

Thursday, August 22, 2024

APPROVAL OF THE 2025-27 UNIVERSITIES OF WISCONSIN BIENNIAL OPERATING BUDGET AND FINANCIAL AID REQUEST

REQUESTED ACTION

Adoption of Resolution K. Approval of the 2025-27 Biennial Budget and Financial Aid Request

Resolution K. That, upon the recommendation of the President of the Universities of Wisconsin, the Board of Regents approves the submission of:

- (1) the Board's 2025-27 Biennial Operating Budget request, totaling \$457,279,000 in ongoing funds and \$855,143,000 biennially in General Purpose Revenue (GPR) for key initiatives;
- (2) the Wisconsin Veterinary Diagnostic Lab's request for additional positions and equity salary adjustments totaling approximately \$785,800 in ongoing funds and \$1,571,600 biennially;
- (3) the Wisconsin Grant-UW request to the Higher Educational Aids Board for inclusion in its 2025-27 biennial budget request totaling \$13,500,000 in ongoing funds and \$27,500,000 biennially; and
- (4) statutorily required performance measures for 2023-25.

In addition, the Board of Regents delegates authority to the UW President to approve and submit a 0% and 5% biennial budget reduction plan, as required by 2015 WI Act 201, and standard budget adjustments for items such as fringe benefits should it be determined they are necessary.

SUMMARY

The UW System Board of Regents is required to submit a budget request to the Department of Administration (DOA) by September 15 of each even numbered year. The UW President provides the Regents, for their consideration, a recommended submission at the August meeting in the same even numbered year.

The 2025-27 biennial budget request includes General Purpose Revenue (GPR) to get the Universities of Wisconsin up to the middle of national public funding support for its four-year universities. The latest State Higher Education Executive Officers Association (SHEEO)

analysis of public higher education financing, reflecting both state support and tuition, shows that Wisconsin currently ranks 43rd out of 50 states in public funding to support its four-year universities. It is estimated that an ongoing \$457 million is needed to move Wisconsin up to the middle.

To reduce the reliance on tuition and remain committed to affordable higher education in the State of Wisconsin, this budget request, if enacted, would allow the Universities of Wisconsin to keep resident undergraduate tuition flat throughout for the 2025-26 and 2026-27 academic years. The majority of additional positions requested in this budget are student-facing, in support of the Universities of Wisconsin's strategic plan.

The request includes funding for standard budget adjustments and initiatives that support increasing affordability, preserving accessibility, developing talent, ensuring quality, and investing in innovation. The request also includes items for the Wisconsin Veterinary Diagnostic Laboratory (WVDL) which requires Board approval as it is administratively attached to UW-Madison. Lastly, the budget includes forwarding a request to the state's Higher Educational Aids Board (HEAB) to increase Wisconsin Grant funding to recognize federal legislation that will result in more students being eligible for the grant and to allow for a maximum award to increase up to approximately 50% of the average tuition and fees at a UW comprehensive university.

Presenter

- Sean P. Nelson, Vice President for Finance and Administration

Related Policies

- Chapter 16.42, Wis. Stats.
- Chapter 36, Wis. Stats.
- Chapter 230, Wis. Stats.
- Regent Policy Document 20-21, University Personnel Systems

ATTACHMENTS

- A) The University of Wisconsin System, "2025-27 Universities of Wisconsin Biennial Operating Budget and Financial Aid Request, August 2024"



2025-27

**Biennial Operating
Budget and Financial
Aid Request**

Universities of Wisconsin
August 2024

**2025-27 BIENNIAL OPERATING AND FINANCIAL AID BUDGET REQUEST
TABLE OF CONTENTS**

Summary and Background	1.
Increasing Affordability Requests	7.
Preserving Accessibility Requests	9.
Developing Talent Requests	12.
Ensuring Quality Requests	15.
Investing in Innovation Requests	16.
Standard Budget Adjustments	18.
Wisconsin Veterinary Diagnostic Laboratory Requests	18.
Wisconsin Grant-UW Request	18.
Performance Measures	19.

SUMMARY AND BACKGROUND

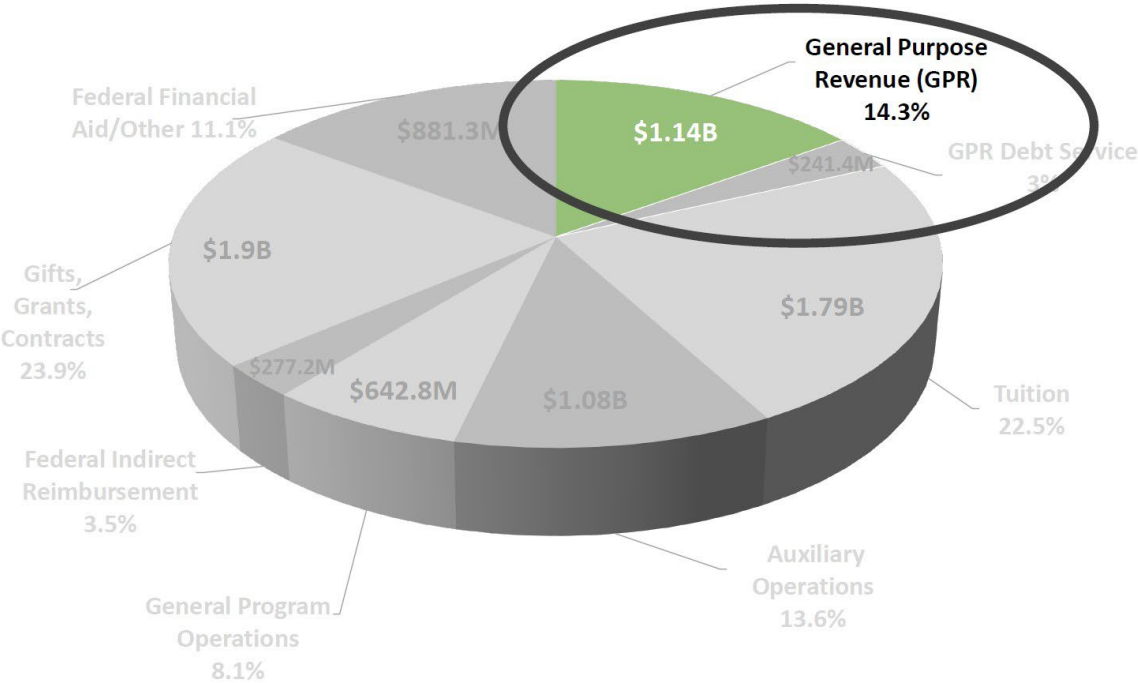
The UW Board of Regents is required to submit a budget request to the Department of Administration (DOA) by September 15 of each even numbered year. The UW President provides the Regents, for their consideration, a recommended submission at the August meeting in the same even numbered year.

The 2025-27 biennial budget request includes General Purpose Revenue (GPR) to get the Universities of Wisconsin up to the middle of national public funding support for its four-year universities. The latest State Higher Education Executive Officers Association (SHEEO) analysis of public higher education financing, reflecting both state support and tuition, shows that Wisconsin currently ranks 43rd out of 50 states in public funding to support its four-year universities. It is estimated that an ongoing \$457 million is needed to move Wisconsin up to the middle.

The request includes funding for standard budget adjustments and initiatives that support increasing affordability, preserving accessibility, developing talent, ensuring quality, and investing in innovation. The request also includes items for the Wisconsin Veterinary Diagnostic Laboratory (WVDL) which requires Board approval as it is administratively attached to UW-Madison. Lastly, the budget includes forwarding a request to the state's Higher Educational Aids Board (HEAB) to increase Wisconsin Grant funding to recognize federal legislation that will result in more students being eligible for the grant and to allow for a maximum award to increase up to approximately 50% of the average tuition and fees at a UW comprehensive university. A summary of the request is on the next page.

BIENNIAL BUDGET REQUEST SUMMARY			
Strategic Goal	FY26	FY27 Ongoing Request	Biennial Request
Increasing Affordability	\$ 56,360,000	\$ 72,610,000	\$ 128,970,000
Preserving Accessibility	\$ 113,100,000	\$ 156,870,000	\$ 269,970,000
Developing Talent	\$ 41,819,000	\$ 41,819,000	\$ 83,638,000
Ensuring Quality	\$ 84,000,000	\$ 119,280,000	\$ 203,280,000
Investing in Innovation	\$ 52,585,000	\$ 16,700,000	\$ 69,285,000
Standard Budget Adjustments	\$ 50,000,000	\$ 50,000,000	\$ 100,000,000
UW Request	\$ 397,864,000	\$ 457,279,000	\$ 855,143,000
Wisconsin Veterinary Diagnostic Laboratory	\$ 785,800	\$ 785,800	\$ 1,571,600
Wisconsin Grant Request	\$ 13,500,000	\$ 13,500,000	\$ 27,000,000
UW Request Incl. Wisconsin Grant	\$ 412,149,800	\$ 471,564,800	\$ 883,714,600

The chart below details the 2024-25 all funds annual expenditure budget of \$7.95 billion. The 2025-27 biennial budget request is focused on General Purpose Revenue (GPR) excluding debt service, which represents 14.3% of the UW's overall budget.



The chart below further distills the 2024-25 budget to reflect the net funding available for educating students in the 2024-25 annual budget.

UNIVERSITIES OF WISCONSIN
2024-25 Ongoing Annual Base Budget

Total Budget: \$7.95 Billion

Less Federal Funds: (\$1.89 Billion)

Federal Funds include: Pell Grants, Student Loans, Federal Indirect Reimbursement

Less Gifts, Grants & Contracts: (\$1.02 Billion)

Gifts, Grants, and Contracts include: Restricted Gifts, Research Contracts, Grants to Entities

Less Auxiliaries, Other Receipts: (\$1.87 Billion)

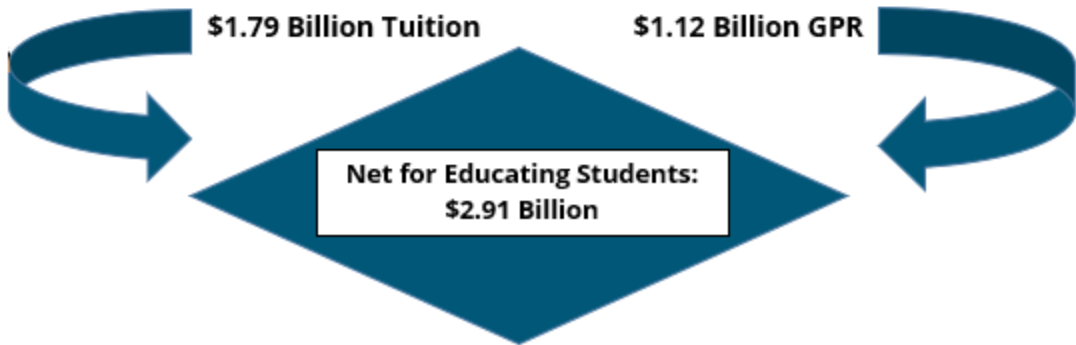
Auxiliaries and Other Receipts include: Housing, Food Service, Parking, Athletics, and Program Revenue Debt Service

GPR/Tuition Total: \$3.17 Billion

Tuition: \$1.79 Billion GPR: \$1.38 Billion

Less Restricted GPR (\$0.26 Billion)
\$1.12 Billion

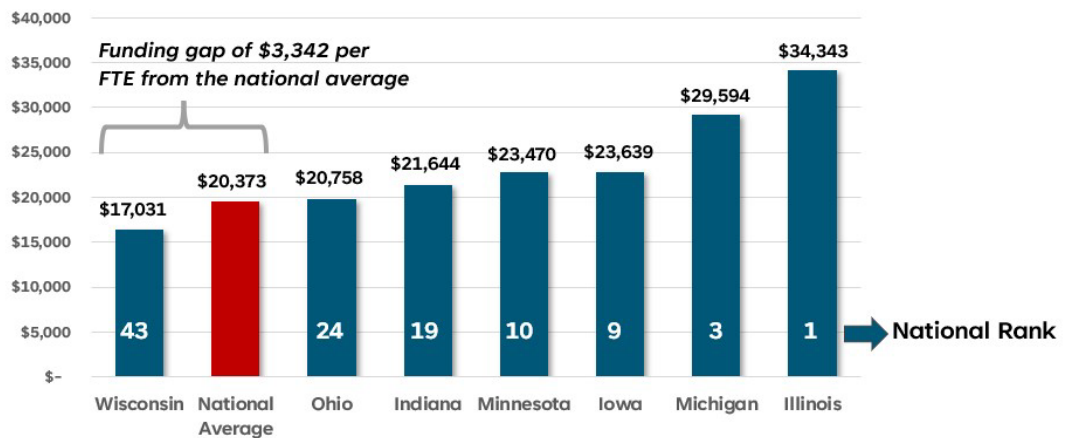
Restricted GPR such as Debt Service, State Lab of Hygiene and Vet Diagnostic Lab



Relatively low tuition and state support continues to constrain current service and strategic investments, especially given the impact of inflation over the last two years and beyond. While tuition has increased in the last two fiscal years, the cumulative effects of the tuition freeze from FY13 through FY23 have had long-term implications, including a reduction in unrestricted fund balances at the comprehensive universities.

As mentioned previously, the latest SHEEO analysis of public higher education financing, reflecting both state support and tuition, shows that Wisconsin currently ranks 43rd out of the 50 states in public funding to support 4-year universities. The UW received tuition and GPR of \$17,031 per student while the national average was \$20,373. All the Midwest states rank in the top 25, and our neighboring states rank in the top 10.

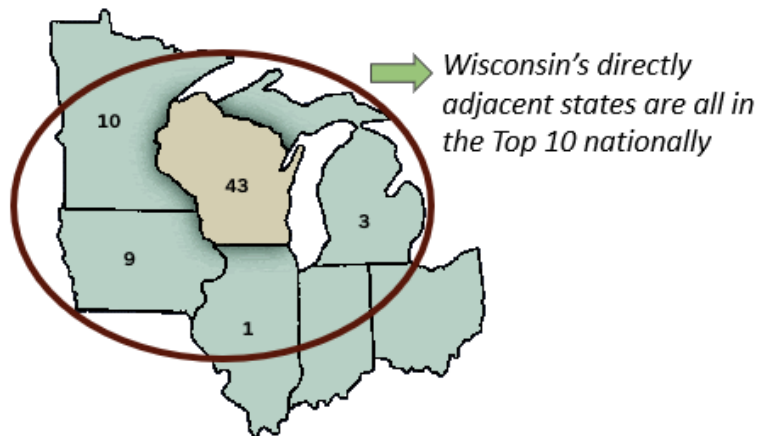
TOTAL TUITION AND STATE SUPPORT PER FTE



Source: "Educational Revenue" metric in SHEF Report, State Higher Education Executive Officers (SHEEO)

5

TUITION AND STATE SUPPORT IN MIDWEST



This \$457 million ongoing biennial budget request seeks to move Wisconsin to the national average of public support for four-year universities and includes initiatives in five strategic areas along with an estimate for standard budget adjustments. Each of these areas are aligned with the 2023-28 strategic plan approved by the Board of Regents in December of 2022. A summary of each of the strategic areas is set forth below with additional detail starting on page 7.

- **Increasing Affordability:** To close the opportunity gap between historically underserved students and other students, including first-generation students and those from lower socio-economic populations, these initiatives invest in affordability, which will increase enrollments, and provide critical support services to those students. Additionally, it will provide the Universities with funding to fully support the needs of our veterans, their children and spouses and the state-mandated tuition remissions.
- **Preserving Accessibility:** The Universities of Wisconsin have set a goal to graduate 41,000 students annually by 2028, a 10% increase, to meet workforce demands and develop talent. Given the changing demographics and low participation rates in Wisconsin, these initiatives are student-focused and provide resources needed to support the general operations of the universities and allow for the expansion of recruitment and enrollment while also identifying and supporting new enrollment pipelines for non-traditional students.
- **Developing Talent:** To retain students and support their learning and success, we need to invest in essential student services. These services and experiences are designed to provide holistic support, create a sense of belonging, meet students where they are, and help them achieve their personal, academic and career goals, including career readiness and the opportunity to experience High Impact Practices while working with the employer community to support their workforce needs.

- **Ensuring Quality:** A goal within the strategic plan is to recruit, develop, and retain a diverse, high-quality, faculty and staff. Pay plan increases have not kept up with the rate of inflation over the previous several biennia and faculty and staff salaries at the UWs have fallen behind relative to peers. These requests provide for an investment in compensation to ensure top-quality faculty and staff at the Universities of Wisconsin.
- **Investing in Innovation:** Our universities serve as centers for innovation in every part of the state. Artificial intelligence (AI) technologies, whether in manufacturing, health care, education, or other industries, are expected to accelerate the fourth industrial revolution. According to a recent MIT Technology Review report, talent, skills, and data are the main constraints to scaling AI technologies in the manufacturing sector. Consistent with the objectives listed in Governor Ever's Task Force on Workforce and Artificial Intelligence Advisory Action Plan, the Universities of Wisconsin propose investments in AI research, curricular development and pedagogical enhancements for improved teaching and learning, and faculty recruitment and retention in AI fields. All these efforts are intended to develop talent, educate UW faculty and staff, and engage in leading research to support Wisconsin's industries and workforce.
- **Standard Budget Adjustments:** This estimate includes items that will need to be requested to support current operating levels such as fringe benefit increases.

To reduce the reliance on tuition and remain committed to affordable higher education in the State of Wisconsin, this budget request, if enacted, would allow the Universities of Wisconsin to keep resident undergraduate tuition flat throughout for the 2025-26 and 2026-27 academic years. The majority of additional positions requested in this budget are student-facing, in support of the Universities of Wisconsin's strategic plan.

Additionally, the Board is being asked to approve funding requests for the Wisconsin Veterinary Diagnostic Laboratory and the Wisconsin Grant-UW request which will be forwarded to the Higher Educational Aids Board for inclusion in its 2025-27 biennial budget request.

Increasing Affordability

Strategic Plan Goals:

- We will increase access to higher education and improve rates of success for historically underserved students (S1)
- We will provide support for the universities to drive enrollment to meet the needs of the state and the knowledge economy (S8)

AFFORDABILITY			
Initiative	FY26	FY27 Ongoing Request	Biennial Request
Wisconsin Tuition Promise	\$ 11,860,000	\$ 28,110,000	\$ 39,970,000
Veterans Support	\$ 42,000,000	\$ 42,000,000	\$ 84,000,000
Fee Remission for Tribal Members	\$ 2,500,000	\$ 2,500,000	\$ 5,000,000
Recommendation	\$ 56,360,000	\$ 72,610,000	\$ 128,970,000

Wisconsin Tuition Promise

\$28.11M Ongoing

The Wisconsin Tuition Promise will provide a program similar to UW-Madison’s Bucky’s Promise program to all UW universities. The program will cover tuition and segregated fees for incoming Wisconsin freshman and transfer students beginning in the fall of 2025 whose household’s adjusted gross income (AGI) is \$71,000 or less, the median AGI in Wisconsin. This is a “last dollar” program meaning the Tuition Promise dollars will be applied after all other scholarships and grants have been exhausted. Freshman will be eligible for four years and transfer student will be eligible for two years.

The total cost for a four-year cohort is estimated to be \$63 million (excluding UW-Madison), benefiting 5,000 students in the first two years.

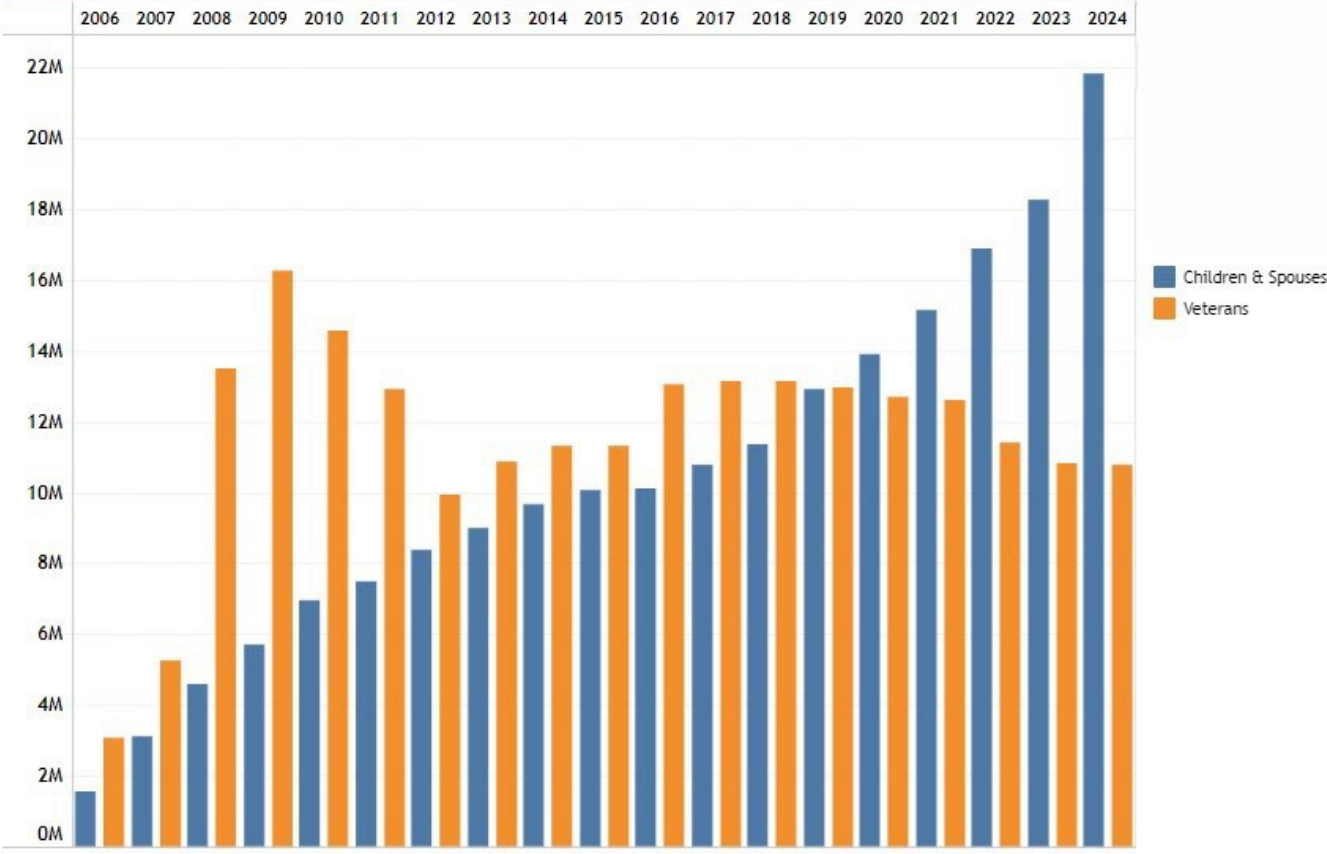
Veterans Support

\$42.0M Ongoing

This request will provide funding to the universities for statutorily required tuition and fee remissions that are provided to veterans and their eligible family members and provide supporting networks for veterans facing unique challenges to achieve a degree.

In the fall of 2023, UW universities provided remissions to 3,795 students under these programs totaling more than \$50.0 million in remissions in 2023-24. Of that, federal funding covered \$12.3 million, and the state provided approximately \$5.4 million leaving the remaining \$32.3 million to be covered by the Universities of Wisconsin as noted in the graph below. It is estimated that these programs will continue to grow at 8% in each year of the 2025-27 biennium. This request will also provide enhanced wrap-around services (e.g., advising) to these students.

UW Paid Funds Only, Veterans Compared to Children & Spouses



Tuition and Fee Remissions for Tribal Members

\$2.5M Ongoing

This program will expand UW-Madison’s Tribal Education Promise to all the Universities of Wisconsin to fully fund tuition and segregated fees for enrolled members of a recognized tribal nation in Wisconsin.

Preserving Accessibility

Strategic Plan Goals:

- We will increase access to higher education and improve rates of success for historically underserved students (S1)
- We will champion student success across the higher education life cycle (S2)
- We will provide support for the universities to drive enrollment to meet the needs of the state and the knowledge economy (S8)

ACCESSIBILITY			
Initiative	FY26	FY27 Ongoing Request	Biennial Request
Operational Budget Increase	\$ 64,000,000	\$ 92,000,000	\$ 156,000,000
Tuition Share of Pay Plan	\$ 24,000,000	\$ 39,120,000	\$ 63,120,000
Tuition Share of Merit/Market Adj.	\$ 12,000,000	\$ 12,000,000	\$ 24,000,000
Accessibility			
Dual Enrollment	\$ 7,250,000	\$ 7,250,000	\$ 14,500,000
Expanding Recruitment and Outreach	\$ 3,000,000	\$ 3,000,000	\$ 6,000,000
Direct Admit Wisconsin	\$ 1,500,000	\$ 1,500,000	\$ 3,000,000
Welcome Back Wisconsin	\$ 600,000	\$ 1,250,000	\$ 1,850,000
Improving Transfer Pathways	\$ 750,000	\$ 750,000	\$ 1,500,000
Recommendation	\$ 113,100,000	\$ 156,870,000	\$ 269,970,000

Operational Budget Increase

\$92.0M Ongoing

This request will provide a 6.4% increase in 2025-26 and an additional 2.8% increase in 2026-27 in support of a general operating budget increase for the Universities of Wisconsin. Inflation increased by 6.3% in fiscal year 2022-23 and 3.3% in 2023-24. This increase acknowledges the inflationary costs of goods and services, backfills the financial exposure for the universities' share of pay plan from 2018-19 to 2021-22, and provides ongoing support for the 13 universities' general operations.

Tuition Share of a 5% Pay Plan in 2025-26 and 3% in 2026-27

\$39.12M Ongoing

This request will provide the tuition share of a 5% increase in July 2025 and an additional 3% increase in July of 2026 for the faculty, academic staff, university staff, and limited appointments at the Universities of Wisconsin. The 5%/3% request helps maintain employees' real wages, which have lagged inflationary increases to the consumer price index (CPI) by -6.12% over the past two biennium (as measured using the CPI rates published by the Wisconsin Employment Relations

Commission). The requested general wage adjustment is critical to maintaining employee's real wages.

Tuition Share of Merit and Market Adjustments

\$12.0M Ongoing

This funding will be used to cover the tuition share of increases to retain high performing faculty and to meet market compensation demands for all employees, with a focus on supporting UW comprehensive universities and UW-Milwaukee, where average faculty and staff salaries are significantly below median peer salaries. Specifically, UW-Milwaukee's faculty salaries are 11% below the median and staff salaries are 17% behind relevant market data. For UW comprehensive universities, this disparity is even more significant, where faculty salaries are 16% below the median and staff salaries are 15% behind peer data. While this additional funding will not close the entire gap, it allows institutions to raise starting salaries to be more competitive and provides some funds for limited merit and market-based increases.

Dual Enrollment

\$7.25M Ongoing

This funding will be provided to the universities to allow additional high school students in Wisconsin access to dual enrollment opportunities on their high school campus or at a UW campus and provide 12 support staff to develop additional capacity for the program. It is estimated this funding will expand the program to an additional 15,000 students.

Expanding Recruitment and Outreach

\$3.0M Ongoing

To meet strategic plan goals of increasing participation rates, and ultimately the number of college graduates, this request will provide additional staff and marketing/outreach materials to the universities, which will increase the participation rate of Wisconsin students and provide recruitment support within the state and region, including travel to additional outreach locations. Additionally, five positions will be created to enhance enrollment reporting and research as well as website redesigns.

Direct Admit Wisconsin

\$1.5M Ongoing

Wisconsin's participation rates measured by the number of high school students electing to attend college have generally declined since 2017. To help address the declining participation rates and increase access for Wisconsin high school graduates, Direct Admit Wisconsin will begin with the Class of 2025 at participating high schools and will proactively offer admission to qualifying high school students in between their junior and senior years of high school. Implementing, supporting, and expanding this program will require additional resources, including additional staff to provide ongoing support to high schools and participating universities, in addition to the cost of the technology, publications, and mailings.

Welcome Back Wisconsin

\$1.25M Ongoing

According to the 2024 National Student Clearinghouse report on residents with some college and no degree, Wisconsin has over 760,000 residents who left college without earning a credential, over 620,000 of whom are still of working age. For adult learners, online learning is increasingly popular, but support is needed for these students to realize successful degree completion.

Welcome Back to Wisconsin funding will support evidence-based strategies to outreach and recruit this population and support their return to complete their degrees. This may also include waiving or reducing outstanding balances and provides resources to the universities to help support the returning students.

Improving Transfer Pathways

\$750K Ongoing

According to data from the Universities of Wisconsin, over the past four years the UW campuses have seen an average of 10,000 students per year transferring into a UW university from numerous places, including international locations, out-of-state colleges, Wisconsin private colleges, Wisconsin Technical College System and other UW institutions. This request will be used to develop curricular pathways and technology to improve transfer planning and enrollment as well as supporting 15 advisors, student success professionals, recruiters, and enrollment specialists to support transfer student transition, learning, success, and outcomes.

Developing Talent

Strategic Plan Goals:

- We will champion student success across the higher education life cycle (S2)
- We will champion the democratic principles of free expression, academic freedom, and civil discourse (S4)
- We will provide support for the universities to drive enrollment to meet the needs of the stat and the knowledge economy (S8)
- We will engage thoughtfully with the employer community to identify and address employer talent, support, and research needs (S9)

DEVELOPING TALENT			
Initiative	FY26	FY27 Ongoing Request	Biennial Request
Student Success			
Mental Health and Well-being	\$ 11,000,000	\$ 11,000,000	\$ 22,000,000
Student Retention	\$ 9,900,000	\$ 9,900,000	\$ 19,800,000
Career Readiness	\$ 5,750,000	\$ 5,750,000	\$ 11,500,000
High Impact Practices	\$ 1,700,000	\$ 1,700,000	\$ 3,400,000
Civil Dialogue Training	\$ 2,500,000	\$ 2,500,000	\$ 5,000,000
Prior Learning Assessments	\$ 719,000	\$ 719,000	\$ 1,438,000
Teacher Loan Forgiveness	\$ 5,250,000	\$ 5,250,000	\$ 10,500,000
Continuing Education	\$ 5,000,000	\$ 5,000,000	\$ 10,000,000
Recommendation	\$ 41,819,000	\$ 41,819,000	\$ 83,638,000

Mental Health and Well-being

\$11.0M Ongoing

Access to quality mental health and well-being services and resources has increasingly been recognized as critical to student success. This request will support the rising demand for mental health services including ongoing telehealth services, counseling, telepsychiatry, online well-being platform, and 24/7 peer and crisis support services, as well as increasing counseling staff to meet the recommended 1:1,000 counselor-to-student ratio which will add 57 counselors, 11 of which will provide direct support to student athletes.

Student Retention

\$9.9M Ongoing

Retention is a multi-faceted, high-touch endeavor that requires understanding student needs and providing holistic support and essential student services to meet those needs. Funding will provide additional support for gaps universities have identified in academic and career advising, student

basic needs support, supporting students with disabilities, transfer student support, and support for former foster youth.

This funding will provide 45 additional advisors to come closer to the recommended 1:250 ratio to provide holistic student advising and support services. It will also provide one position per campus to help connect students to basic needs resources both on and off campus, and an additional position per campus to support students who have aged out of the foster care system. Additionally, 15 student success professionals will be hired to support transfer students' success, and one position will be hired to assure compliance with the requirements of the Americans with Disabilities Act (ADA) new digital accessibility rules.

Career Readiness

\$5.75M Ongoing

The 2023 Wisconsin Center for Manufacturing Partnership study cites 44% of companies seek more qualified workers, 64% see automation as important to their businesses, and 27% are planning to incorporate some form of Artificial Intelligence (AI) within the next five years. This funding will provide financial support to students who want to pursue experiential learning and career readiness opportunities that would otherwise be unpaid or not affordable. It will also support increased professional development for career services professionals and faculty and new technology to support career exploration and readiness skills development, and an additional position for each university to support students and alumni. Additionally, it will create a fund that faculty and staff can utilize to support initiatives that increase employer engagement that supports student career readiness.

High Impact Practices

\$1.7M Ongoing

High Impact Practices (HIPs) are evidence-based teaching, learning and research practices that have been shown to have numerous educational benefits including increased student engagement, promotion of student success, development of transferrable skills such as critical thinking, creativity and problem-solving, skills application, enhanced communication skills and closing equity gaps in learning, thereby contributing to gains in retention and degree completion. UW campuses have been utilizing HIPs for decades to enhance student success.

Civil Dialogue Training

\$2.5M Ongoing

This funding will be used to customize and continue offering the "Discussion Project" which is based on professional development for faculty. It will develop transferable skills such as critical thinking, creativity and problem solving, skills application and enhanced communication skills.

Prior Learning Assessments

\$719K Ongoing

Findings from a systematic literature review of PLA studies ("Prior Learning Assessment in the US," Boden et al.) reveal that Prior Learning Assessment supports access and equity for college degree seekers, supports quicker and less expensive paths to graduation, and in some cases, improved outcomes. UW requests funding to review, improve, and expand PLA activities at all 13 UW campuses.

Teacher Loan Forgiveness

\$5.25M Ongoing

This program aims to address the shortage of teachers throughout Wisconsin with a loan forgiveness program for prospective K-12 educators. The Teacher Loan Forgiveness program will require four years of teaching post-graduation to fulfill loan forgiveness for eligible tuition and fees.

Continuing Education**\$5.0M Ongoing**

This funding will support ongoing relationships with regional employers and provide reskilling and upskilling opportunities for local employees. Continuing Education departments across all 13 UW campuses will expand training in employer-chosen, on-demand online seminars.

Ensuring Quality

Strategic Plan Goals:

- We will promote excellence in teaching and prioritizing the recruitment, development, and retention of high-quality, diverse faculty and staff (S3)
- We will ensure our universities are financially and environmentally sustainable so that they are positioned to fulfill their strategic missions (S5)

ENSURING QUALITY			
Initiative	FY26	FY27 Ongoing Request	Biennial Request
GPR share of 5% and 3% Pay Plan	\$ 56,000,000	\$ 91,280,000	\$ 147,280,000
GPR Share of Merit and Market Adjustments	\$ 28,000,000	\$ 28,000,000	\$ 56,000,000
Recommendation	\$ 84,000,000	\$ 119,280,000	\$ 203,280,000

While the state provided a 4% pay plan increase in 2023-24 and a 2% increase in 2024-25, the Universities of Wisconsin salaries continue to lag their peers and the market, resulting in labor market challenges in recruiting and retaining staff.

Traditionally the State has funded 70% of the General Purpose Revenue (GPR)/Tuition pay plan costs with GPR, and tuition is expected to fund 30%. The tuition share of this request is included in the Accessibility section above.

GPR Share of a 5% and 3% Pay Plan \$91.28M Ongoing

This request will provide the GPR share of a 5% increase in July 2025 and an additional 3% increase in July of 2026 for the faculty, academic staff, university staff, and limited appointments at the Universities of Wisconsin. These increases are necessary for all staff to ensure wages begin to close the over 6% deficit when compared to inflationary increases over the past two biennia.

GPR Share of Merit and Market Adjustments \$28.0M Ongoing

This funding will be used to cover the GPR share of increases to retain high performing faculty and to meet market compensation demands for all employees, with a focus on supporting UW comprehensive universities and UW-Milwaukee, where average faculty and staff salaries are significantly below median peer salaries. Specifically, UW-Milwaukee’s faculty salaries are 11% below the median and staff salaries are 17% behind relevant market data. For UW comprehensive universities, this disparity is even more significant, where faculty salaries are 16% below the median and staff salaries are 15% behind peer data. While this additional funding will not close the entire gap, it allows institutions to raise starting salaries to be more competitive and provides some funds to provide limited merit and market-based increases.

Investing in Innovation

Strategic Plan Goals:

- We will promote excellence in teaching and prioritizing the recruitment, development, and retention of high-quality, diverse faculty and staff (S3)
- We will focus on being a global leader in research, scholarship, and creative activity, as well as a knowledge dissemination that benefits society (S6)
- We will foster a culture of innovation in support of advancing human knowledge and economic prosperity (S7)
- We will engage thoughtfully with the employer community to identify and address employer talent, support, and research needs (S9)

INNOVATION			
Initiative	FY26	FY27 Ongoing Request	Biennial Request
Artificial Intelligence (AI)			
Faculty Recruitment and Development	\$ 2,660,000	\$ 5,700,000	\$ 8,360,000
Curriculum and Classroom Applications	\$ 5,000,000	\$ 5,000,000	\$ 10,000,000
Online Collaborative Programs	\$ 1,300,000	\$ -	\$ 1,300,000
Research and Infrastructure	\$ 37,625,000	\$ -	\$ 37,625,000
Freshwater Collaborative	\$ 2,500,000	\$ 2,500,000	\$ 5,000,000
Dairy Hub Innovation	\$ 3,500,000	\$ 3,500,000	\$ 7,000,000
Recommendation	\$ 52,585,000	\$ 16,700,000	\$ 69,285,000

Artificial intelligence (AI) technologies, whether in manufacturing, health care, education, or other industries, are expected to accelerate the fourth industrial revolution. According to a recent MIT Technology Review report, talent, skills, and data are the main constraints to scaling AI technologies in the manufacturing sector.

Consistent with the objectives listed in Governor Ever’s Task Force on Workforce and Artificial Intelligence Advisory Action Plan, the Universities of Wisconsin proposes Investments in AI Research, Curricular Development and Pedagogical Enhancements for Improved Teaching and Learning, and Faculty Recruitment and Retention in AI Fields. All these efforts are intended to develop talent, educate UW faculty and staff, and engage in leading research to support Wisconsin’s industries and workforce.

Faculty Recruitment and Development

\$5.7M Ongoing

This request will provide funding to hire seven artificial intelligence (AI) faculty members each year of the biennium in areas such as computer science, data sciences, mathematics and statistics,

engineering and robotics, machine learning, natural language processing, computer vision, and cognitive sciences, and provide them with startup funds.

Curriculum and Classroom Applications

\$5.0M Ongoing

This funding will support foundational efforts to integrate AI in curricular development, teaching methods, and student learning as well as professional development. The project will include innovations in AI adaptive learning technologies that will involve convening disciplinary representatives to establish systemwide discipline specific AI learning goals.

Online Collaborative Programs

\$1.3M One-time

This request will provide seed funding to develop online AI collaborative programs for the 13 Universities of Wisconsin to leverage both technology and faculty resources.

Research and Infrastructure

\$37.625M One-time

As AI continues to expand into all sectors of the academy, universities will need to be positioned to embrace its possibilities. Investments in AI infrastructure and access to private resources (e.g., servers, research facilities) will be needed. This request will provide one-time research seed funding to all the universities.

Freshwater Collaborative

\$2.5M Ongoing

The Great Lakes contain 21% of the world’s surface water by volume. Protecting clean water resources through research and training is the mission of the Freshwater collaborative, which includes all 13 Universities of Wisconsin campuses and engages government agencies, businesses, nonprofits, and community members. Ongoing funding supports these efforts to benefit Wisconsin and the Great Lakes region.

Dairy Innovation

\$3.5M Ongoing

Wisconsin’s dairy community generates approximately \$46 billion in economic activity for the state and almost 160,000 jobs. UW-Madison, UW-River Falls and UW-Platteville are engaged in more than 200 funded projects, have produced hundreds of presentations and research, and engaged more than 500 student researchers. This funding will keep Wisconsin’s dairy community leading in innovation and a global leader.

Standard Budget Adjustments

Standard Budget Adjustments are changes in funding related to the current biennium which allow for continued base level services into the upcoming biennium and are determined by the Department of Administration (DOA).

Fringe Benefits and Lease Rental Payments

Est. \$50.0M Ongoing

The figures for calculating the fringe benefits and lease rental payments are not currently available, therefore the UW System Board of Regents are asked to delegate the authority to approve these requests and any others that may arise to the UW System President. Any variation from the estimated \$50 million will be reallocated to the operational budget request.

Wisconsin Veterinary Diagnostic Laboratory (WVDL)

The Wisconsin Veterinary Diagnostic Lab is governed by its own board but is administratively attached to UW-Madison, therefore their biennial budget request must be approved and submitted by the Board of Regents.

Additional Staffing

\$568.5K Ongoing

This funding will support six additional microbiologist positions and a sample receiving technician which will allow the Laboratory to better serve Wisconsin agricultural industries, the DNR, and Wisconsin hunters by improving capacity and the response to chronic wasting disease and high-consequence pathogen disease outbreak surge testing.

Salary Equity Adjustments

\$217.3K Ongoing

The Wisconsin Veterinary Diagnostic Laboratory veterinary specialists and subject matter experts who have joint faculty appointments with UW-Madison have fallen behind their solely UW-Madison peers and recruiting for these positions is challenging given the high demand for specialists in the private and academic sectors.

Wisconsin Grant-UW

The Wisconsin Grant-UW program is the state's largest need-based financial aid program for students attending the Universities of Wisconsin. The program is administered by the State's Higher Educational Aids Board (HEAB). In even-numbered years, a budget request for the Wisconsin Grant-UW is approved by the Board of Regents and then forwarded to HEAB for inclusion in that agency's biennial budget submission to the Department of Administration (DOA).

Increase to the Wisconsin Grant-UW

\$13.50M Ongoing

This funding request is in response to the federal legislation that will result in more students being eligible for the Wisconsin Grant and to allow for a maximum award of up to \$4,500 to meet our goal of reaching 50% of the average tuition and fees at the UW comprehensive universities.

2025-27 Performance Measures

State budget instructions require all agencies to report on the performance measures identified for previous biennial budgets. The instructions say that the measures should relate to the agency's Chapter 20 programs. The Universities of Wisconsin reported on four measures in 2023-25 and will continue to report on those measures this biennium.

The four measures for which the UW System will report are:

1. Undergraduate Degrees (Conferred)
2. Participation Rate – the percentage of Wisconsin high school graduates who enroll immediately after graduation
3. Retention Rate – the rate at which new freshmen return to the same institution for the second year of study
4. Graduation Rate – rate at which new freshmen earn a bachelor's degree at the same institution within six years.

**DOA Required 2025-27 Biennial Budget Performance Measures
for the Universities of Wisconsin**

Measure 1: Undergraduate Degrees
Goal: Meet or exceed current plans to increase undergraduate degrees conferred (Associate and Bachelor's).

Year	Prior Plan*	Current Plan**	Actual
2005-06			24,103
2006-07			25,096
2007-08			25,465
2008-09			25,992
2009-10	26,317		26,297
2010-11	26,910		27,087
2011-12	27,254		28,189
2012-13	27,723		28,789
2013-14	28,041		28,971
2014-15	28,723		29,375
2015-16	28,976		29,192
2016-17	28,498		29,140
2017-18	28,424		29,181
2018-19	28,093		28,766
2019-20	28,258		29,687
2020-21	28,258		28,458
2021-22	28,258		27,668
2022-23	28,258		27,301
2023-24	28,258	28,009	
2024-25		28,694	
2025-26		29,380	

Progress: Undergraduate degrees have declined slightly due to declining freshmen and transfer enrollments, changing composition of student body and resource challenges. Although this performance measure focuses on undergraduate degrees, graduate education remains an important part of the UW System’s mission.

*Two prior plans are represented in these data, University of Wisconsin System’s More Graduates initiative which was developed in 2009-10 and projections developed by institutions in accordance with Act 55 in Spring 2016.

**The current plan reflects projections developed as a subset of targets associated with the UW System’s 2023-2028 Strategic Plan and institutional targets.

Measure 2: Participation Rate

Goal: Provide access by enrolling at least 32 percent of Wisconsin high school graduates immediately after graduation.

Fall Term After HS Graduation	Plan	Actual
2005	32.0%	32.6%
2006	32.0%	32.5%
2007	32.0%	33.1%
2008	32.0%	32.4%
2009	32.0%	31.9%
2010	32.0%	31.7%
2011	32.0%	31.9%
2012	32.0%	31.5%
2013	32.0%	32.1%
2014	32.0%	31.5%
2015	32.0%	31.7%
2016	32.0%	31.4%
2017	32.0%	31.8%
2018	32.0%	29.3%
2019	32.0%	28.6%
2020	32.0%	27.2%
2021	32.0%	27.1%
2022	32.0%	26.1%
2023	32.0%	27.0%
2024	32.0%	
2025	32.0%	

Progress: The University of Wisconsin System is committed to serving the residents of the State of Wisconsin, not only through the enrollment of high school graduates but also through the enrollment of transfer students and nontraditional-aged students.

Measure 3: Retention Rate

Goal: Meet or exceed current plans to increase the rate at which new freshmen return to the same institution for the second year of study.

Year (Entering Class)	Prior Plan*	Current Plan**	Actual
2006-07 (Fall 2005)			79.2%
2007-08 (Fall 2006)			79.2%
2008-09 (Fall 2007)			79.3%
2009-10 (Fall 2008)			80.2%
2010-11 (Fall 2009)	79.5%		80.8%
2011-12 (Fall 2010)	80.4%		79.6%
2012-13 (Fall 2011)	80.5%		80.2%
2013-14 (Fall 2012)	80.9%		80.7%
2014-15 (Fall 2013)	81.3%		82.1%
2015-16 (Fall 2014)	81.8%		81.6%
2016-17 (Fall 2015)	82.0%		81.7%
2017-18 (Fall 2016)	82.2%		81.4%
2018-19 (Fall 2017)	82.5%		81.8%
2019-20 (Fall 2018)	82.7%		82.1%
2020-21 (Fall 2019)	82.7%		82.7%
2021-22 (Fall 2020)	82.7%		80.9%
2021-22 (Fall 2021)	82.7%		81.3%
2022-23 (Fall 2022)		82.7%	82.6%
2023-24 (Fall 2023)		82.7%	
2024-25 (Fall 2024)		82.7%	

Progress: Students' persistence to the second year of study is an important, early indication of accomplishing the long-term graduation objective. The Universities of Wisconsin continue to seek improvements in persistence as a path toward improved graduation rates and the number of undergraduate degrees.

*The prior plan reflected the University of Wisconsin System's More Graduates initiative developed in 2009-10 with the expectation that new and existing resources would support an increase in retention rates.

**The current plan reflects projections developed as a subset of targets associated with the UW System's 2023-2028 Strategic Plan and institutional targets.

Measure 4: Graduation Rate

Goal: Meet or exceed current plans to increase the rate at which new freshmen earn a bachelor's degree at the same institution within six years.

Year (Entering Class)	Prior Plan*	Current Plan**	Actual
2006-07 (Fall 2000)			58.0%
2007-08 (Fall 2001)			58.7%
2008-09 (Fall 2002)			59.3%
2009-10 (Fall 2003)			59.7%
2010-11 (Fall 2004)	59.4%		60.4%
2011-12 (Fall 2005)	59.8%		59.3%
2012-13 (Fall 2006)	59.9%		59.6%
2013-14 (Fall 2007)	60.4%		59.3%
2014-15 (Fall 2008)	60.8%		60.7%
2015-16 (Fall 2009)	61.0%		60.7%
2016-17 (Fall 2010)	61.2%		60.9%
2017-18 (Fall 2011)	61.9%		62.5%
2018-19 (Fall 2012)	62.9%		63.6%
2019-20 (Fall 2013)	63.4%		65.4%
2020-21 (Fall 2014)	63.6%		65.1%
2021-22 (Fall 2015)	63.6%		65.8%
2022-23 (Fall 2015)	63.6%		65.5%
2023-24 (Fall 2016)		65.8%	66.9%
2024-25 (Fall 2017)		65.8%	
2025-26 (Fall 2018)		65.8%	

Progress: Six-year graduation rates are at an all-time high.

*Two prior plans are represented in these data, University of Wisconsin System's More Graduates initiative which was developed in 2009-10 and projections developed by institutions in accordance with Act 55 in Spring 2016.

**The current plan reflects projections developed as a subset of targets associated with the UW System's 2023-2028 Strategic Plan and institutional targets.