c)	\$1,320	\$1,388
Law School	\$1,380	\$1,452
<u>Nonresident</u>		
Undergraduate	\$2,652	\$2,796
Graduate	\$3,504	\$3,696
Business Masters (c)	\$3,752	\$3,956
Law School	\$3,768	\$3,978
UW-MILWAUKEE (b)		
<u>Resident</u>		
Undergraduate	\$714	\$750
Graduate	\$1,072	\$1,128
Business Masters (c)	\$1,320	\$1,388
<u>Nonresident</u>		
Undergraduate	\$2,580	\$2,724
Graduate	\$3,488	\$3,684
Business Masters (c)	\$3,740	\$3,948
UW COMPREHENSIVE UNIVERSITIES GENERAL RATES (b)		
<u>Resident</u>		
Undergraduate	\$576	\$612
Graduate	\$870	\$915
Business Masters (c)	\$980	\$1,030
<u>Nonresident</u>		
Undergraduate	\$2,064	\$2,178
Graduate	\$2,880	\$3,040
Business Masters (c)	\$2,990	\$3,155
UW COLLEGES		
<u>Resident</u>	\$492	\$528
<u>Nonresident</u>	\$1,758	\$1,896

- (a) The rates shown represent the tuition paid by a "full-time" summer session student. Full-time is defined as one-half of the full-time semester load for the academic year. The per credit rate for summer session is equivalent to the semester per credit rate for the previous academic year rounded to the next dollar.
- (b) Refer to Table 7 for summer session tuition rates of differential tuition programs approved by the Board of Regents.
- (c) Students who were registered as a masters student in business prior to the Fall, 1989 semester will pay \$200 less at the Doctoral Universities and \$90 less at the Comprehensive Universities.

TABLE 9

**UNIVERSITY OF WISCONSIN SYSTEM
THREE YEAR STUDENT SHARE OF COST COMPARISON
1996-97 THROUGH 1998-99**

		<u>Share of Cost (a)</u>		
		<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>
UW-MADISON (b)				
<u>Resident</u>				
Undergraduate		33.8%	34.2%	35.0%
Graduate		29.0%	28.5%	28.9%
Law School		40.9%	40.2%	42.0%
Medical School		31.0%	32.7%	32.1%
Veterinary School		32.6%	32.8%	33.6%
<u>Nonresident</u>				
Undergraduate		12.4%	126.6%	130.6%
Graduate		93.8%	92.5%	94.4%
Law School		110.8%	109.6%	115.0%
Medical School		45.4%	48.3%	47.7%
Veterinary School		47.9%	48.5%	49.8%
UW-MILWAUKEE (b)				
<u>Resident</u>				
Undergraduate		36.2%	38.3%	38.1%
Graduate		28.6%	29.4%	29.7%
<u>Nonresident</u>				
Undergraduate		130.3%	138.5%	138.6%
Graduate		92.6%	95.7%	97.1%
UW COMPREHENSIVE UNIVERSITIES GENERAL RATES (b)				
<u>Resident</u>				
Undergraduate		34.5%	35.8%	36.1%
Graduate		30.4%	31.4%	30.9%
<u>Nonresident</u>				
Undergraduate		122.5%	127.6%	129.6%
Graduate		100.0%	103.8%	102.7%
UW COLLEGES				
<u>Resident</u>		34.0%	35.8%	37.8%
<u>Nonresident</u>		122.0%	128.6%	136.4%
Undergraduate Resident Average		34.5%	35.8%	36.3%

- (a) The 1998-99 tuition rates continue to increase the student share of costs. The increase is primarily due to; the limited increase in state support per student and tuition supported initiatives.
- (b) The student share of cost percentages associated with the Board of Regents approved differential tuition rate programs have not been individually listed. See Table 7 for these differential tuition rate programs.

TABLE 10

UNIVERSITY OF WISCONSIN SYSTEM
CONSOLIDATED SCHEDULE OF TUITION AND SEGREGATED FEES
1998-99 ACADEMIC YEAR
(Some Segregated Fees Rounded To The Nearest Dollar)

	ACADEMIC TUITION				TOTAL TUITION AND FEES		
	Residents	Nonresidents	Minnesota Reciprocity	SEGREGATED FEES PAID BY ALL STUDENTS (a)	Residents	Nonresidents	Minnesota Reciprocity
DOCTORAL UNIVERSITIES (b)							
<u>Undergraduate</u>							
Madison	\$3,001	\$11,182	NA	\$404	\$3,405	\$11,586	NA
Milwaukee	\$2,987	\$10,878	NA	\$492	\$3,479	\$11,370	NA
<u>Graduate</u>							
Madison	\$4,522	\$14,784	NA	\$404	\$4,926	\$15,188	NA
Milwaukee	\$4,502	\$14,721	NA	\$492	\$4,994	\$15,213	NA
Law	\$5,799	\$15,889	NA	\$404	\$6,203	\$16,293	NA
Medicine	\$15,106	\$22,419	NA	\$404	\$15,510	\$22,823	NA
Veterinary Medicine	\$10,956	\$16,260	NA	\$404	\$11,360	\$16,664	NA
COMPREHENSIVE UNIVERSITIES GENERAL RATES (b)							
<u>Undergraduate</u>							
EAU CLAIRE	\$2,526	\$8,808	NA	\$365	\$2,891	\$9,173	NA
GREEN BAY	\$2,426	\$8,708	NA	\$490	\$2,916	\$9,198	NA
LA CROSSE	\$2,426	\$8,708	NA	\$453	\$2,879	\$9,161	NA
OSHKOSH	\$2,426	\$8,708	NA	\$352	\$2,778	\$9,060	NA
PARKSIDE	\$2,426	\$8,708	NA	\$412	\$2,838	\$9,120	NA
PLATTEVILLE	\$2,426	\$8,708	NA	\$380	\$2,806	\$9,088	NA
RIVER FALLS	\$2,426	\$8,708	NA	\$371	\$2,797	\$9,079	NA
STEVENS POINT	\$2,426	\$8,708	NA	\$416	\$2,842	\$9,124	NA
STOUT	\$2,426	\$8,708	NA	\$410	\$2,836	\$9,118	NA
SUPERIOR	\$2,426	\$8,708	NA	\$342	\$2,768	\$9,050	NA
WHITEWATER	\$2,426	\$8,708	NA	\$405	\$2,831	\$9,113	NA
<u>Graduate</u>							
EAU CLAIRE	\$3,283	\$10,928	NA	\$365	\$3,648	\$11,293	NA
GREEN BAY	\$3,283	\$10,928	NA	\$490	\$3,773	\$11,418	NA
LA CROSSE	\$3,283	\$10,928	NA	\$453	\$3,736	\$11,381	NA
OSHKOSH	\$3,283	\$10,928	NA	\$352	\$3,635	\$11,280	NA
PARKSIDE	\$3,283	\$10,928	NA	\$412	\$3,695	\$11,340	NA
PLATTEVILLE	\$3,283	\$10,928	NA	\$380	\$3,663	\$11,308	NA
RIVER FALLS	\$3,283	\$10,928	NA	\$371	\$3,654	\$11,299	NA
STEVENS POINT	\$3,283	\$10,928	NA	\$416	\$3,699	\$11,344	NA
STOUT	\$3,283	\$10,928	NA	\$410	\$3,693	\$11,338	NA
SUPERIOR	\$3,283	\$10,928	NA	\$342	\$3,625	\$11,270	NA
WHITEWATER	\$3,283	\$10,928	NA	\$405	\$3,688	\$11,333	NA
<u>UW COLLEGES</u>							
BARABOO/SAUK	\$2,097	\$7,571	NA	\$196	\$2,293	\$7,767	NA
BARRON	\$2,097	\$7,571	NA	\$266	\$2,363	\$7,837	NA
FOND DU LAC	\$2,097	\$7,571	NA	\$199	\$2,296	\$7,770	NA
FOX VALLEY	\$2,097	\$7,571	NA	\$209	\$2,306	\$7,780	NA
MANITOWOC	\$2,097	\$7,571	NA	\$153	\$2,250	\$7,724	NA
MARATHON	\$2,097	\$7,571	NA	\$189	\$2,286	\$7,760	NA
MARINETTE	\$2,097	\$7,571	NA	\$135	\$2,232	\$7,706	NA
MARSHFIELD/WOOD	\$2,097	\$7,571	NA	\$163	\$2,260	\$7,734	NA
RICHLAND	\$2,097	\$7,571	NA	\$319	\$2,416	\$7,890	NA
ROCK	\$2,097	\$7,571	NA	\$171	\$2,268	\$7,742	NA
SHEBOYGAN	\$2,097	\$7,571	NA	\$191	\$2,288	\$7,762	NA
WASHINGTON	\$2,097	\$7,571	NA	\$200	\$2,297	\$7,771	NA
WAUKESHA	\$2,097	\$7,571	NA	\$141	\$2,238	\$7,712	NA

(a) Excludes United Council of UW Student Government's Fee Assessment of \$1.90 (\$0.95 per semester).

(b) Plus the Board of Regents approved differential tuition rates found on Table 7 plus the institutional segregated fee.

N/A = data not available at this time.

As required by federal law, for students attending the institution for the first time and receiving federal financial aid, refunds shall be made in accordance with federal rules and regulations. For all other students, refunds shall be made in accordance with Section Q. Refunds/Withdrawals/Drops and Attachment C of the Financial Policy and Procedure Paper #44.

Q. Refunds/Withdrawals/Drops

For refund, withdrawal, drop/adds and late payment purposes, the first session week is defined to end as of the close of regular business on Friday of the first full calendar week or, at the institution's option, after five class days.

Up to the end of the second session week (as institutionally defined) or the end of the 10th day of class, refunds for any credit reduction shall be at 100% (less the optional withdrawal fee). During the third and fourth session week, the refund shall be reduced to 50% and after the fourth session week, there shall be no refunds of tuition. At the institution's option, a flat add/drop fee as approved by the Vice President for Business and Finance may be assessed after the 100% refund period to cover administrative costs. The fee shall be deposited to Fund 128.

The burden of proof in determining the date of withdrawal/drop shall be on the student. The same refund schedule shall apply to both withdrawals and class drops. During the 100% refund period, a student who adds and drops credits of concurrently offered classes within the same session week shall be assessed additional fees or receive a refund based on the net result of those adds and drops. After the 100% refund period, students will be assessed for all adds and drops. If a part-time student only adds credits during the session week, the credits should be assessed at the full per-credit rate disregarding any previous refunds. Undergraduate students who take 12 through 18 credits and graduate students should not pay more than full-time student fees. Undergraduates who take more than 18 credits shall have the refund schedule applied to those credits which exceed the 18 credit plateau. Exceptions to this provision must have the prior approval of the Vice President for Business and Finance or designee.

In those instances in which a student can document nonattendance at the institution after having enrolled in one or more courses, the student shall be assessed fees equal to 20% of the original fees due, reduced to resident rates, plus the late payment fee.

The Reauthorization of the Higher Education Act of 1965 enacted on July 23, 1992 requires that a "fair and equitable" refund policy be in place which students who received grants, loans or work assistance under this title, or whose parent received a loan made under section 428B on behalf of the student are refunded unearned tuition, fees, room and board, and other charges. For students attending the institution for the first time, the refund shall be equal to the portion attributable to the portion of the period of enrollment for which the student has been charged that remains as of the last day of attendance, rounded downward to the nearest 10% of that period. The number of weeks remaining in the session as of the last recorded day of attendance should be divided by the total number of session weeks to determine the appropriate refund percentage. The provision shall not apply to a student whose withdrawal date is after the 60% enrollment period. The refund may be reduced by any unpaid charges owed by the student and a reasonable administrative fee not to exceed the lesser of 5% of the tuition, fees, room and board, and other charges assessed the student, or \$100.

The refund policy may be adjusted for differences in starting dates and session lengths. Exceptions may be made, at the institution's option, for changing sections within a course.

At the institution's option, a withdrawal fee not to exceed \$50.00 may be assessed during the first session week and up to \$100 during the second session week. The withdrawal fee shall be deposited to Fund 128 and used to support the fee collection operations and defray the cost of processing withdrawals.

ATTACHMENT C

REFUND AND PAYMENT SCHEDULES FOR WITHDRAWALS OR DROPS

SESSION LENGTH	REFUND SCHEDULE FOR WITHDRAWALS OR DROPS					PAYMENT SCHEDULE FOR WITHDRAWAL, CANCELLATION OF REGISTRATION OR DROPS WITHOUT PAYMENT OF FEES (Assessment for administrative costs is in addition to percents noted.)				
	Week of Session					Week of Session				
	Week 1	Week 2	Week 3	Week 4	Thereafter	Week 1	Week 2	Week 3	Week 4	Thereafter
12 weeks and over	100%	100%	50%	50%	None	None	None	50%	50%	100%
8 weeks thru 11 weeks	100%	50%	25%	None	None	None	50%	75%	100%	
5 weeks thru 7 weeks	100%	50%	None	None		None	50%	100%	100%	
3 weeks thru 4 weeks	100%	25%	None	None		None	75%	100%	100%	
2 weeks	100%	None				None	100%			

NOTE: For sessions of shorter duration, campuses should extend schedules appropriately.

Source: Financial Policy and Procedure Paper #44.

III. UW AUXILIARY OPERATIONS

Auxiliary Rate Increases

As approved by the Board of Regents in 1996, auxiliary rates require less annual budget reporting information if the rates are at or below the 3-year rolling average increase in Wisconsin per capita disposable income. For 1998-99 this threshold is 3.6%.

- **Segregated fee rate increases average 6.0% (weighted average is also 6.0%).** Eight of the thirteen four-year institutions exceeded the 3.6% threshold, all for legitimate reasons, including: student initiatives, replenishing reserves, and compensation.
- **Segregated fee increases at the UW-Colleges average 4.7%.** Seven of the thirteen Colleges exceeded the reporting threshold, largely due to student supported increases in student organizations. Also, Colleges moved a portion of the municipal services fee from food service to segregated fees and this shift has increased segregated fee rates over the reporting threshold at two campuses.
- **Room and Board rates increased an average 4.7% (weighted average is 5.1%).** The increases are due primarily to debt service, replenishing of reserves and additions, maintenance and remodeling (including adding and remodeling for computers in residence halls).

Green Bay Transfer Request

- Green Bay requests approval to transfer \$104,000 total (\$26,000 from four operations) to the Children's Center in order to eliminate on-going debt. The four operations from which the transfer would occur are the Weidner Center (\$26,000), the University Bookstore (\$26,000), the University Union (\$26,000), and University Housing (\$26,000).

SYSTEM AUXILIARY OPERATIONS

PROGRAM SUMMARY

Auxiliary operations are self-supporting programs whose primary purpose is to provide services to students (e.g., residence halls, student centers/unions, bookstores) and whose secondary purpose is to provide services to staff (e.g., parking, clinics, conferences, printing and duplicating services), and occasionally the general public. Revenues are generated from user fees, segregated fees, merchandise sales and interest earnings. Auxiliary operations are allowed to maintain reserves with funds used for new facilities, remodeling/additions, deferred maintenance, high cost equipment, debt service obligations, and to ensure adequate funding for current operations. Students participate in the programming and budgeting process through institutional Segregated University Fee Allocations Committees (SUFAC's).

Based on direction from the Business & Finance Committee of the Board of Regents, the increases in major auxiliaries rates are subject to a reporting threshold equal to the 3-year rolling average change in Wisconsin Disposable Income Per Capita (or 3.6% for 1998-99). Institutions with rate increases below that threshold have reduced annual budget paperwork and those above must continue to provide detailed reporting on their rate increases. The threshold applies separately to the following major auxiliary categories: Segregated Fees (in total), Room and Board rates, Textbook Rental, and Apartment Rental Rates. Tables 13 and 15 include an explanation of increases for those institutions above the 3.6% threshold.

Operations

The 1998-99 auxiliary operations budget includes adjustments to cover increased compensation, supplies and expenses, new services, and increased capital expenditures.

- Expenditures will increase 9.0% in 1998-99 to \$420 million.
- Revenues from charges to students for segregated fees and room and board, as well as other auxiliary revenues, will increase by \$34.8 million or 9.0%. Auxiliary fees and rates are determined by the institutions in cooperation with the students, and reviewed and approved at the system level.
- The average segregated fee is \$407 with an average increase of \$22.96 (6.0%) excluding UW-Colleges; institution rate changes range from -\$3.14 to \$64.00 (-.7% to 20.1%). The UW-Colleges average segregated fee is \$194.72 with an average increase of \$8.72 (4.7%); institution rate changes range from -\$1.50 to \$25.12 (-1.1% to 15.1%). Excluding UW-Colleges, the weighted average segregated fee is \$412.72, with a weighted average increase of \$23.24 (6.0%). At all institutions, student initiated programs are the major reasons for the increases. Table 12 shows the 1998-99 increase and total segregated fees by institution. Table 13 explains the increases for those institutions above the 3.6% threshold.
- The average room and board rate is \$3,308 with an average increase of \$148 (4.7%); institution rate changes range from -\$80 to \$324 (-2.1% to 11.0%). The weighted average room and board rate is \$3,378, with a weighted average increase of \$164 (5.1%) For additional information see Table 15.
- See Tables 16-18 for Apartment, Textbook Rental and Parking rates.

TABLE 11

UW-SYSTEM AUXILIARY OPERATIONS

1998-99

Academic Year Segregated Fees

(for semester rates, divide by 2)

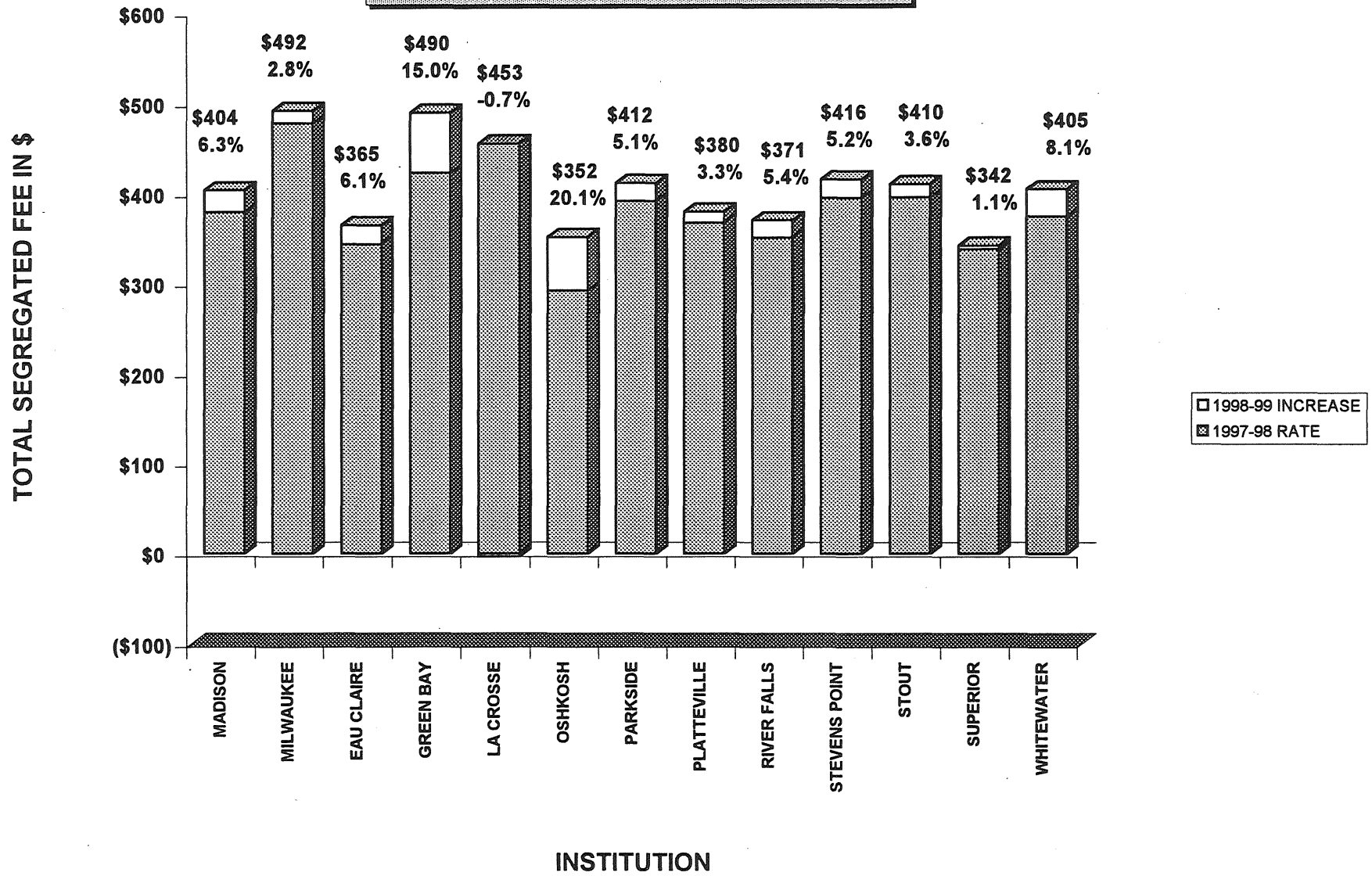


TABLE 12

**UW SYSTEM AUXILIARY OPERATIONS
1998-99 ACADEMIC YEAR
SEGREGATED FEES
INSTITUTIONS ABOVE THE THRESHOLD**

<u>INSTITUTION</u>	<u>1997-98 RATE</u>	<u>1998-99 RATE</u>	<u>INCREASE</u>	<u>% CHANGE</u>	<u>EXPLANATION OF CHANGES ABOVE THE 3.6% THRESHOLD</u>
MADISON	380.00	404.00	24.00	6.3%	Increases in organized activities initiated and approved by students; improvements to counseling and clinical programs at student health services. The total segregated fee will be reduced by \$36 to \$368 if the students and the City of Madison do not reach agreement on a new contract to continue the city bus pass program.
EAU CLAIRE	344.30	365.40	21.10	6.1%	Expanding transit, remodeling union, adding health services, extending child care hours.
GREEN BAY	426.00	490.00	64.00	15.0%	31% of the increase due to student approved intercollegiate athletics. Other increases include student life and uncommitted allocable funds.
LA CROSSE	456.14	453.00	-3.14	-0.7%	Decrease due to delayed building projects in the Recreational Eagle Center.
OSHKOSH	293.00	352.00	59.00	20.1%	90% of the increase due to additional student approved organized activities.

TABLE 12 (Continued)

**UW SYSTEM AUXILIARY OPERATIONS
1998-99 ACADEMIC YEAR
SEGREGATED FEES
INSTITUTIONS ABOVE THE THRESHOLD**

<u>INSTITUTIONS</u>	<u>1997-98 RATE</u>	<u>1998-99 RATE</u>	<u>INCREASE</u>	<u>% CHANGE</u>	<u>EXPLANATION OF CHANGES ABOVE THE 3.6% THRESHOLD</u>
PARKSIDE	392.00	412.00	20.00	5.1%	Increase due to student-initiated bus pass, radio station, and increase in student organizations. Also compensation increases at health center.
RIVER FALLS	351.50	370.50	19.00	5.4%	Increase due to student-approved child care fee and computer replacement in the Center.
STEVENS POINT	395.20	415.80	20.60	5.2%	The campus card was shifted from dining to segregated fees. Replenished organized activity reserves.
WHITEWATER	374.40	404.64	30.24	8.1%	Athletics funding increased primarily for equipment, uniform replacement, travel and increased per diems. The University Center increased due to debt service for remodeling.

TABLE 12 (Continued)

**UW SYSTEM AUXILIARY OPERATIONS
1998-99 ACADEMIC YEAR
SEGREGATED FEES**

<u>INSTITUTIONS</u>	<u>1997-98 RATE</u>	<u>1998-99 RATE</u>	<u>INCREASE</u>	<u>% CHANGE</u>	<u>EXPLANATION OF CHANGES OVER THE 3.6% THRESHOLD</u>
<u>UW-COLLEGES</u>					
BARABOO	\$191.00	\$196.40	\$5.40	2.8%	
BARRON	242.10	266.00	\$23.90	9.9%	Replacing computers at the campus newspaper, increasing student activities, athletics, and performing arts.
FOND DU LAC	189.00	198.50	\$9.50	5.0%	Colleges moved a portion of municipal services fee from food services to seg fees.
FOX VALLEY	195.20	208.90	\$13.70	7.0%	Increase due to change in the summer session/academic year fee split.
MANITOWOC	144.50	152.50	\$8.00	5.5%	Increases in athletics, the student newspaper, lectures and fine arts, and student activities.
MARATHON	184.80	188.80	\$4.00	2.2%	
MARINETTE	128.30	135.28	\$6.98	5.4%	Colleges moved a portion of municipal services fee from food services to seg fees.
MARSHFIELD	163.60	163.44	-\$0.16	-0.1%	
RICHLAND	308.50	318.54	\$10.04	3.3%	
ROCK	160.70	170.66	\$9.96	6.2%	Student-approved increase in athletics to purchase uniforms and provide transportation.
SHEBOYGAN	166.00	191.12	\$25.12	15.1%	Student-supported increase in student organizations.
WASHINGTON	202.10	200.48	-\$1.62	-0.8%	
WAUKESHA	142.20	140.70	-\$1.50	-1.1%	

Note: UW-Colleges campus' segregated fee rates can vary significantly from one year to the next due to the fact that this is a two year student body and many of the changes result in significant percentage increases given the small student population.

TABLE 13

UW-SYSTEM AUXILIARY OPERATIONS

1998-99

Academic Year Room & Board Rates

(for semester rates, divide by 2)

ROOM & BOARD RATE IN DOLLARS

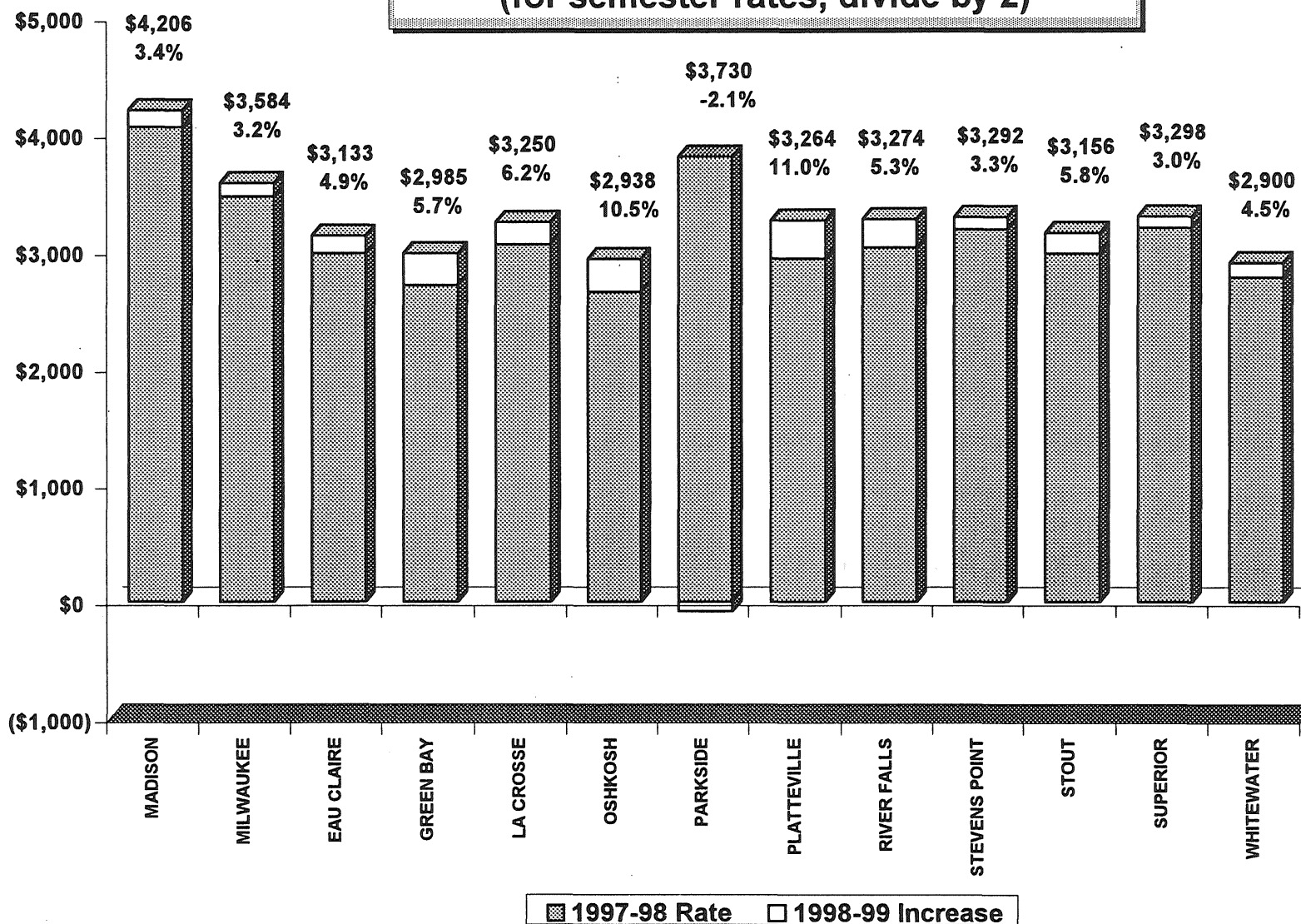


TABLE 14

**UW SYSTEM AUXILIARY OPERATIONS
1998-99 ACADEMIC YEAR
RESIDENCE HALLS AND MEAL PLAN RATES
(For semester rate, divide by 2)**

	RESIDENCE HALLS			MEAL PLANS				TOTAL			
	97-98	98-99	INCR	97-98	98-99	INCR	TYPE	97-98	98-99	INCR	%
Madison	\$2,180	\$2,258	\$78	\$1,886	\$1,948	\$62	ALA CARTE	\$4,066	\$4,206	\$140	3.4%
Milwaukee	2,273	2,314	41	1,200	1,270	70	ALA CARTE-1	3,473	3,584	111	3.2%
Eau Claire	1,720	1,855	135	1,266	1,278	12	ALA CARTE	2,986	3,133	147	4.9%
Green Bay (1)	1,825	1,985	160	1,000	1,000	0	ALA CARTE - 2	2,825	2,985	160	5.7%
La Crosse	1,600	1,690	90	1,460	1,560	100	14 MEALS + 120 POINTS	3,060	3,250	190	6.2%
Oshkosh	1,628	1,758	130	1,030	1,180	150	20/21 MEALS	2,658	2,938	280	10.5%
Parkside (2)	2,530	2,620	90	1,280	1,110	-170	ALA CARTE - 2	3,810	3,730	-80	-2.1%
Platteville	1,394	1,664	270	1,546	1,600	54	15 MEALS	2,940	3,264	324	11.0%
River Falls (3)	1,640	1,754	114	1,470	1,520	50	19 MEALS	3,110	3,274	164	5.3%
Stevens Point	1,886	1,958	72	1,302	1,334	32	14 MEALS 120 POINTS	3,188	3,292	104	3.3%
Stout	1,618	1,730	112	1,364	1,426	62	POINT SYS - 3	2,982	3,156	174	5.8%
Superior	1,590	1,670	80	1,612	1,628	16	OPEN HOUSE	3,202	3,298	96	3.0%
Whitewater	1,620	1,710	90	1,156	1,190	34	14 MEALS	2,776	2,900	124	4.5%
System Avg's:											
Simple	\$1,808	\$1,920	\$112	\$1,352	\$1,388	\$36		\$3,160	\$3,308	\$148	4.7%
Weighted Avg.	\$1,812	\$1,921	\$109	\$1,402	\$1,457	\$55		\$3,214	\$3,378	\$164	5.1%

Notes: Residence Hall rate is for double room and Meal Plan Type above is for most popular meal plan or represents average spending per student for meals at each institution. UW Colleges - Marathon County room and board rate for the 10-meal plan is \$2,772 in 1998-99.

- (1) Green Bay's rate represents a four-student apartment rate.
 (2) Parkside's most popular meal plan changed from Ala Carte 2 to Ala Carte 1.
 (3) River Falls' most popular meal plan changed from 14 meals to 19 meals.

**EXPLANATIONS OF INCREASES IN 1998-99
RESIDENCE HALL AND MEAL PLAN RATES
ABOVE THE 3.6% THRESHOLD**

Increases due primarily to additions, maintenance and remodeling including remodeling and additions for computers.

Eau Claire:	Increase finances construction of a new residence hall and the addition of internet connections to existing halls.
Green Bay:	Increase to maintain a sufficient fund balance.
La Crosse:	Rate increase funds remodeling of residence hall food courts and installation of computer network connections.
Oshkosh:	New rate finances residence hall roof replacement and upgrading of computer labs. A new food service contract with increased student options will be signed this year. In addition, funding for a major construction project is being accumulated.
Platteville:	Maintenance of student technology services and support infrastructure, increases in student help, and physical plant improvements.
River Falls:	Student-approved increase for renovation projects.
Stout:	Increase for computer network upgrade and to accumulate funds for computer labs update, multi-hall carpet replacement, and scheduled roof replacements. Also, students requested the transfer of micro-fridges from an optional service to a service provided in each room.
Whitewater:	Rate increase to pay for upgrade to computer labs and adding Resnet to rooms.

TABLE 14 (Continued)

UW SYSTEM AUXILIARY OPERATIONS
1998-99 ACADEMIC YEAR
OTHER RESIDENCE HALLS AND MEAL PLAN RATES
 (For semester rate, divide by 2)

<u>Other Board Plans</u>		<u>Single Room Rates</u>	<u>Other Room Rates</u>	
Madison	Base board rate is \$1,008 (in addition, students may also deposit any amount for purchase of food)	\$2,778	Madison	Large Single \$2,948 Small Dble&Triple \$2,131
Milwaukee	Plan 2 \$1,400, Plan 3 \$1,500, Plan 4 \$1,700, Plan 5 \$2,300.	\$2,534	Milwaukee	Four w/o Study \$2,102 Double /5 \$1,924
Eau Claire		\$2,555		
Green Bay		\$3,045	Green Bay	Single Apartment \$2,830 Double Apartment \$1,985
La Crosse	19 Meals, \$1,560 10 Meals, \$1,560	\$1,900		
Oshkosh		\$2,376		
Parkside	Plan 2 \$1,310, Plan 3 \$1,510, Plan 4 \$556	\$3,086	Parkside	Small Double \$2,290 Double (Univ. Apts.) \$2,570 Single (Univ. Apts.) \$3,024
Platteville	19 Meals \$1,670, 10 Meals \$1,554 14 Meals + \$50 per semester \$1,662 10 Meals + \$100 per semester \$1,584 110 Meals per sem. + \$125 per sem. \$1,232 90 Meals per sem. + \$100 per sem. \$1,006 50 Meals per semester \$496 50 Meals per sem. + \$75 per sem. \$616 75 Meals per sem. + \$100 per sem. \$872	\$2,344		
River Falls	14 Meals \$1,444, 10 Meals \$1,366 Any 5 Plan \$952, Take 5 Plan \$1,366	\$2,352		
Stevens Point	20 Meals + 20 Points \$1,334 7 Meals + 330 Points \$1,398 10 Meals + 220 Points \$1,398 535 Points \$1,398 Off campus \$876	\$2,776	Superior	2 Room Suite \$3,339 3 Room Suite \$3,610
			Whitewater	Large Single \$2,250 Small Double \$2,500 Triple Suite \$2,100
Stout	Plan 1 \$1,208, Plan 2 \$1,312	\$2,596		

TABLE 15

UW SYSTEM AUXILIARY OPERATIONS 1998-99 APARTMENT MONTHLY RATES

	<u>1997-98</u>	<u>1998-99</u>	<u>1998-99 INCREASE</u>	<u>% INCREASE OVER 97-98</u>
<u>STUDENT FAMILY APARTMENTS</u>				
MADISON (Eagle Heights*)				
ONE BEDROOM				
UNREMODELED	\$367	\$380	\$13	3.5%
REMODELED	\$454	\$470	\$16	3.5%
TWO BEDROOM				
UNREMODELED	\$438	\$453	\$15	3.4%
REMODELED	\$544	\$563	\$19	3.5%
THREE BEDROOM				
UNREMODELED	\$523	\$541	\$18	3.4%
REMODELED	\$650	\$673	\$23	3.5%
MILWAUKEE (Purin Hall)				
SINGLE	\$350	\$360	\$10	2.9%
<u>FACULTY APARTMENTS</u>				
MADISON				
ONE BEDROOM	\$573	\$593	\$20	3.5%
TWO BEDROOM	\$678	\$702	\$24	3.5%
THREE BEDROOM	\$747	\$773	\$26	3.5%

* Madison Student Family Apartments include Eagle Heights and Harvey St. apartments.

TABLE 16

**UW SYSTEM AUXILIARY OPERATIONS
1998-99 ACADEMIC YEAR
TEXTBOOK RENTAL RATES**

<u>INSTITUTIONS</u>	<u>1997-98 RATE</u>	<u>1998-99 RATE</u>	<u>INCREASE</u>	<u>% CHANGE</u>
EAU CLAIRE	\$112.00	\$116.00	\$4.00	3.6%
LA CROSSE	88.86	130.00	41.14	46.3% [1]
PLATTEVILLE	95.00	110.00	15.00	15.8% [2]
RIVER FALLS	85.00	92.00	7.00	8.2%
STEVENS POINT	80.40	85.20	4.80	6.0%
STOUT [3]	96.72	100.08	3.36	3.5%
WHITEWATER	85.92	87.84	1.92	2.2%
<u>UW-COLLEGES</u>				
BARRON	89.60	92.00	2.40	2.7%
RICHLAND	109.00	109.00	0.00	0.0%

[1] Increase due to higher enrollments as well as keeping texts on par with rapidly changing technology.

[2] Reserves have been spent down and need to be replenished.

[3] Beginning in 1997-98, UW-Stout included graduate students in the textbook rental program.

TABLE 17

UW SYSTEM AUXILIARY OPERATIONS 1998-99 ANNUAL PARKING RATES
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	RESERVE PERMIT		NON-RESERVE PERMIT		METER
	FACULTY/STAFF	STUDENT	FACULTY/STAFF	STUDENT	
MADISON					
1997-98	805.00	-	230.00-660.00	-	.75/HOUR
1998-99	830.00		235.00-680.00		.75/HOUR
% Increase	3.1%		2.2% to 3.0%		0.0%
MILWAUKEE					
1997-98	570.00		360.00		.25 to .40/HOUR
1998-99	715.00		450.00		.50/HOUR
% Increase	25.4%		25.0%		25% to 100%
EAU CLAIRE [1]					
1997-98	250.00	NA	60.00	60.00	.25/HOUR
1998-99	260.00		65.00	65.00	.25/HOUR
% Increase	4.0%		8.3%	8.3%	
GREEN BAY					
1997-98	-	-	56.00	56.00	-
1998-99			58.00	58.00	
% Increase			3.6%	3.6%	
LA CROSSE					
1997-98	-	-	90.00	90.00	
1998-99			106.00	110.00	.30/HOUR
% Increase			17.8%	22.2%	
OSHKOSH [2]					
1997-98			65.00	65.00	.50/HOUR
1998-99			65.00	65.00	.50/HOUR
% Increase			0.0%	0.0%	0.0%
PARKSIDE					
1997-98	210.00		80.00	73.00	
1998-99	210.00		80.00	63.00	.30/HOUR
% Increase	0.0%		0.0%	-13.7%	
PLATTEVILLE					
1997-98			30.00	10.00	.50/HOUR
1998-99			30.00	10.00	
% Increase			0.0%	0.0%	
RIVER FALLS					
1997-98			106.00	72.99	.25/HOUR
1998-99			110.00	80.57	.25/HOUR
% Increase			3.8%	10.4%	0.0%
STEVENS POINT					
1997-98	66.00	47.30			.30/HOUR
1998-99	66.00	47.30			.30/HOUR
% Increase	0.0%	0.0%			

[1] Eau Claire resident students pay \$95.

[2] Oshkosh resident students pay \$75.

TABLE 17 (Continued)

UW SYSTEM AUXILIARY OPERATIONS 1998-99 ANNUAL PARKING RATES

STOUT					
1997-98	120-167	NA	68.00	68.00	.30/HOUR
1998-99	124-173		70.00	70.00	.30/HOUR
% Increase	3.3% to 3.6%		2.9%	2.9%	
SUPERIOR					
1997-98	238.00		69.00	69.00	.50/HOUR
1998-99	245.00		71.00	71.00	.50/HOUR
% Increase	2.9%		2.9%	2.9%	
WHITEWATER					
1997-98	225.00	225.00	70.00	105.00	
1998-99	225.00	225.00	70.00	105.00	.25/HOUR
% Increase	0.0%	0.0%	0.0%	0.0%	

TABLE 18

UNIVERSITY OF WISCONSIN SYSTEM AUXILIARY OPERATIONS BUDGET SUMMARY (FUNDS 123, 124, 128, 129, 137, 528, AND 530)¹

Table below shows the change in the source of revenue supporting the 1998-99 auxiliary operations (Source of Funds), and how the revenue will be expended (Expenditures).

<u>Source of Funds</u>	<u>1997-98</u>	<u>1998-99</u>	<u>Percent Change</u>
Receipts			
Segregated University Fee	\$55,507,311	\$62,292,576	12.2%
Room and Board	106,048,734	115,014,649	8.5%
Other Receipts	210,364,102	225,686,908	7.3%
Interest Receipts	6,364,493	7,316,926	15.0%
Total Receipts	378,284,640	410,311,059	8.5%
Investment Balance Change	6,585,632	9,386,800	42.5%
Total	\$384,870,272	\$419,697,859	9.0%
<u>Expenditures</u>			
Operations			
Salaries and Wages	\$140,508,009	149,088,536	6.1%
Fringe Benefits	38,301,463	42,009,451	9.7%
Supplies & Expenses	258,215,387	294,013,950	13.9%
Sales Credits	(104,647,650)	(123,355,169)	17.9%
Aids to Individuals/Special Purpose ²	4,918,076	5,065,521	3.0%
Capital	19,861,168	22,246,023	12.0%
Sub-total	357,156,453	389,068,312	8.9%
Supplies & Expense - Building Commission Project	4,130,900	6,266,950	51.7%
Capital - Building Commission Project	9,442,863	7,591,150	-19.6%
Debt Service	14,140,056	16,771,447	18.6%
Total	\$384,870,272	\$419,697,859	9.0%

¹ Funds 123 and 124 - Debt Service, Fund 128 - Auxiliaries, Fund 129 - Stores, Fund 137 - Auxiliary Capital Projects, Fund 528 - Athletic Auxiliaries, and Fund 530 - Athletic Nonincome Sports. Does not include Physical Plant Service Departments (fund 120) of \$57,226.

² Amounts do not include unallocated spending authority for debt service of \$5,272,120 in 1997-98 and \$8,422,438 in 1998-99.

TABLE 19

**UNIVERSITY OF WISCONSIN SYSTEM
1998-99 ANNUAL BUDGET
AUXILIARY RESOURCES AND EXPENDITURES
BY INSTITUTION**

Inst	Revenues					Investment Balance Change	Total Resources Required	Expenditures (1)			
	Segregated Fees	Room and Board	Other (2)	Interest	Subtotal			Funds 123 & 124	Funds 128, 129 528 & 530	Fund 137	Total
MSN	\$14,047,000	\$28,589,600	\$120,885,695	\$2,716,600	\$166,238,895	\$6,578,028	\$172,816,923	\$7,295,795	\$160,871,928 (3)	\$4,649,200	172,816,923
MIL	9,955,200	10,463,940	21,105,983	921,108	42,446,231	3,852,074	\$46,298,305	1,992,100	41,191,205	3,115,000	46,298,305
EAU	3,460,300	9,115,000	7,541,116	507,200	20,623,616	164,151	\$20,787,767	360,218	18,947,749	1,479,800	20,787,767
GBY	2,119,336	2,189,328	13,545,049	385,617	18,239,330	(97,181)	\$18,142,149	442,958	17,294,191	405,000	18,142,149
LAC	4,799,466	8,911,500	7,134,032	168,398	21,013,396	91,275	\$21,104,671	697,202	19,776,369	631,100	21,104,671
OSH	2,839,765	9,718,221	9,947,135	346,008	22,851,129	(1,229,350)	\$21,621,779	395,048	20,956,731	270,000	21,621,779
PKS	1,650,665	2,426,510	1,927,741	91,151	6,096,067	293,401	\$6,389,468	1,397,081	4,992,387	0	6,389,468
PLT	2,279,658	6,745,148	9,213,806	289,500	18,528,112	(127,338)	\$18,400,774	162,500	17,863,274	375,000	18,400,774
RVF	2,321,708	6,071,477	3,227,168	200,820	11,821,173	932,733	\$12,753,906	322,624	10,489,282	1,942,000	12,753,906
STP	3,780,100	9,676,800	12,784,400	507,300	26,748,600	(128,900)	\$26,619,700	1,776,900	24,847,300	(4,500)	26,619,700
STO	7,931,770	8,185,019	1,100,521	510,384	17,727,694	(730,565)	\$16,997,129	482,403	16,171,226	343,500	16,997,129
SUP	751,814	1,197,476	2,810,739	119,653	4,879,682	75,452	\$4,955,134	293,652	4,549,482	112,000	4,955,134
WTW	5,175,521	11,321,882	7,285,125	316,709	24,099,237	(539,397)	\$23,559,840	1,029,620	22,488,220	42,000	23,559,840
COL	1,180,273	402,748	2,313,644	48,802	3,945,467	111,259	\$4,056,726	0	4,056,726	0	4,056,726
EXT	0	0	4,258,342	187,676	4,446,018	141,158	\$4,587,176	123,346	3,965,830	498,000	4,587,176
SYS/SA (4)	0	0	606,412	0	606,412	0	\$606,412	0	606,412	0	606,412
TOTAL	\$62,292,576	\$115,014,649	\$225,686,908	\$7,316,926	\$410,311,059	\$9,386,800	\$419,697,859	\$16,771,447	\$389,068,312	\$13,858,100	\$419,697,859

(1) Funds 123 and 124 - Debt Service, Fund 128 - Auxiliaries, Fund 129 - Stores, Fund 528 - Athletic Auxiliaries, Fund 530 - Athletic Nonincome Sports, and Fund 137 - Auxiliary Capital Projects.

(2) Includes transfers.

(3) Includes amounts for Athletics - Fund 528 (\$36,049,378) and Fund 530 (\$395,000).

(4) 1998-99 amounts do not include unallocated spending authority for debt service of \$8,422,438 in fund 123 and \$57,226 in fund 120 for Physical Plant Service Departments.

UNIVERSITY OF WISCONSIN-GREEN BAY
PROPOSAL TO TRANSFER AUXILIARY FUND BALANCE

Background

The UW-Green Bay Children's Center was established in September, 1972 in a vacant cottage on the campus. The Center was established to serve the child care needs of students, staff, and, on a space available basis, members of the community. The size limitation and deteriorating condition of the facility, coupled with competing child care alternatives in the community, made the Center's operation unprofitable beginning in the early 1990's. While the institution explored several alternatives for providing child care with various campus constituencies, the auxiliary continued to operate at a deficit. A decision was made to close the Center at the end of the 1994-95 fiscal year at which point its accumulated debt totaled \$104,000. That amount was carried as a deficit in the campus Program Support account subsequent to the Center's closing.

Action Requested

UW-Green Bay requests approval to cover the Children's Center deficit via transfers from four auxiliary operations. \$26,000 each would be transferred from the University Union, Weidner Center, University Bookstore, and University Housing.

Elimination of any and all operating deficits and accumulated debts is a high priority for the campus. It is essential to sound fiscal management of campus resources.

Analysis of Transfer Impact

The four auxiliary operations from which the funds are being transferred are the largest operations on the campus, and the amounts transferred represent only a small percentage of existing fund balances. The amounts also represent either unanticipated revenues or reduction of expenses for each auxiliary. For the Weidner Center, the success of the Broadway productions exceeded revenue expectations. Likewise, the University Bookstore's revenue was larger than anticipated for the current fiscal year. University Housing deferred hiring an MIS staff person while the possibilities for hard wiring student apartments are being studied. The University Union has experienced lower than anticipated S&E expenditures for 1997-98 without a negative impact on revenue.

Given the financial condition of those four auxiliaries, the transfer is expected to have no impact on rate setting for these operations.

Consultation Process

Of the four auxiliaries, only the University Union is partially supported by student fees (non-allocable), and it is our intention to use funds generated from expenditure savings during the current fiscal year from that operation. No allocable student fees will be used. Prior to making the transfer, Weidner Center Presents, Inc., a private non-profit board that advises the Weidner Center operations, was consulted and unanimously approved the transfer. University Housing and Bookstore Management was consulted, and student leadership was consulted and advised of the proposed transfers.

**IV. 1998-99 INSTRUCTIONAL
TECHNOLOGY/DISTANCE EDUCATION
REALLOCATION PLANS**

IV. 1998-99 INSTRUCTIONAL TECHNOLOGY/DISTANCE EDUCATION REQUIRED REALLOCATION PLANS BY INSTITUTION

The June, 1996 Board of Regents' *Study of the UW System in the 21st Century* recommended that the UW System establish and manage a fund to expand the use of instructional and distance education technologies. The Study recommended that an annual fund of \$25 million be generated from one or all of the following sources: (1) request new state funding; (2) base reallocation at the institutions; and (3) extramural funds (e.g. gifts, partnerships, grants, entrepreneurial activities, etc.).

As part of the UW System 1997-99 operating budget request approved by the Board of Regents in August, 1996, institutions were directed to set aside at least 0.5% of their GPR/Fees base annually (or \$6 million) for instructional technology/distance education and collaborative program purposes. Base reallocations are defined as funds reallocated from other institutional purposes to support an activity.

The following table compares 1998-99 actual ongoing funding from the state (GPR/Fees) for IT/DE compared to the base reallocations that institutions have committed to for 1998-99. The 15 UW institutions (the thirteen 4-year comprehensive institutions, UW-Extension and the 2-year UW-Colleges) submitted their respective base reallocation plans to UW System Administration in April and May of 1998.

	<u>BOR Budget Request</u>	<u>1997-99 Biennial Budget</u>
1998-99 Base Reallocation	\$6.0 million	\$12.1 million
Ongoing State GPR/Fees	\$24.8 million	\$9.4 million

Several points concerning the above table should be noted.

- While the UWS biennial budget request included \$25 million in ongoing state funding for IT/DE to meet the Regents' goal, the final state budget included less than half that amount, for which it is very difficult to compensate through base reallocations and increased outside funding. Institutions have identified \$1.8 million in external funds for 1998-99 which may increase during the year.
- UW institutions have collectively committed to more than double their required total \$6 million base reallocation in 1998-99. A fairly significant part of the amount above the required level is at two institutions: at UW-Madison for their Student Information System and at UW-Milwaukee for faculty desktop computers.
- The total allocation reported here does not include additional one-time reallocations that institutions may decide to make during the fiscal year.

Table 20 shows the allocation of the \$6 million required base reallocation by institution as well as the actual amount of base resources they plan to reallocate. The table shows that all 15 UW institutions (and System Administration/Systemwide) have committed to base reallocations at the required 0.5% level, with several committing to reallocations above that level.

Table 20

Projected 1998-99 Base Reallocations
for Instructional Technology/Distance Education
By Institution

<u>Institution</u>	<u>Required Reallocation</u>	<u>Projected Reallocation</u>
Madison	\$2,321,016	\$6,549,532
Milwaukee	752,370	2,223,689
Eau Claire	295,692	317,000
Green Bay	136,062	146,843
La Crosse	251,562	263,000
Oshkosh	291,666	291,666
Parkside	130,158	148,553
Platteville	165,480	165,480
River Falls	163,986	163,986
Stevens Point	258,558	258,558
Stout	230,664	414,056
Superior	82,854	83,100
Whitewater	266,064	357,225
Colleges	201,816	207,323
Extension	307,020	307,020
System Admin	45,456	48,000
Systemwide	99,576	134,579
Total	\$6,000,000	\$12,079,610

Table 21 shows, on a Systemwide basis, projected 1998-99 base reallocations into different categories of IT/DE expenditures compared with the amount of ongoing funding from the state. The table shows that the UW System is committing to \$12.1 million in base reallocations to IT/DE for 1998-99, almost 25% more than the \$9.4 million the state has provided in ongoing GPR/Fee support.

Table 21
Projected 1998-99 Base Reallocations
Compared with Ongoing State Funding
by Category

<u>Expenditure Category</u>	<u>Projected Reallocation</u>	<u>Percent of Total</u>	<u>Ongoing State funding</u>	<u>Percent of Total</u>
1. Infrastructure	\$4,439,967	36.8	\$4,000,000	42.5
2. Curricular Redesign	<u>\$2,744,588</u>	<u>22.7</u>	<u>\$2,300,000</u>	<u>24.4</u>
Infrastructure & Curricular Redesign	\$7,184,555	59.5	\$6,300,000	66.9
3. Student/Transfer Information Systems	\$4,325,158	35.8	\$630,000	6.7
4. Libraries - Acquisition of books, journals and other documents, databases, reference services, full-text journal articles, delivery services	\$469,817	3.9		
5. Professional Development for K-12 Teachers	<u>\$100,080</u>	<u>0.8</u>	<u>\$2,492,000</u>	<u>26.4</u>
Total	\$12,079,610	100.0	\$9,422,000	100.0

Table 21 shows that UW institutions are reallocating a significant level of base resources into a few priority areas. For example, the institutions have committed to base reallocations into technology infrastructure (campus network upgrades, distance education technology and site support) and curricular redesign (faculty development and faculty technology) of about \$7.2 million, or 59.5% of \$12.1 million in total reallocations. These priority IT areas are also the state's priorities, as demonstrated by the fact that 67% of the ongoing funding in the state budget for IT needs in UW System is going into these same areas. Finally, total base reallocations of \$4.3 million for Student and Transfer Information Systems (SIS/TIS) reflect a \$3.7 million reallocation at UW-Madison as well as reallocations for these purposes at UW-Extension, UW-Milwaukee, UW-Oshkosh and UW-Platteville.

There is one other point to note about the amounts identified as reallocations for library materials and acquisitions. Institutions have identified an increased amount for this area in 1998-99 (\$470,000 compared to \$260,000 in 1997-98). This amount does not include any of the significant reallocations to the campus networks that directly benefit library systems through improved access to the network, but are counted as reallocations to the infrastructure area. This increased commitment has occurred despite the fact that libraries have not received any special state funding for materials and acquisitions over

the last several biennia (including 1997-99), which puts them even more into competition with other campus needs for limited resources. It should also be noted that there has been base reallocation going on within the category of libraries, from journal subscriptions to CD-ROMs and other electronic access. Institutions have also reallocated additional funds to libraries during the year.

Conclusion

Institutions' actual reallocations for 1998-99 are more than double the \$6 million goal. They are also working on increasing external funding for IT/DE purposes (currently at an estimated \$1.8 million for 1998-99). But it is clear that additional state funding must be sought over the next few biennia, in order to meet the Regents' *21st Century Study* goals (#1-3 below); two of the recommendations of the Governor's *WITCO Taskforce on International Education* (#4-5); and other UW System goals (#6):

1. Provide training, support and at a minimum, access to University-based state-of-the-art hardware and software necessary for students, faculty and staff to effectively use technologies in their teaching and learning;
2. Use instructional and distance education technologies to increase cooperation and collaboration among UW System institutions and with appropriate other institutions such as other universities, K-12 schools and technical colleges in developing appropriate programs and distance education delivery systems;
3. Encourage the delivery of programs beyond the borders of the state through distance education, but only when the out-of-state delivery makes access to the program more affordable for Wisconsin citizens and when this delivery may leverage funds;
4. Create a network of organizations with market research and development capabilities that can provide feedback to educational organizations to allow informed policy and program decisions;
5. Create a network of resources with equipment and staff expertise to help scholars and entrepreneurs develop, market, distribute and export educational products;
6. Continue building the strong campus infrastructure necessary to support the above goals for the increased use of technologies at UW System institutions.

APPENDIX A. DECISION RULES AND MANAGEMENT CONDITIONS

1998-99 ANNUAL BUDGET ALLOCATION DECISION RULES

I. ALLOCATION DECISION RULES FOR NEW FUNDING

A. NEW OR MODIFIED UW SYSTEM DECISION RULES

1. **INSTRUCTIONAL TECHNOLOGY/DISTANCE EDUCATION.** Funding for Instructional Technology and Distance Education will be allocated among Decision Item Narrative (DIN) initiative components as outlined in the final 1997-99 state budget. Funds will either be expended centrally on behalf of the institutions or allocated to institutions as described below. All centrally held funds will be distributed after appropriate consultation.

- PK-12 funding will be held centrally and used for inter-institutional collaborative efforts and efforts with K-12 schools.
- SIS/HELP funding will be allocated to UW System Administration and the UW-Extension HELP Office for specified projects. The funding for institutional input costs will be held centrally pending a review of central, regional and institutional approaches to achieve a cost-effective distribution of the funds.

The 1997-99 state biennial budget approved funding for technology infrastructure and faculty/staff technology and training as proposed by the Governor. The state budget also approved additional funding from the Universal Service Fund for BadgerNet to provide access for UW-River Falls, UW-Stout, UW-Superior and UW-Whitewater in a manner equivalent to the access funded at the other four-year institutions. Based on reports approved by the Joint Committee on Finance and on internal decisions:

- BadgerNet Funds:
 - will be expended directly on behalf of UW institutions and used to establish a statewide educational network comprised of UW institutions and to connect with PK-12 schools.
- Technology Infrastructure:
 - A portion (\$177,500) will be allocated to UW-Colleges for distance education site support.
 - A portion (\$100,000) will be put in Systemwide funds and then transferred to UW-Extension for Instructional Communication Services (ICS) purposes.
 - The remaining funding will be allocated to UW institutions based on target FTE student enrollment for network capacity, equipment and site support. Each institution will be guaranteed a minimum of \$60,000. UW institutions will be required to submit an annual report on the use of these funds and how these resources support the BadgerNet project.
 - There will be further review of this allocation method for the 1999-01 budget period.
- Faculty/Staff Technology and Training:
 - A portion (25%) of funds will be held centrally for large-scale campus initiatives, and regional and systemwide conferences and workshops.

2. AUXILIARY RATE THRESHOLD. For detailed reporting purposes, auxiliary rate increases will be subject to a threshold of 3.6%. Institutions with increases below this threshold may submit an abbreviated rate summary and budget narrative. Institutions with rate increases above the threshold will be required to submit more detailed worksheets. The threshold for 1997-98 of 3.6% is based on the average change for the past three years in Wisconsin Disposable Income Per Capita (1995, 1996, 1997). The threshold applies separately to the following major auxiliary categories: Segregated Fees (in total), Room and Board Rates, Textbook Rental and Apartment Rates.

3. STUDENT TECHNOLOGY FEE. The 1997-99 biennial budget provides \$500,000 annually in additional funding to all UW System institutions to meet student needs for instructional technology and information access at their institution. Since these initiatives are based on a percentage of total tuition, allocation of this funding is proportional to current technology fee budgets.

4. COMPENSATION.

Pay Plan will be distributed to institutions based upon the October 1996 payroll adjusted for 1997-98 pay plan increases of 3%. Classified pay plan will be prorated based upon percentages to be supplied by the Department of Administration.

5. INSTITUTIONAL BASE REALLOCATIONS FOR IT/DE REPORT.

The Board of Regents' Study of the UW System in the 21st Century recommended that each UW institution create internally an innovation/incentive fund equal to at least their proportionate share of the \$6 million total annual reallocation requirement to support systemwide priorities in distance education, instructional technology and collaborative programs. Institutions should provide a brief plan laying out how they intend to spend these dollars by sub-component of the original 1997-99 UW System Budget Request for IT/DE in their annual budget submissions. The Board of Regents will review the institution plans for fit with the overall Regent priorities. If the Regents do not approve the plans, institutions should be prepared to reallocate these funds as indicated by the Board.

B. INSTITUTION-SPECIFIC ITEMS

1. DIFFERENTIAL TUITION. Funding will be allocated for revenue generated from Regent approved differential tuition initiatives to the institutions generating this revenue in accordance with Board of Regent tuition policies.

2. FLEET VEHICLE REDUCTION. The 1997-99 State Biennial Budget reduced funding for University Fleet Vehicles to reflect the differences between the UW System cost per mile and the DOA cost per mile. The reduction is allocated based on the proportional difference between DOA fleet vehicle costs and UW System institution fleet vehicle costs as applied to the 1995-96 cost of operating institutional pooled and assigned cars.

3. FUNDING FOR INSTITUTION-SPECIFIC ITEMS will be allocated to the designated institution based on legislative intent. When allocation decisions are made for the funding received from the UW System

biennial budget request, the President will consider the funding received by institutions for special budget items, and reserves the right to credit institution-specific funding against new allocations. The extent to which the special budget items contribute to goals that would normally be addressed through the budget development process will be a factor in determining an institution's share of the allocation from the biennial budget request.

II. ALLOCATION DECISION RULES FOR EXISTING (BASE) FUNDING

A. NEW OR MODIFIED UW SYSTEM DECISION RULES (AS OF 1998-99)

- 1. Advanced Opportunity Program.** Funding will be allocated based on each institution's proportion of a three-year rolling average headcount (1995-96, 1996-97, and 1997-98) of graduate and professional minority (African-American, Hispanic, Native American and Southeast Asian) students. Part-time students will be weighted 35%.
- 2. Lawton Undergraduate Minority Retention Grant.** Funding will be allocated based on each institution's proportion of a three-year rolling average headcount (1995-96, 1996-97, and 1997-98) of minority (African-American, Hispanic, Native American, and Southeast Asian) sophomore, junior, and senior resident and Minnesota Compact students enrolled for at least 6 credits.

1998-99 OTHER RELEVANT MANAGEMENT INFORMATION

I. MANAGEMENT INFORMATION AND REPORTING REQUIREMENTS BASED ON GUBERNATORIAL/DEPARTMENT OF ADMINISTRATION, AND LEGISLATIVE INTENT

A. BADGERNET, INFRASTRUCTURE, FACULTY/STAFF TECHNOLOGY AND TRAINING

In approving the release of the biennial funds for faculty/staff technology and training infrastructure and BadgerNet, the Joint Committee on Finance (JFC) required the UW System to report by November 1, 1998, on how well the available technology resources meet faculty, staff and student needs. The report should examine user satisfaction and the effectiveness of the technology in the areas of learning/instruction, research and administration. Additionally, it should cover BadgerNet usage patterns, capacity demands and infrastructure needs. The report must also include a discussion of the expenditure of 1997-99 technology funding and the benefits of current and future funding requests. This is a one-time report with the primary intention of providing the JFC with additional information in its preparation of a 1999-01 biennial budget.

B. COMPENSATION

As passed in Regent Resolution #7380, February 7, 1997, faculty and academic staff performance evaluations will be completed by July 1. The results of the evaluations can be converted to salary adjustments to permit distribution of 1997-98 pay plan amounts for faculty and academic staff so that "not less than one-third of the total compensation plan be distributed on the basis of market/merit and not less than one-third on the basis of solid performance." All compensation adjustments must be based on meritorious performance; across-the-board salary adjustments not based on merit are prohibited.

As authorized by Resolution #7380, the President has determined that the 1997-98 pay plan guidelines are appropriate for distributing 1998-99 pay plan adjustments. Each institution is required to either confirm the continued use of its approved 1997-98 distribution plan for granting 1998-99 salary increases or submit a new revised plan for approval by System Administration before implementation can be accomplished. Proposed salary adjustments may not be processed before a new/revised distribution plan is approved. Accordingly, any institutional distribution plan not in compliance with Board of Regent guidelines will be returned to the institution's chancellor for corrective action by the faculty and chancellor. Implementation of faculty pay adjustments at any such institution will be deferred until a distribution plan that meets Board guidelines is resubmitted by the institution and approved by System Administration in accordance with criteria set by the Board.

C. TRANSFER OF UNANTICIPATED SURPLUS OF AUXILIARY REVENUES

The 1997-99 State Biennial Budget permits UW institutions to use unanticipated surplus auxiliary revenues for other student-related activities. A committee representing institutions and System Administration is developing policy and procedures to govern these transfers and will recommend a policy to the Board of Regents this Spring.

D. AUXILIARY RESERVE REPORTING

The 1997-99 State Biennial Budget modified auxiliary reserve reporting by requiring the Board of Regents to request approval from DOA and JFC for any campus to accumulate a reserve in excess of 15% of the prior year's total revenues from student segregated fees and other auxiliaries. The reporting date was moved from July 10 to September 15.

E. TRUST FUND POSITION REPORT

The 1997-99 State Biennial Budget permitted the UW System to create or abolish positions funded through trust fund income and required that the Board of Regents submit a quarterly report to DOA and JFC concerning the number of positions funded from this appropriation.

F. UW-EXTENSION BUDGET REDUCTION REPORTS

UW-Extension is required to submit a report to the Governor, Joint Committee on Audit and the JFC by October 1, 1998 explaining how the allocation of the 1997-99 state budget reduction meets the recommendations of the 1997 Legislative Audit Bureau report: to institute practices to improve accountability reporting, coordination and administrative efficiency; methods to establish a consistent fee policy and generate sufficient program revenue to reduce reliance on GPR; and efforts to focus on the mission of UW-Extension in order to reduce duplication of services, eliminate outdated services and extend programs to outreach populations.

G. RESEARCH REPORTING

The Board of Regents is required, in biennial budget requests, to specify the anticipated completion date of any research or public service project for which the Board is requesting GPR. Fiscal notes for bills involving the appropriation of GPR funds for research or public service projects must specify the anticipated completion date of the projects. Finally, by September 1 of each even numbered year, the Board is required to report to the Governor and the JFC on the purpose, duration, cost and anticipated completion date of all research and public service projects for which the Board is expending GPR. The Board is also required to submit a biennial report describing activities funded by the Industrial and Economic Development Research Fund.

H. RECRUITMENT AND RETENTION FUND FOR FACULTY AND ACADEMIC STAFF

The Board of Regents was required to report to the JFC on the proposed use of the 1992-93 funding from the special recruitment and retention fund for faculty and academic staff. The report stated that the funding provided to each institution will be monitored annually to ensure that it remains committed to the purpose of recruiting and retaining high quality academic staff and faculty who are engaged in instruction or primary research. Beginning in 1996-97, System Administration discontinued requesting this information from institutions on an annual basis. It is expected that institutions will continue to monitor this information internally in order to respond to information requests regarding the use of these funds.

The UW System Internal Audit Office has begun a program review to document the extent that competitive salary levels have impacted UW institutions' ability to recruit, hire and retain well-qualified faculty. The Office expects to complete the study by Fall 1998.

I. BUILDING MAINTENANCE FUNDS AND POSITIONS

UW System institutions are not allowed to transfer funds or positions from building maintenance without approval by the Department of Administration (DOA). DOA created a separate numeric within the (1)(a) appropriation for UW building maintenance funding and positions and requires approval by the DOA Secretary for the removal or shift of positions and/or funds away from this function. This directive from DOA is based on a January 1991 statewide audit of building maintenance by the Legislative Audit Bureau.

J. ALCOHOL AND OTHER DRUG ABUSE (AODA) PROGRAMS

Section 36.48 of the statutes reads: "The board shall appoint alcohol and other drug abuse prevention and intervention program counselors for UW-Madison and UW-Milwaukee. The counselors shall develop alcohol and other drug abuse prevention and intervention programs and train faculty, academic staff and classified staff in the prevention of and early intervention in alcohol and drug abuse." In conjunction with this language, the 1989-91 budget also provided one position at each of the two institutions for an AODA counselor. The funding and positions for AODA for UW-Madison and UW-Milwaukee may not be eliminated.

II. MANAGEMENT INFORMATION BASED ON BOARD OF REGENTS POLICY AND OTHER UW SYSTEM GUIDELINES

ENROLLMENT MANAGEMENT. Institutions will meet the base-funded portion of their adjusted 1998-99 student FTE enrollment targets, according to Enrollment Management Principle #1 in Enrollment Management III: A Strategic Direction for 1995-2001 (approved in Board of Regents Resolution #6672) and Study of the UW System in the 21st Century: A Final Report of the University of Wisconsin Board of Regents, June 1996.

A. SHIFTS AMONG ACCOUNTING CLASSIFICATIONS OR BETWEEN BUDGET ACTIVITIES

Operating budget requirements by accounting classification (salaries, supplies and capital) and by budget activity (instruction, student services, etc.) vary from year to year. Shifts are evaluated in light of overall UW System requirements and policies.

B. FRINGE BENEFITS

Institutions will be responsible for the share of fringe benefit increases caused by transfers to the salary line, to the extent that such transfers increase overall fringe benefits costs.

APPENDIX B: GLOSSARY OF TERMS

GLOSSARY OF TERMS

AODA - Alcohol and Other Drug Abuse - Programs and staff related to alcohol and drug abuse intervention, prevention and counseling services.

AOP - Advanced Opportunity Program - A UW System financial aid program for minority and economically disadvantaged graduate students.

Auxiliary Operations - Self-sustaining programs, not directly related to instruction, e.g., dormitories, food service and student unions.

Cluster - A number of institutions grouped according to mission. The universities at Madison and Milwaukee comprise the Doctoral Cluster. All other degree-granting institutions in the UW System are in the Comprehensive University Cluster. In addition, the UW System has thirteen two year University of Wisconsin Centers and Extension.

CWS - College Work Study - A campus based financial aid program which provides financial assistance in the form of subsidized employment to needy students.

Compensation - Salaries and fringe benefits paid to staff.

1. Pay plan - Increases in salaries and related fringe benefits provided to all state employees.
2. Merit/Market - Salary increases based on a systematic performance evaluation program which identifies positive contributions by the faculty member to teaching, research, public service and/or the support functions inherent in the institution's mission.
3. Solid Performance - Adjustments provided to those faculty and academic staff who have demonstrated satisfactory performance.

CPI - Consumer Price Index - A price index which measures the rate of inflation on goods and services that people buy for day-to-day living.

Cost Per Student - A series of calculations used to derive the instructional costs of student related activities (i.e. student services, physical plant, instruction, etc.).

Debt Service - Principal and interest payments on the capital raised by selling bonds for construction of university buildings.

DER - Department of Employment Relations - Executive agency responsible for personnel and employment relations policies and programs for the state.

DIN - Decision Item Narratives - are descriptive summaries of biennial budget requests, submitted on forms required by the Department of Administration. They include background information and a description and justification of the request.

DOA - Department of Administration - Executive agency responsible for developing the Governor's biennial budget recommendations and for providing and coordinating support services to other state agencies.

DPI - Department of Public Instruction - Executive agency responsible for the direction and supervision of the state's public school system for kindergarten through 12th grades.

DRI - Data Resources, Inc. - An economic consulting firm used by the Department of Revenue for economic forecasts on national economic growth and inflation (CPI).

Expenditure Classification - The major line item to which costs are assigned. The major expenditure classifications are Salaries and Wages, Fringe Benefits, Supplies and Expenses, Permanent Property, Aids to Individuals, and Debt Service.

FTE - Full-Time Equivalent - The customary statistic for indicating the number of full-time equivalent students or staff represented by a group of part-time and full-time members.

GPR - General Purpose Revenue - The State appropriation approved by the Governor and Legislature from the General Fund (general tax revenues).

GPR/Fees - The pool of state general purpose revenues and academic tuition fund sources assigned to a particular campus or system budget increment.

GPO - General Program Operations - The pool of four fund sources (GPR, Tuition/Fees, Federal Indirect Cost Reimbursement and General Operating Receipts) assigned to a particular campus or system budget increment.

HEAB - Higher Educational Aids Board - Executive agency responsible for the management of the state's financial aid system affecting students in public and private postsecondary institutions.

HEPI - Higher Education Price Index - A price index which measures the rate of inflation on the current operations of colleges and universities. The HEPI reports the change in prices paid by institutions for a fixed group of goods and services purchased for educational and general operations, such as faculty and administrators salaries, supplies and materials, books and periodicals, equipment, etc., less expenditures for sponsored research.

JCOER - Joint Committee on Employment Relations - Legislative committee comprised of 8 legislative leaders from both houses responsible for issues related to state employment relations.

JFC - Joint Committee on Finance - Legislative committee comprised of 8 senators and 8 representatives responsible for making recommendations regarding fiscal matters affecting all state operations.

LUMRG - Lawton Undergraduate Minority Retention Grant - A UW System administered financial aid program for needy Wisconsin resident and Minnesota Compact sophomore, junior, or senior minority students.

Program - The budget activity to which costs are assigned. Examples of programs are Instruction, Research, Public Service, Academic Support, Student Services, and Institutional Support (Administration).

PR - Program Revenue - Revenues which are received to finance specified programs, e.g. Extension continuing education.

PR-F - Program Revenue-Federal - Monies which are received from the federal government.

QRP - Quality Reinvestment Program - A Board of Regents strategic plan identifying top quality educational priorities over a three year period (1992-1994). Over the three years UW institutions will have reallocated \$26.5 million to top priorities: compensation, S&E, learning technologies, libraries, assessment, engineering and professional development.

S&E - Supplies and Expense - Includes all expenditures except those for personnel salaries, fringe benefits and permanent property items (capital equipment defined as having a useful life of at least 2 years and a unit price of at least \$1,000). Supplies and expense would include items such as classroom supplies, travel expenses, office supplies, photocopying, computer software, equipment repair, and telephone service.

SEG - Segregated Revenue - Monies which are segregated in a fund by law and are available only for the purposes of that fund, such as the Trust Fund Income appropriation.

Student Share of Costs - The proportion of the cost per student paid by student academic tuition. This amount is usually shown as a percentage of total costs.

SUF - Segregated University Fee - Charges to students in addition to academic tuition and fees assessed to all students for support of special services, programs, and facilities; e.g. student unions/centers, and health services. The institutional body designated to review the budgets for SUF supported activities is the Segregated University Fee Allocation Committee (SUFAC).

TIP - Talent Incentive Program - A HEAB administered financial aid program which provides financial assistance to especially needy resident undergraduates attending public or private postsecondary institutions in Wisconsin.

Tuition - As used in this document, tuition is the amount paid by all students for support of their instructional costs.

WTC - Wisconsin Technical Colleges - Postsecondary educational system which provides adult basic, manpower training, job skill improvement, apprenticeship-related training, college transfer, and allied educational activities. The WTC System is governed by a 12 member board which supervises curriculum standards and operations of 16 regional WTC districts.

Weighted Average - An average used to take into account different charges/costs for factors that affect how much significance should be given to each UW System institutions cost/charge. For example, the systemwide weighted average student budget takes into account the differences in student FTE for tuition costs and segregated fees, and number of occupants for room rates, etc. at each institution.

WHEG - Wisconsin Higher Education Grant - A HEAB administered financial aid program which provides need-based grants to UW System and VTAE System resident undergraduate students.

UPDATE - UW PROCESSING CENTER

EXECUTIVE SUMMARY

BACKGROUND

In October 1992, the Board of Regents directed System Administration to consolidate accounting and payroll functions performed by the Peterson Processing Center and the WARF Processing Center into a single administrative processing center. A periodic status report is being provided to keep the Board of Regents apprised of the progress made on this consolidation effort. This is the final report on the consolidation of the accounting and payroll functions which was completed at the end of calendar year 1997, six months ahead of schedule.

REQUESTED ACTION

This report is for information only.

DISCUSSION AND RECOMMENDATIONS

As previously reported to the board, the accounting functions were merged successfully in November 1994. Since the payroll and benefits systems mergers were much more complicated and affected the pay and benefits of 55,000 UW System employees per month, a detail plan was developed and concurred to in early 1995. That plan identified three projects to merge the payroll systems by July 1, 1998. The three projects were: (1) merger of a single pilot WARF institution's (UW-Oshkosh) non-student payroll and benefit processing into the UW Processing Center system, (2) merger of the remaining eight WARF institutions' non-student payroll and benefit processing using the lessons learned in the pilot institution merger, and (3) development or acquisition of a new student hourly employee payroll system to replace the WARF student payroll system.

The pilot project of merging the UW-Oshkosh payroll for classified and unclassified staff was successfully completed in May 1996, earlier than the targeted July 1996 date.

As of October 1997, objective 2 was accomplished; all non student payroll processes for the former WARF institutions were converted to the UW Processing Center.

Between October and December 1997, a new student payroll system was constructed and successfully implemented in order to replace the WARF student payroll system.

Thus, by the end of calendar year 1997, all processing systems had been removed from the 4381 computer mainframe which supported WARF processing and a single UW Processing Center was operating for both payroll and accounting systems, six months ahead of schedule. The 4381 is in the process of being decommissioned.

With the merger of the payroll and accounting systems, the UW System will now concentrate on making improvements to both payroll and accounting processing to take advantage of new distributed technologies. The resulting systems will provide more consistency in human resources and accounting data across the UW System, better information to the System and Board to allow for management of the UW System, more efficiency in institutional processing, and better service to the employees of the UW System.

A Board of Directors appointed by the President of the System, representing System Administration and the UW institutions, serves as a governance body over the operation and planning of the UW Processing Center.

The Board of Regents will be informed of plans and progress regarding improvement of administrative systems as part of its annual review of the UW System Information Technology Plan.

RELATED REGENT POLICIES

None