



UNIVERSITY OF WISCONSIN SYSTEM

Fiscal Year 2021-22 Annual Operating Budget

Board of Regents Meeting July 8, 2021

Sean P. Nelson, Vice President for Finance

FY2021-22 Annual Budget Highlights

- State operational funding (GPR) increased \$42.3M or 4.4%
 - Includes **Pay Plan increase** for employees
- Tuition-setting authority back with the Board of Regents
 - BOR budget resolution calls for no increase for resident undergraduate tuition in the upcoming academic year
- Average cost of attendance held to a 1% increase
 - 4th consecutive year at **1% or lower** at the 4-year campuses

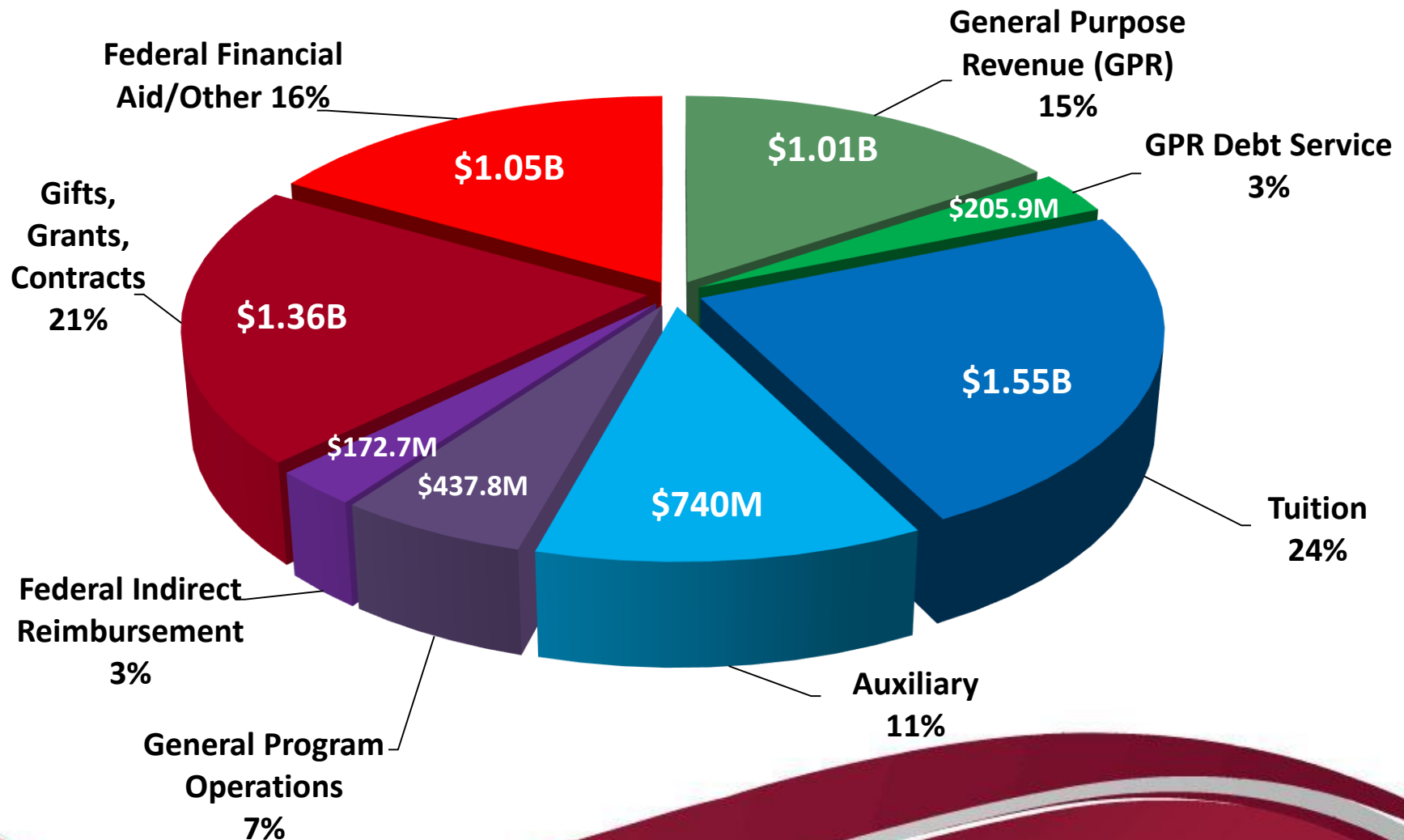
FY2021-22 Annual Budget:

Budget Sources

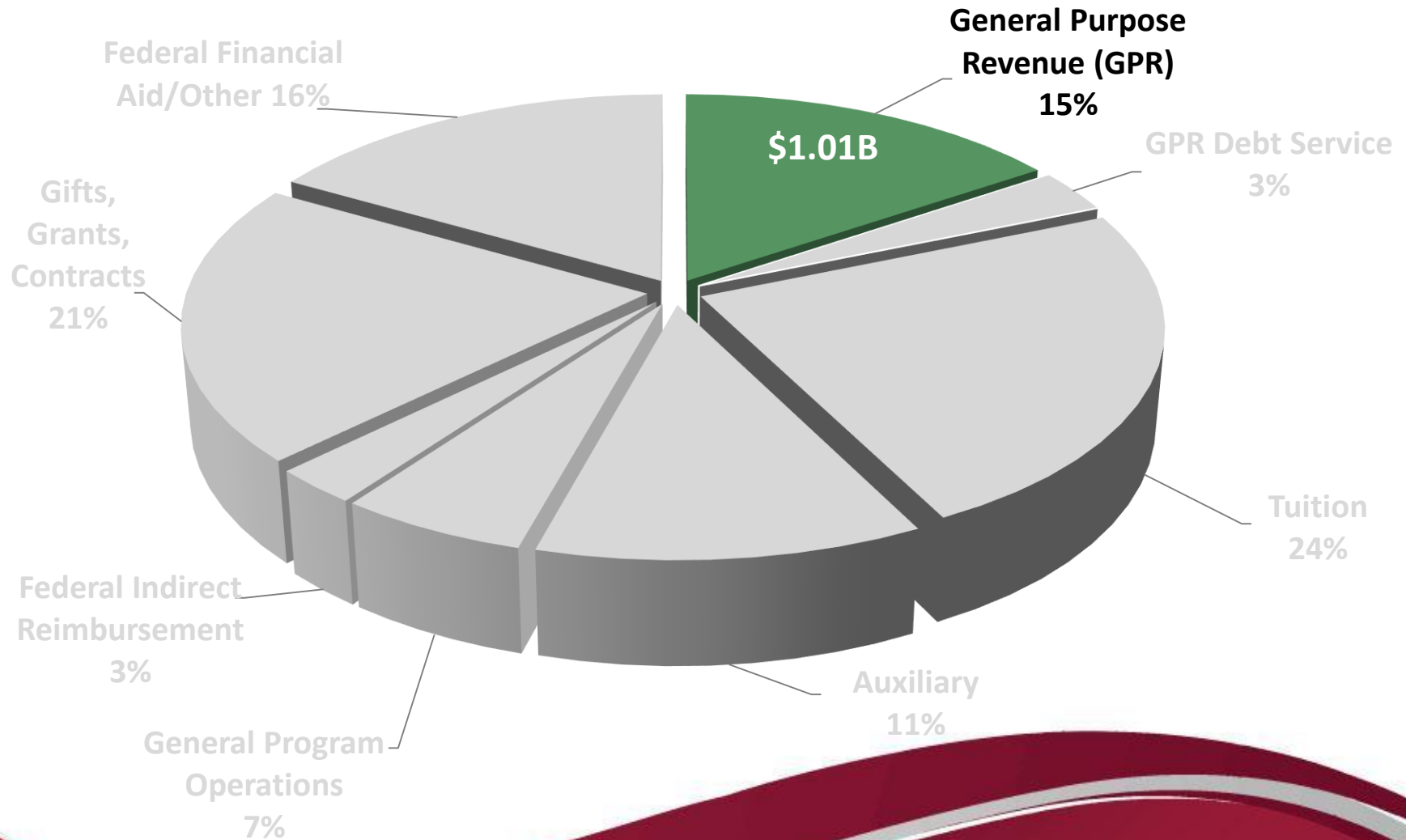


Total Expense Budget

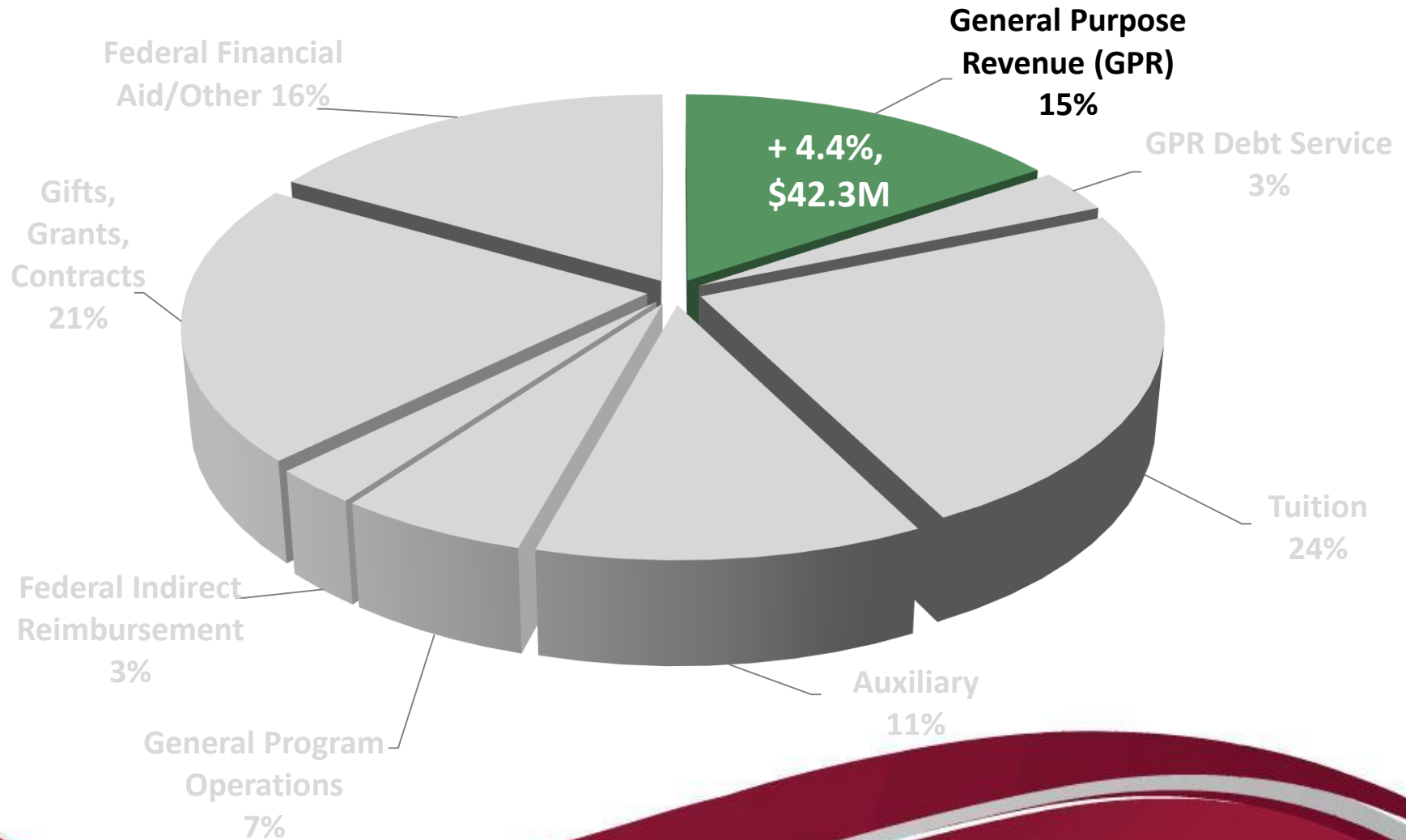
➤ *Estimated FY2021-22 Expenditures: \$6.529 billion*



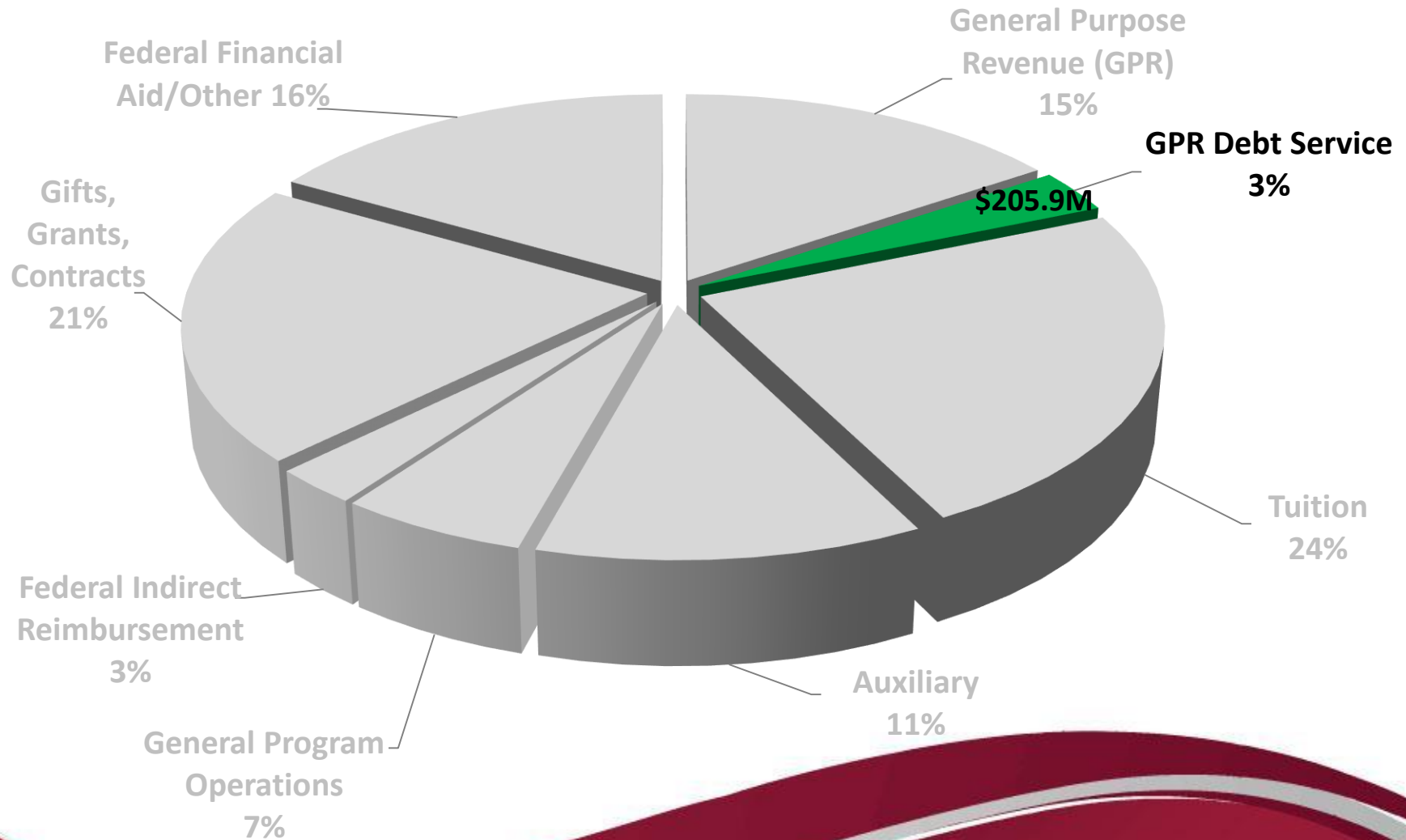
Source: Operational GPR



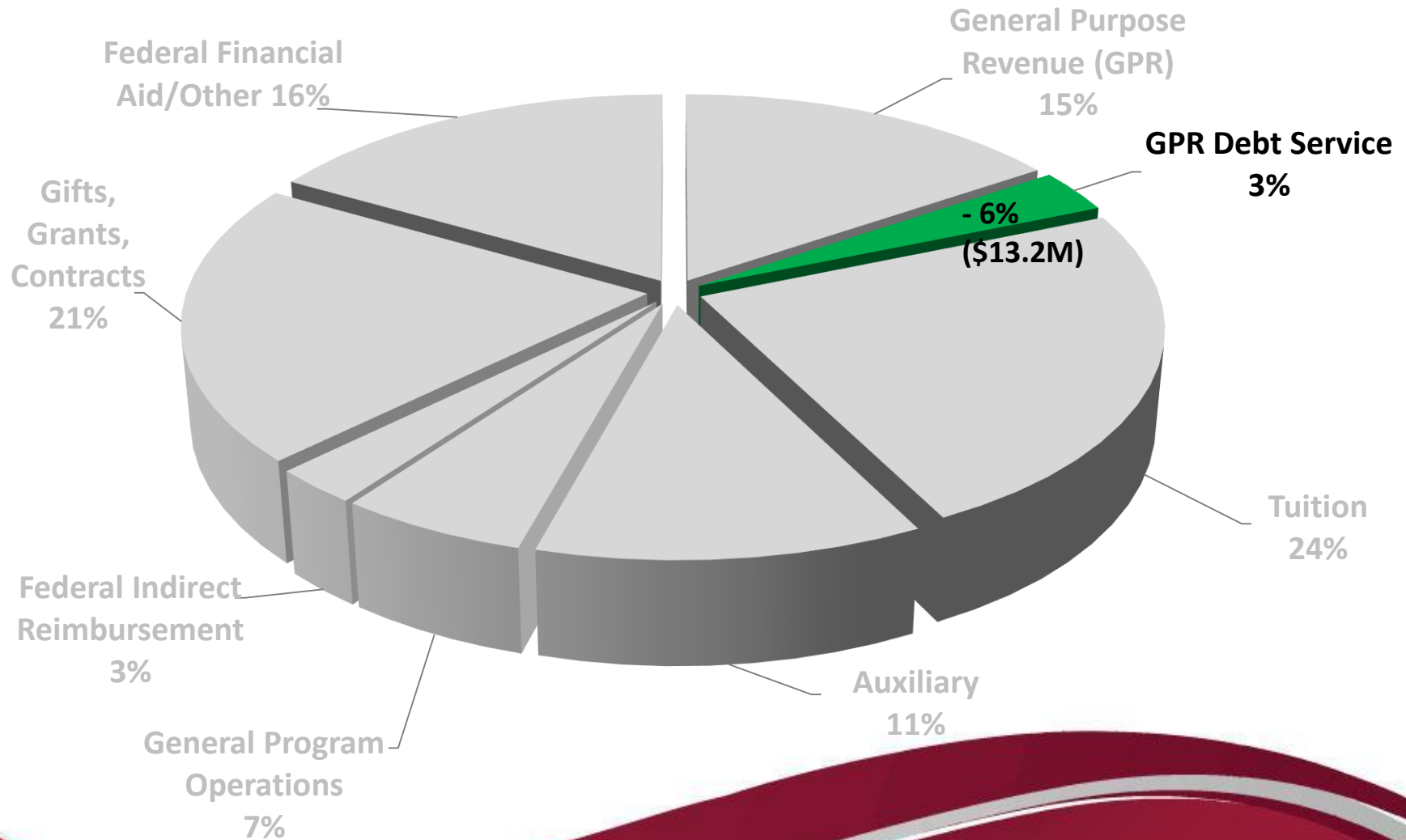
Budget Change: Operational GPR



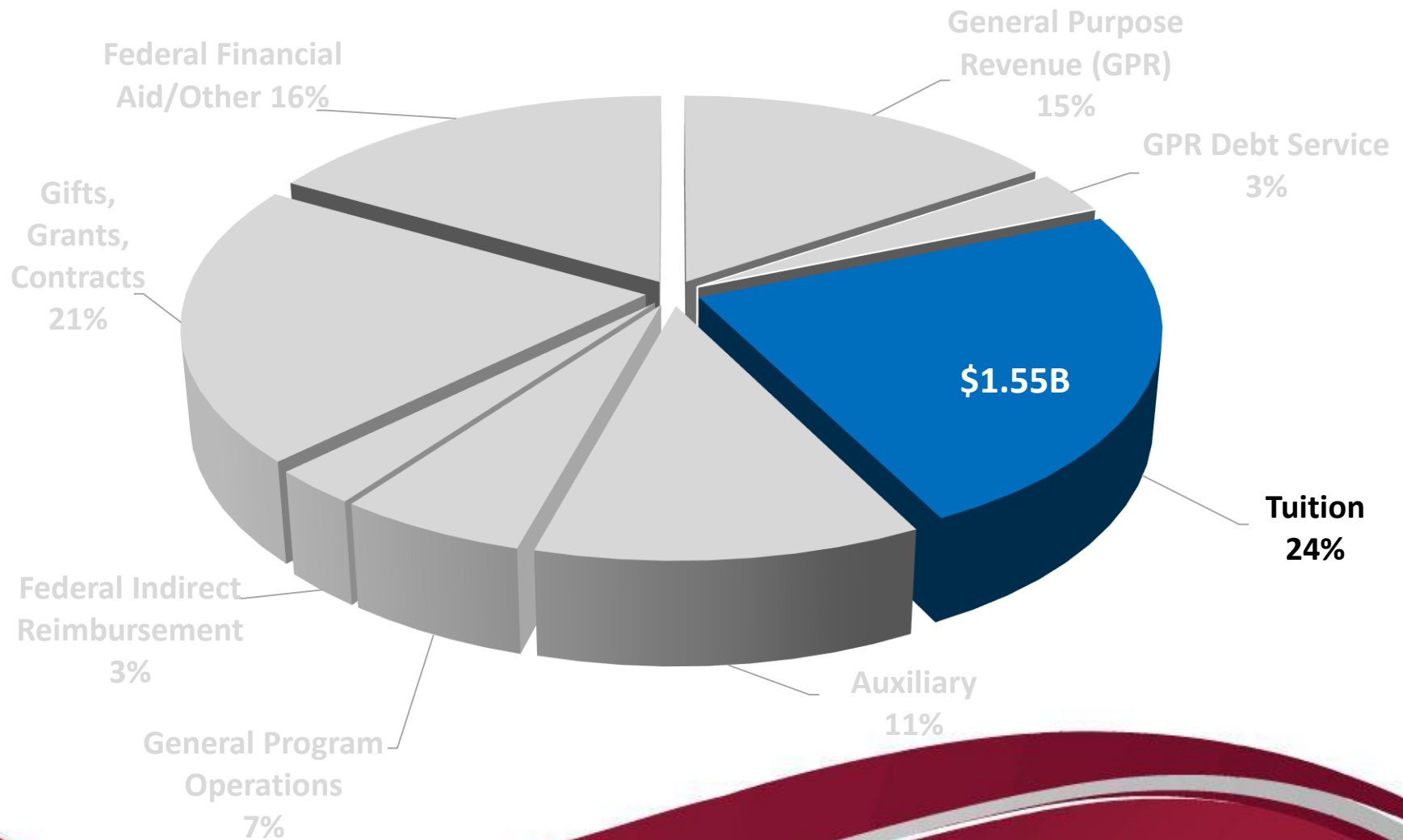
Source: GPR Debt Service



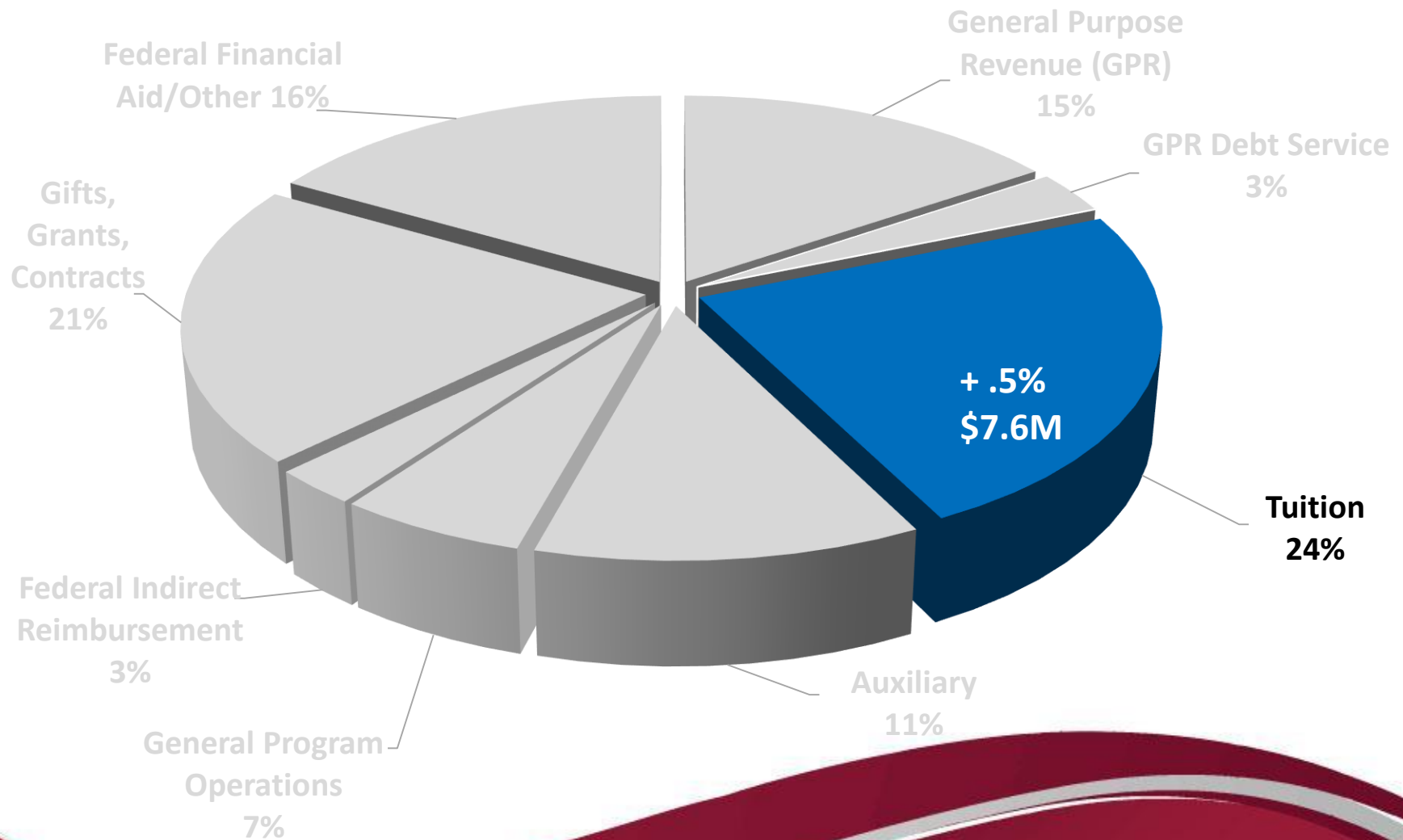
Budget Change: GPR Debt Service



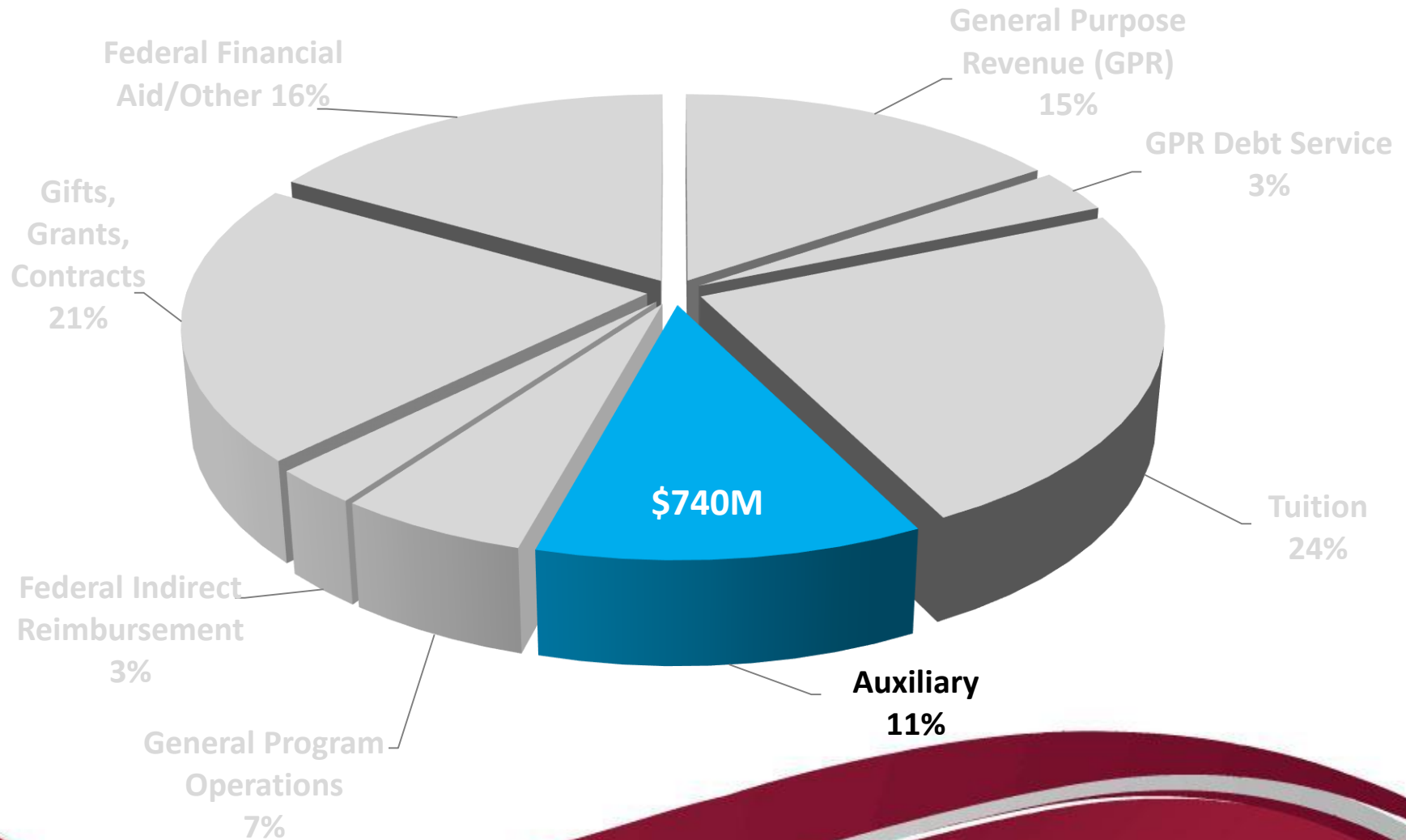
Source: Tuition



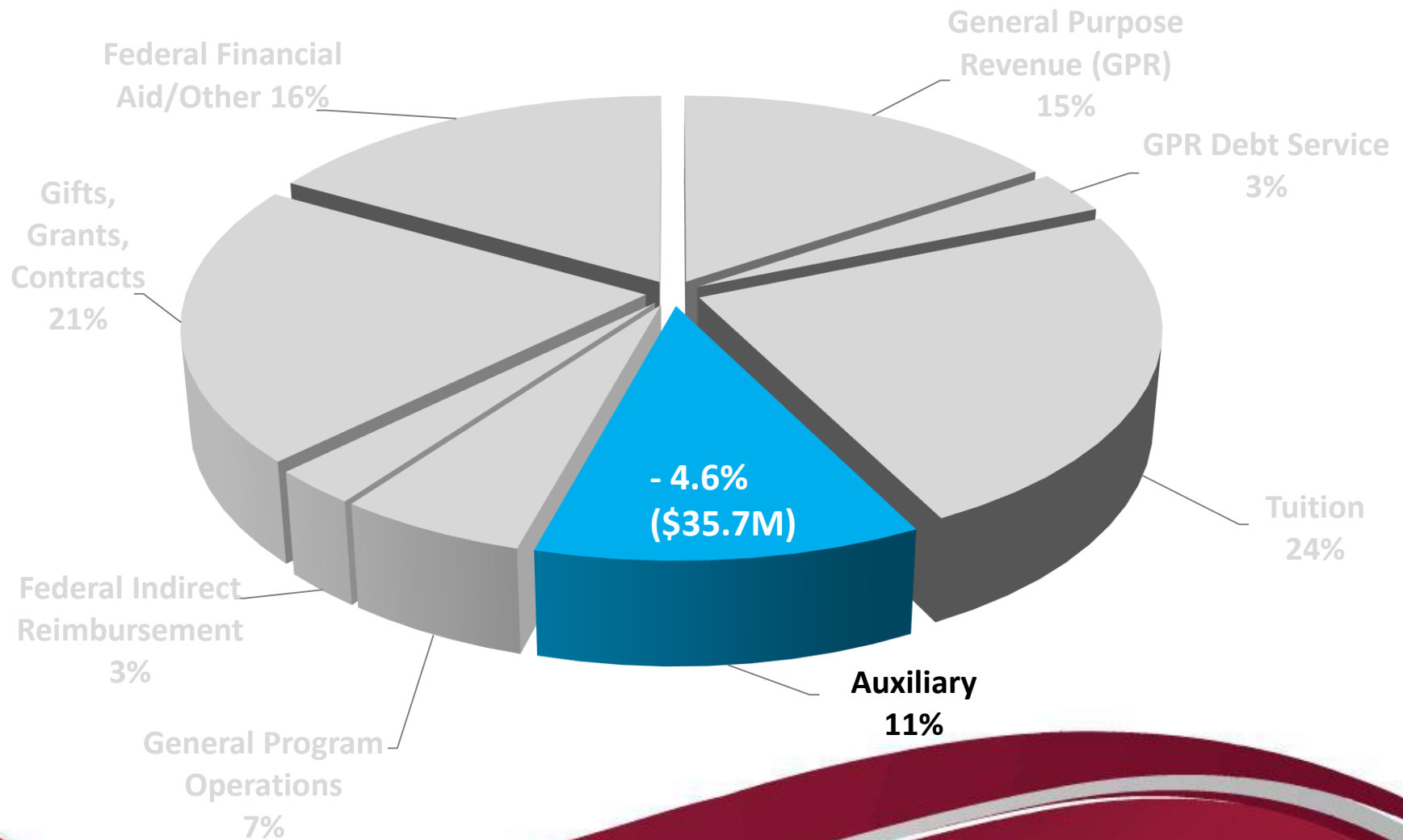
Budget Change: Tuition



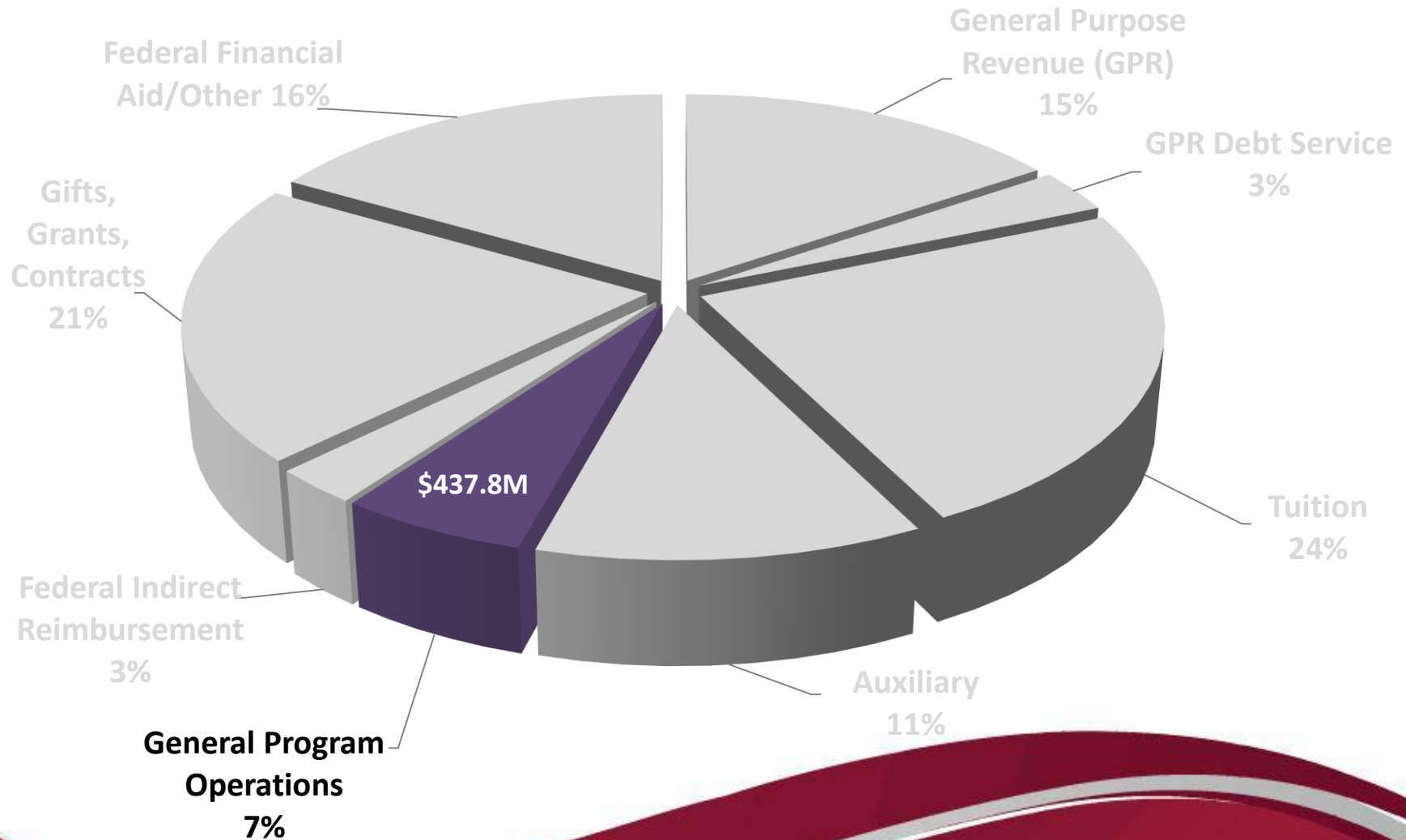
Source: Auxiliary



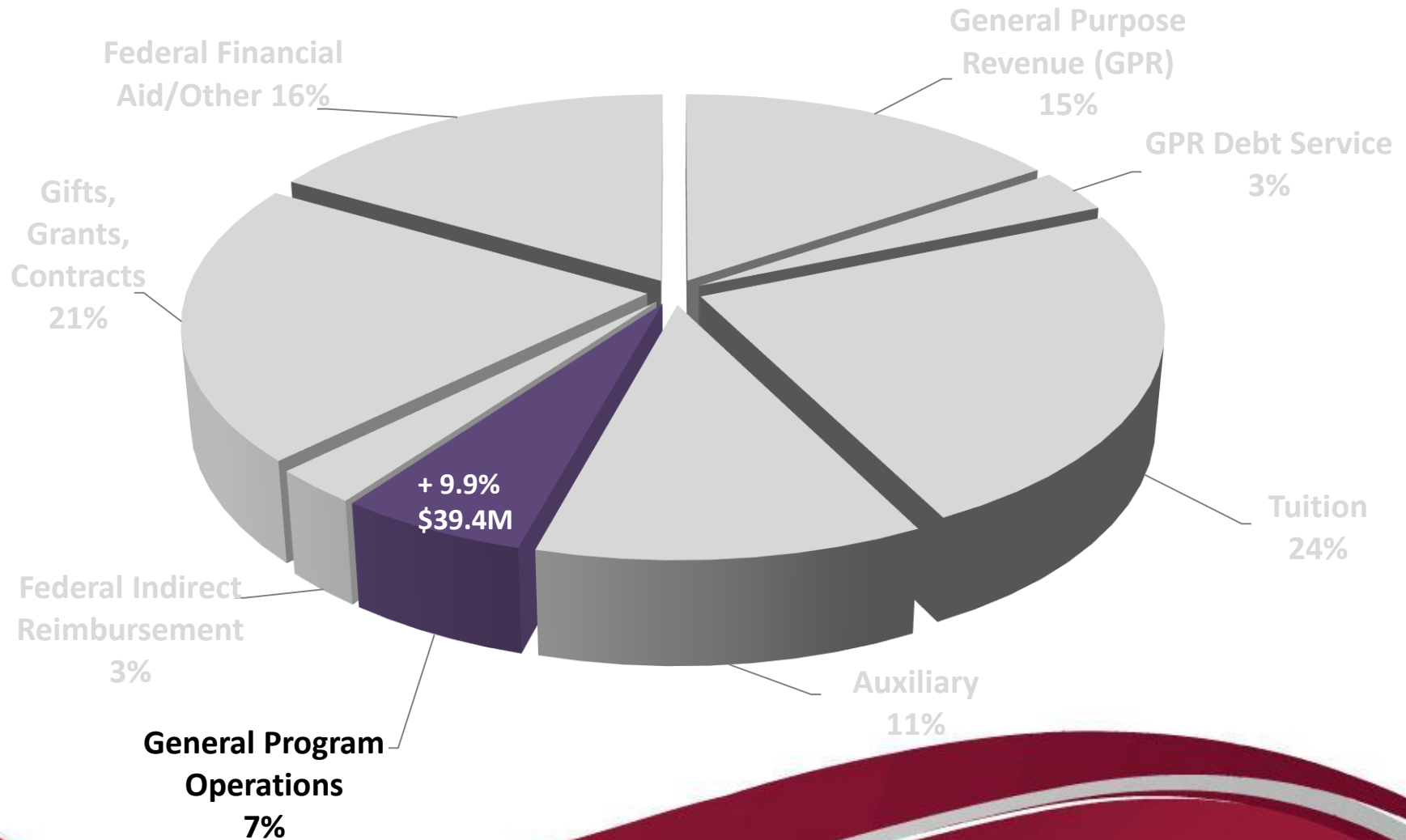
Budget Change: Auxiliary



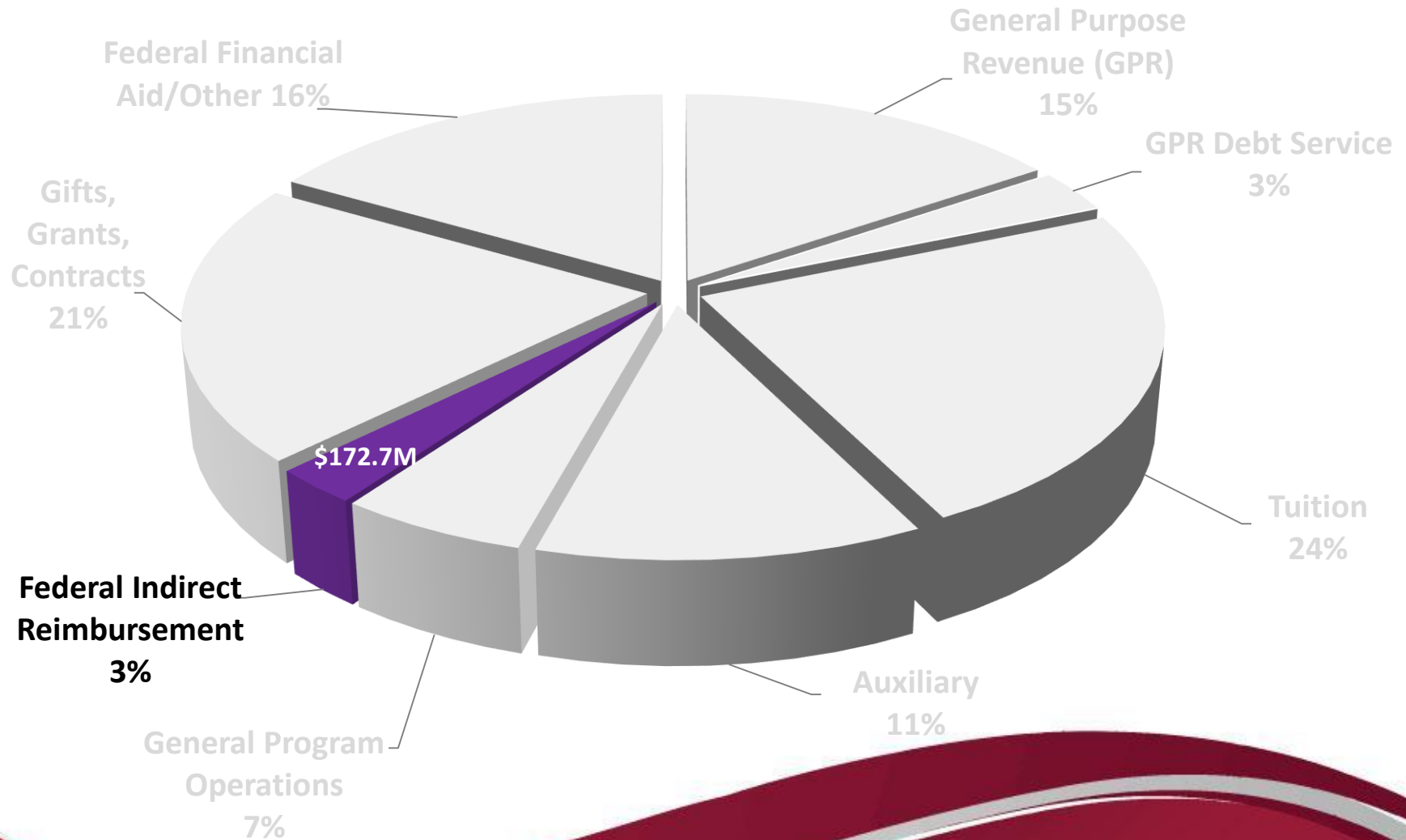
Source: General Program Operations



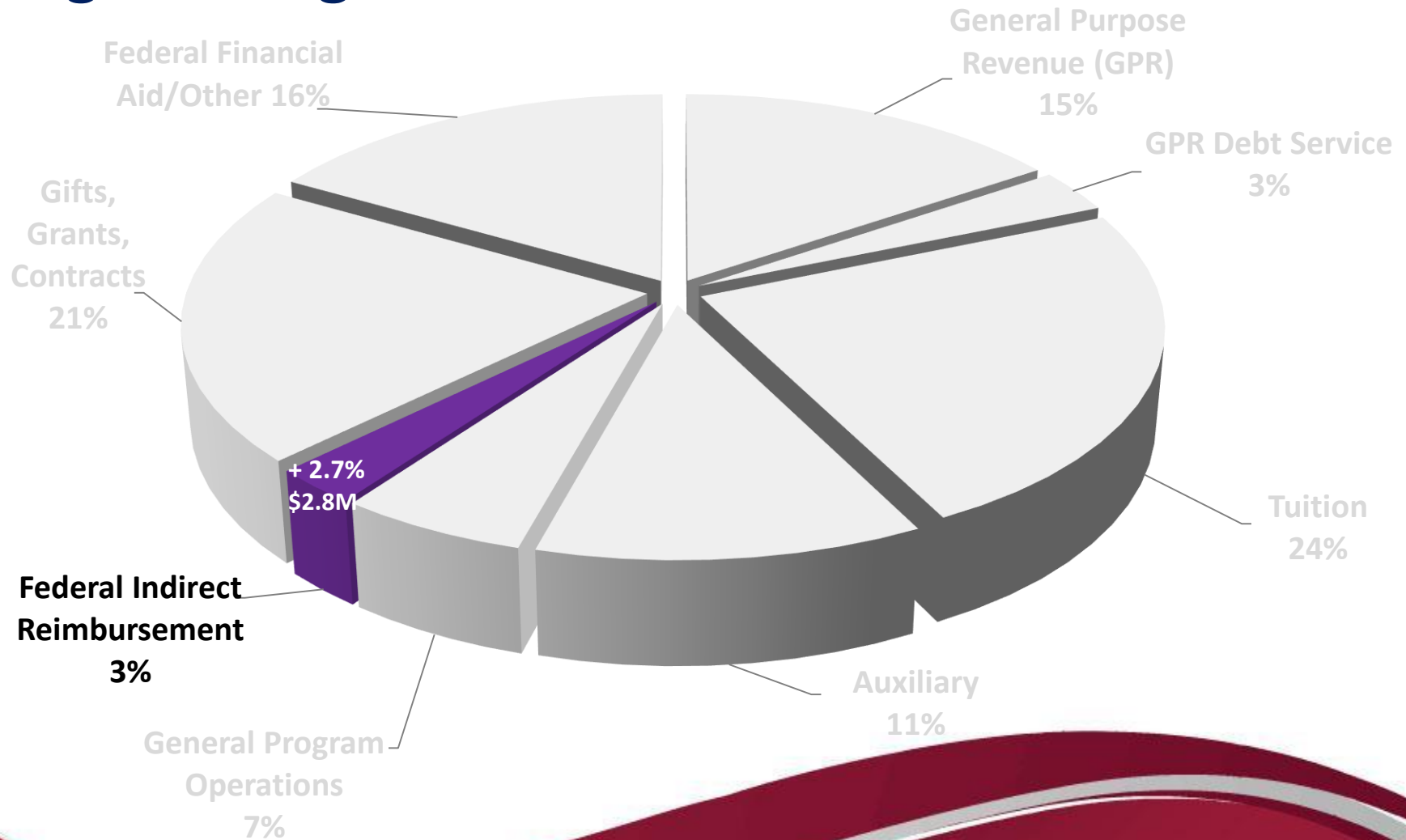
Budget Change: General Program Operations



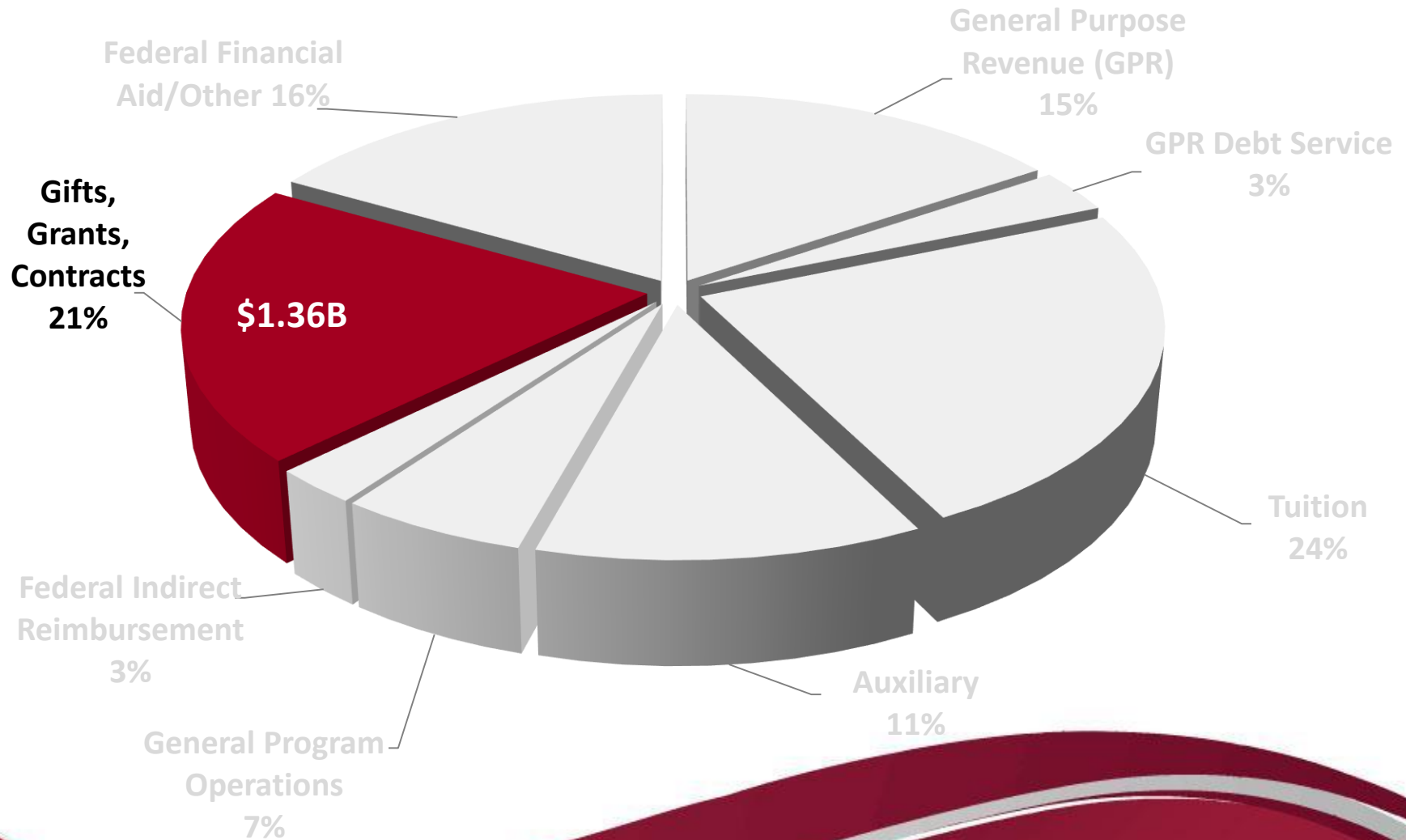
Source: Federal Indirect Reimbursement



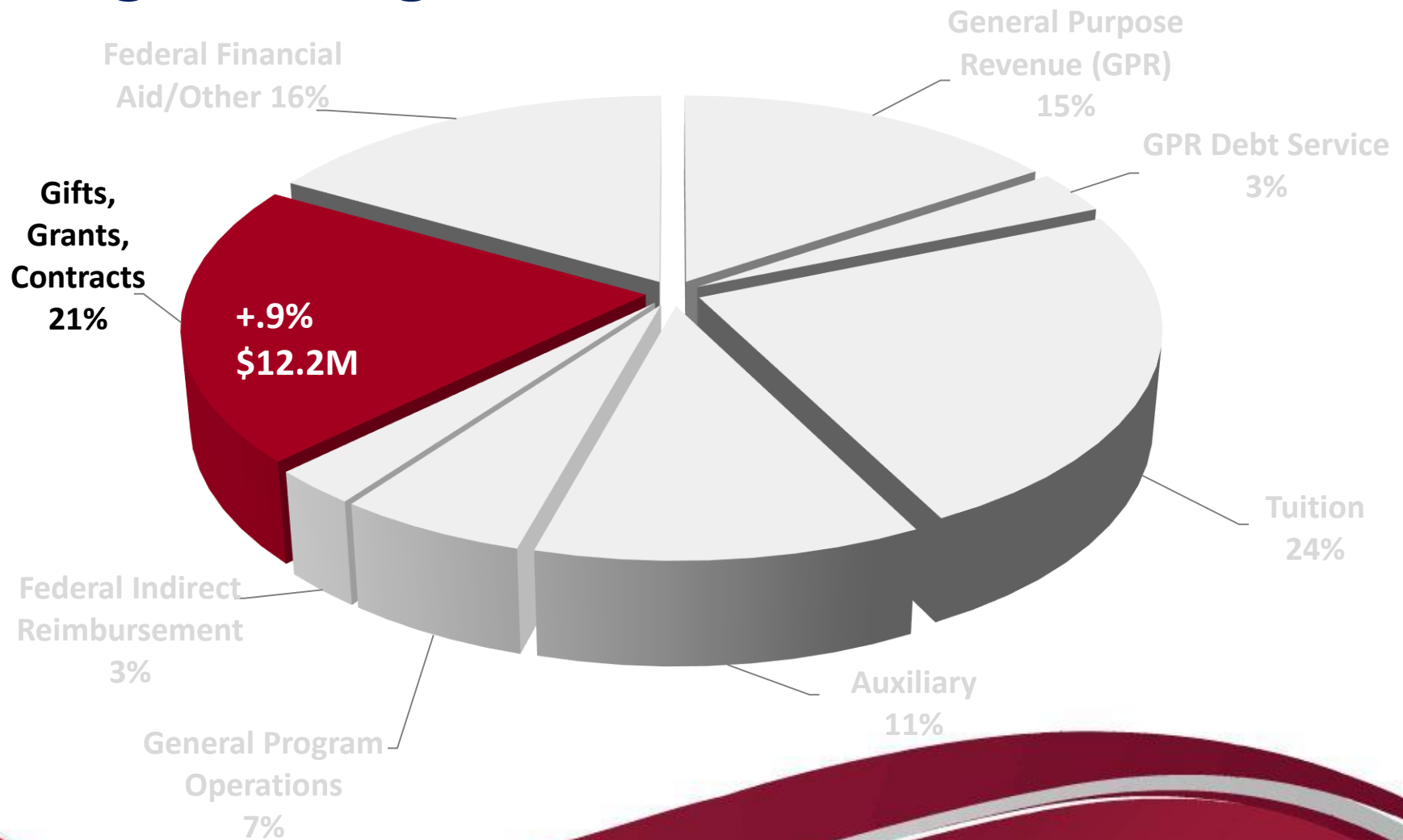
Budget Change: Federal Indirect Reimbursement



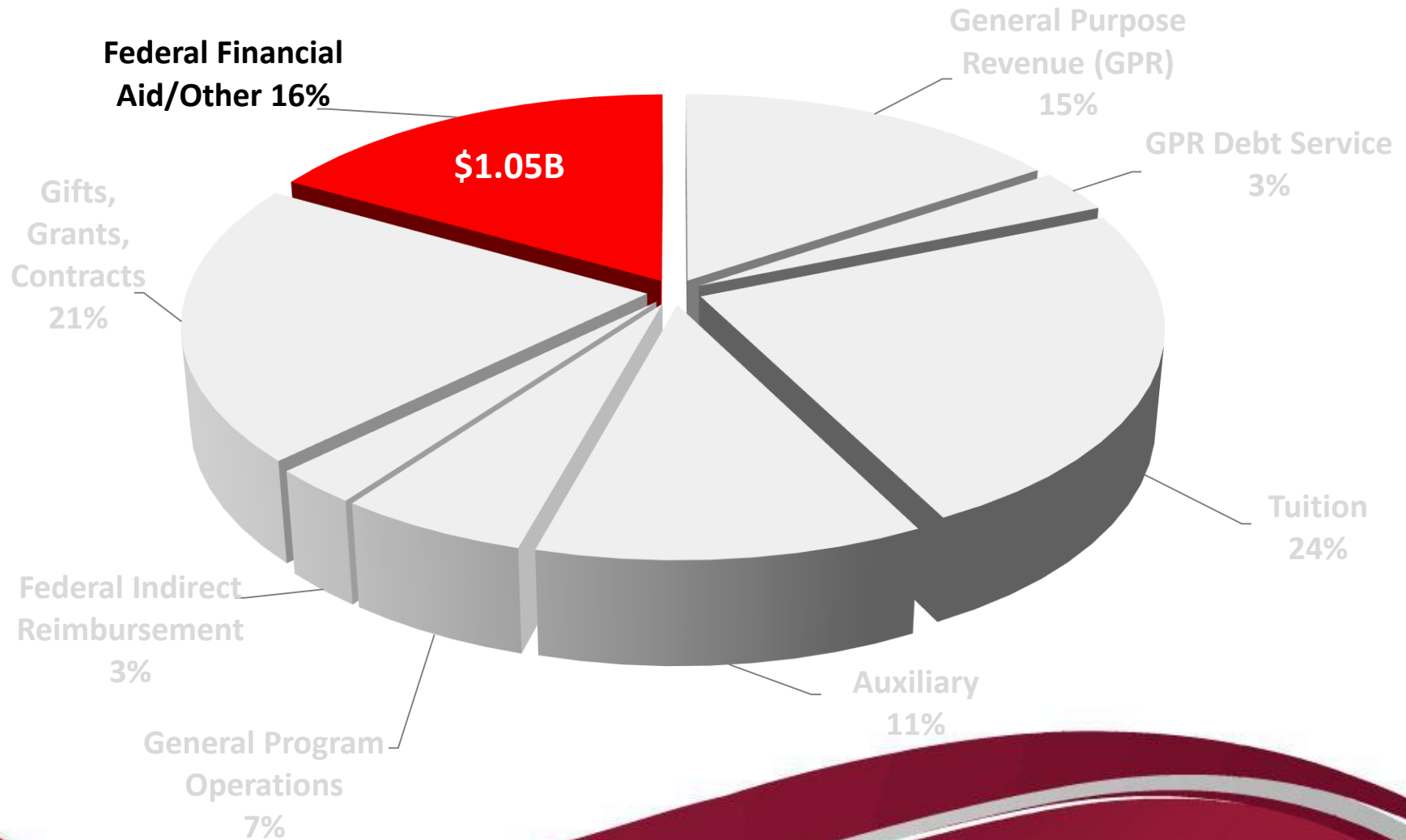
Source: Gifts, Grants, Contracts



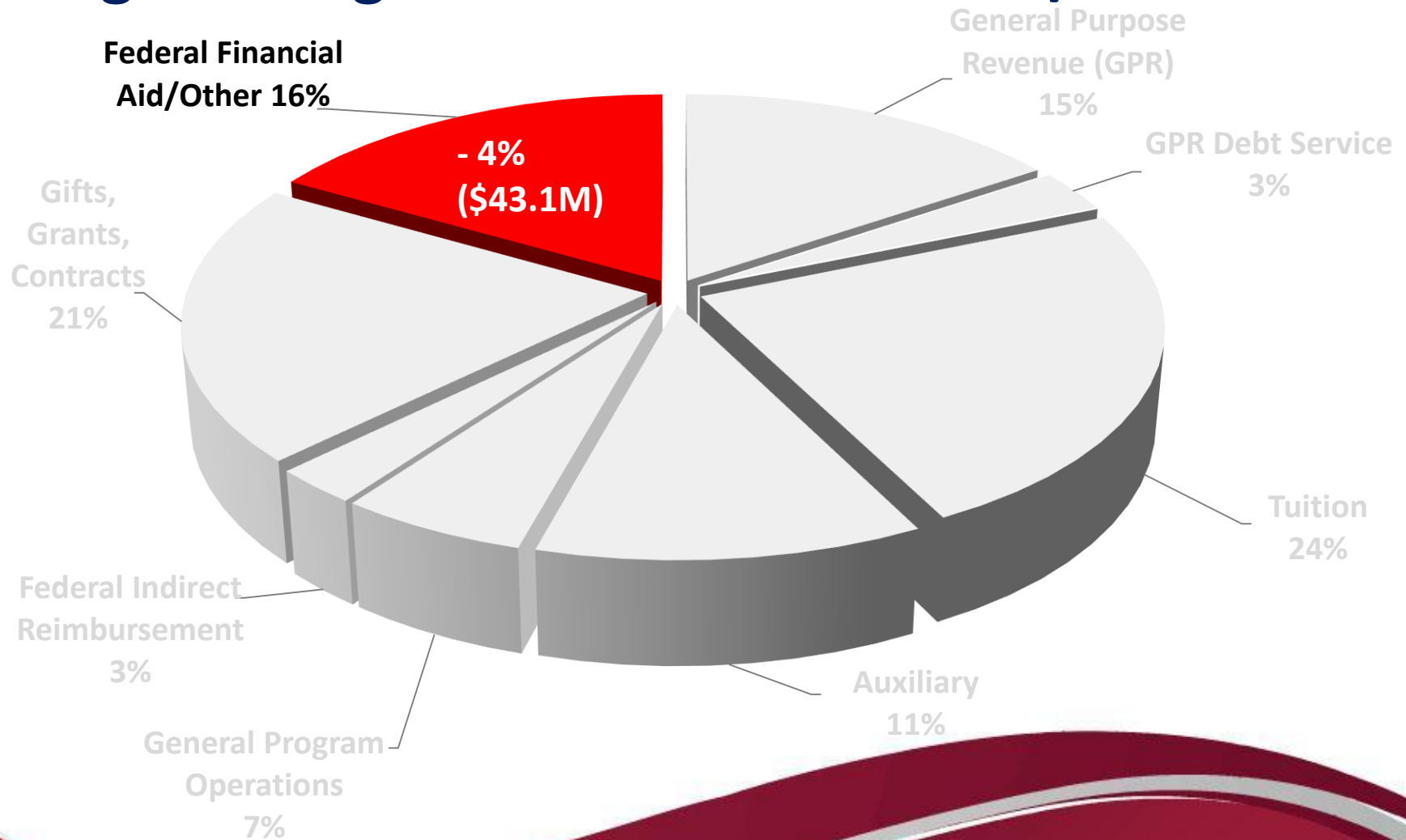
Budget Change: Gifts, Grants, Contracts



Source: Federal Financial Aid/Other

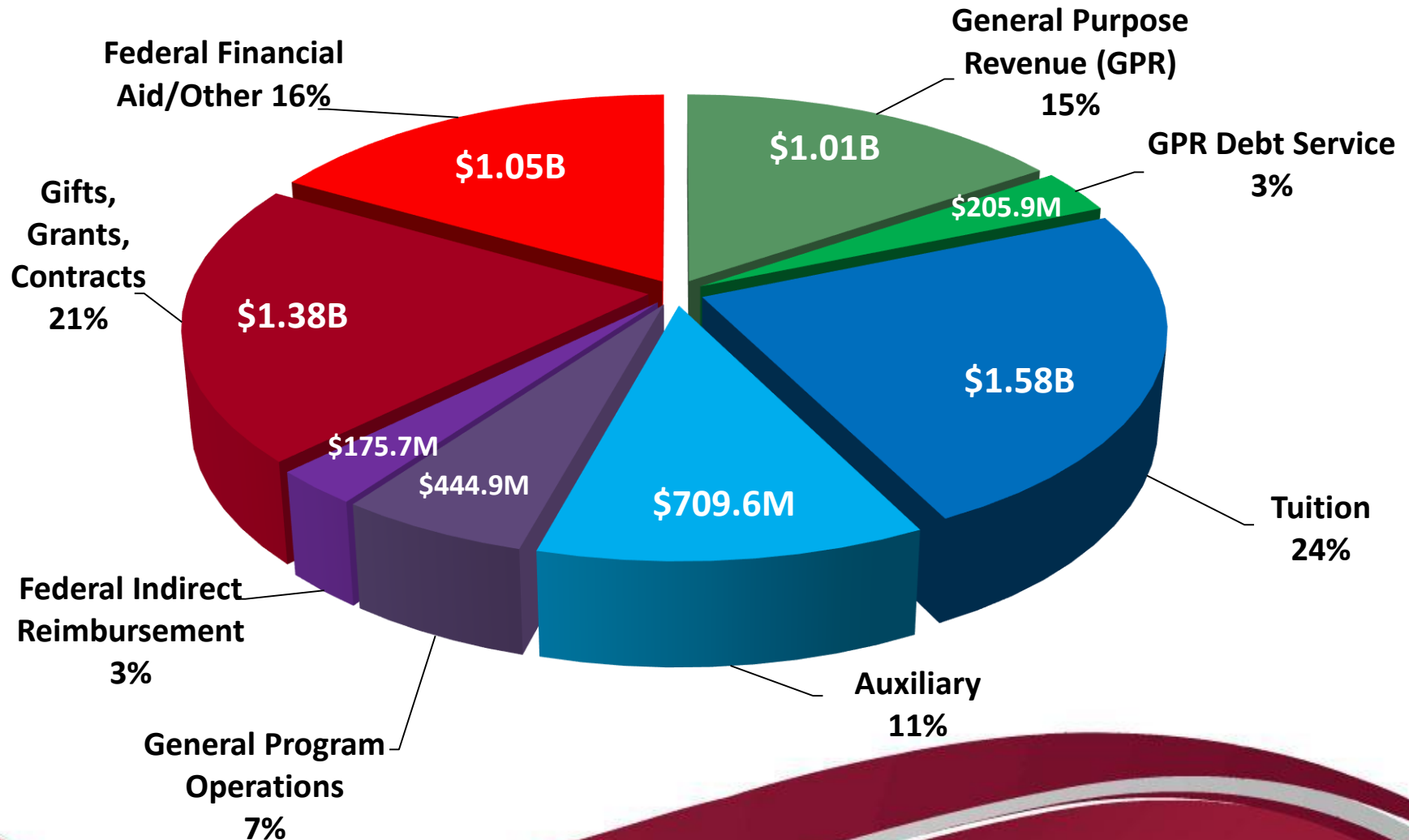


Budget Change: Federal Financial Aid/Other



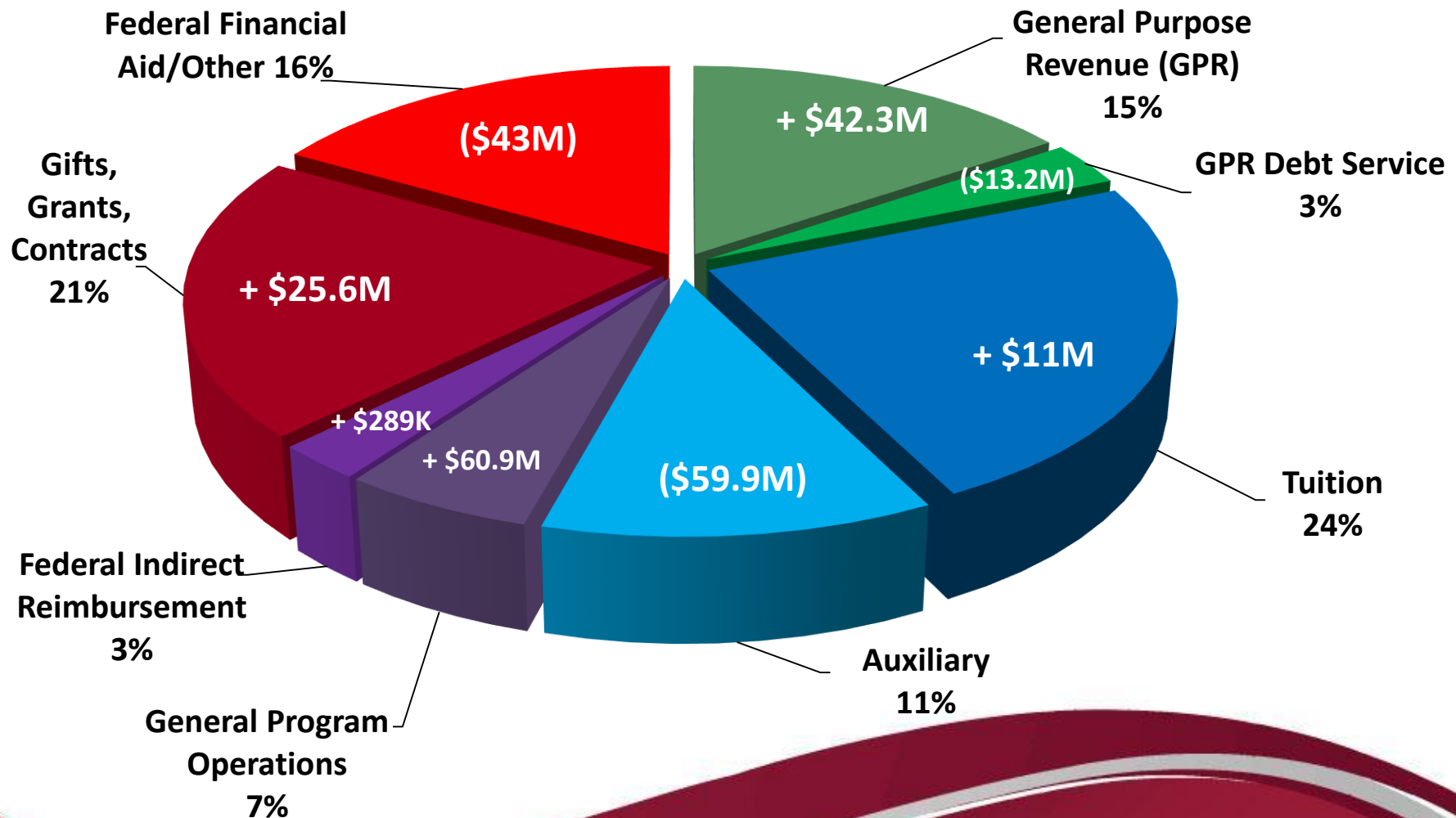
Total Revenue

➤ *Estimated FY2022 Revenue: \$6.545 billion*



Revenue Change

➤ Net increase in total FY2022 Revenue: \$24.1M, or .4%



State GPR Budget Increases

➤ *A Net Increase in Operational GPR of \$42.3M -- a 4.4% increase over FY2021, including:*

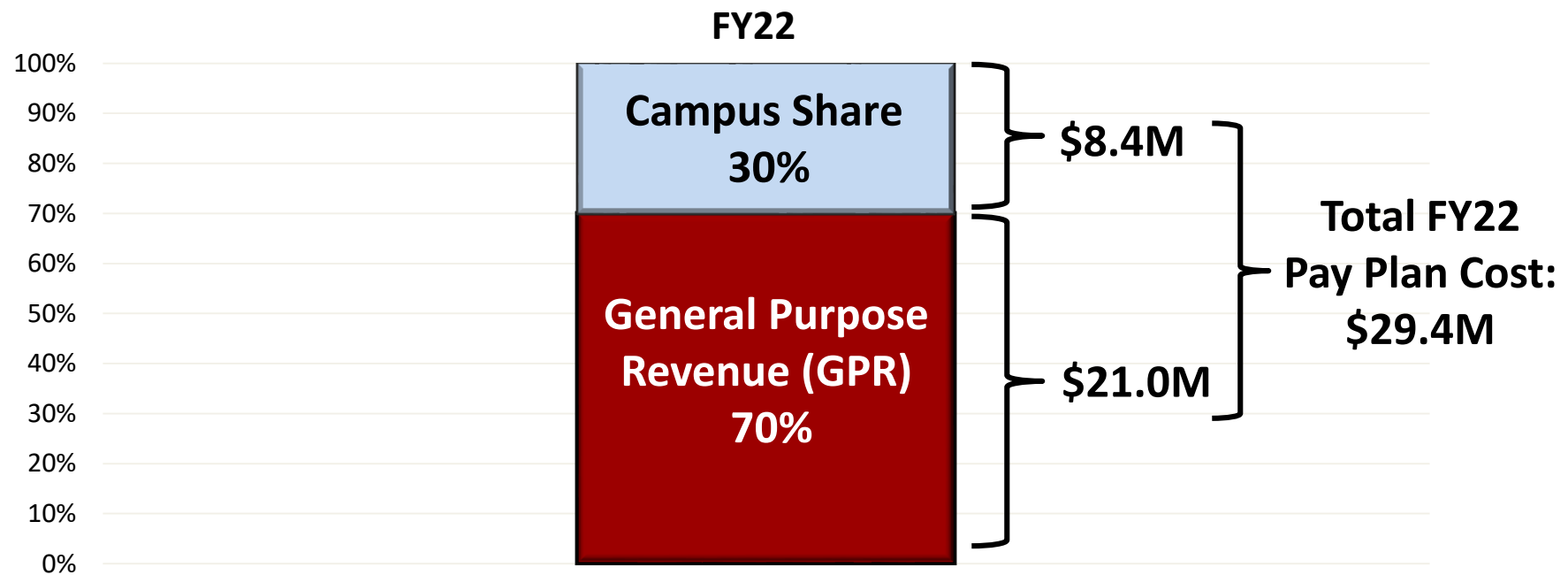
- \$2.5 million to advance efforts amongst UW institutions in support of the **Freshwater Collaborative**
- \$1 million intended for UW-Extension Cooperative County **Agricultural Agents**
- \$250,000 for UW Institutions to support **Foster Youth Programs** for students who formerly resided in a foster or group home
- \$21 million for the state's share of **Pay Plan** and \$17.1 million for anticipated **Fringe Benefit** increases

Other State GPR Budget Increases

- *FY2021-22 budget also calls for \$500,000 in one-time funding for two new initiatives:*
 - \$250,000 in one-time funding to support collaboration efforts between the **UW-Madison Nelson Institute for Environmental Studies** and the U.S. Department of Defense
 - \$250,000 in one-time funding to foster collaboration amongst the UW System, the U.S. Department of Defense, and **The Water Council** – a global partnership based in Milwaukee to advance water research and economic development

Focus on Key Funding Increase: Pay Plan

- **Pay Plan costs are shared by state and the campus**
 - Campus share not funded in state budget



- *Legislative Joint Committee on Employee Relations (JCOER) will act on 21/23 Pay Plan in Summer/Fall 2021*

Notable Biennial Funding Increase for FY23

\$5M in ongoing funding in FY23 to support a Nurse Educator Initiative in Wisconsin

- ❖ *Funding appropriated through the Higher Education Aids Board (HEAB)*
 - Program provides: (a) fellowships to students who enroll in programs for degrees in doctor of nursing practice or doctor of philosophy in nursing; (b) educational loan repayment assistance to recruit and retain faculty; and (c) postdoctoral fellowships or loan repayment assistance for nursing educators that commit to teach for three consecutive years at a UW System institution, Wisconsin Technical College, or private, non-profit college in Wisconsin.

FY2022 Annual Budget:

Tuition

2021-22 Tuition

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Ninth consecutive year of no increased tuition for resident undergraduates

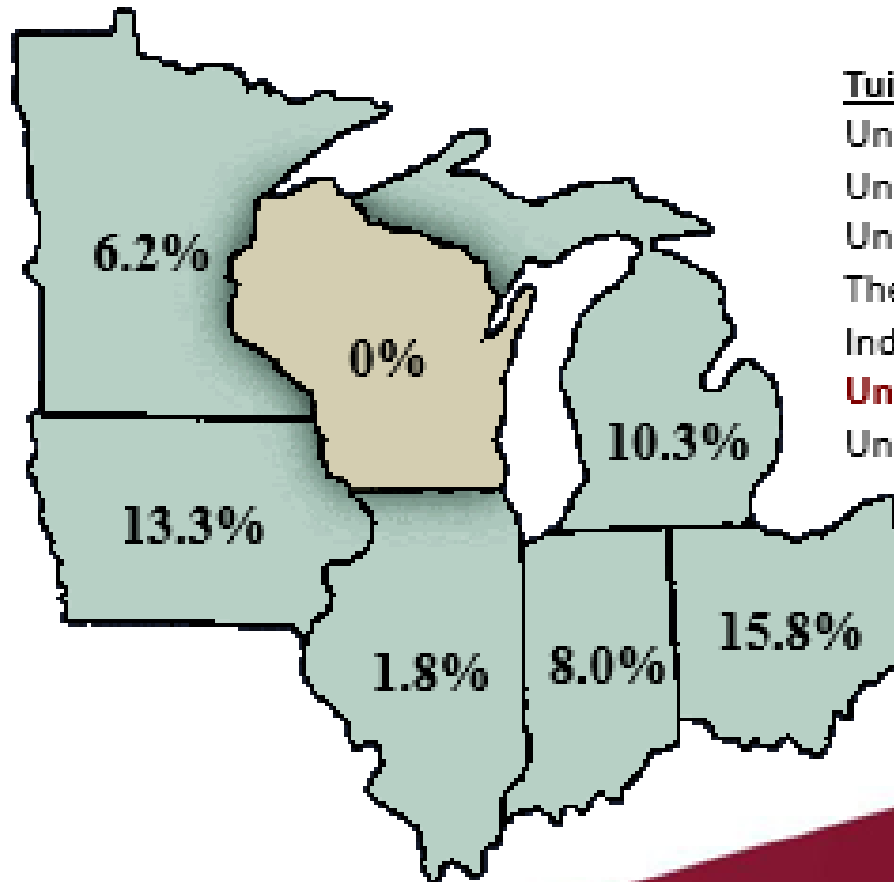
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Net tuition revenue increase of \$11M attributable to professional school increases and enrollment changes at UW-Madison and differential tuition and service-based pricing programs at UW-Stevens Point

Change in Resident Undergraduate Tuition at Midwest Flagships, 2015-16 to 2020-21



Tuition & Fees

University of Illinois-Urbana-Champaign \$16,862

University of Michigan \$15,948

University of Minnesota-Twin Cities \$15,027

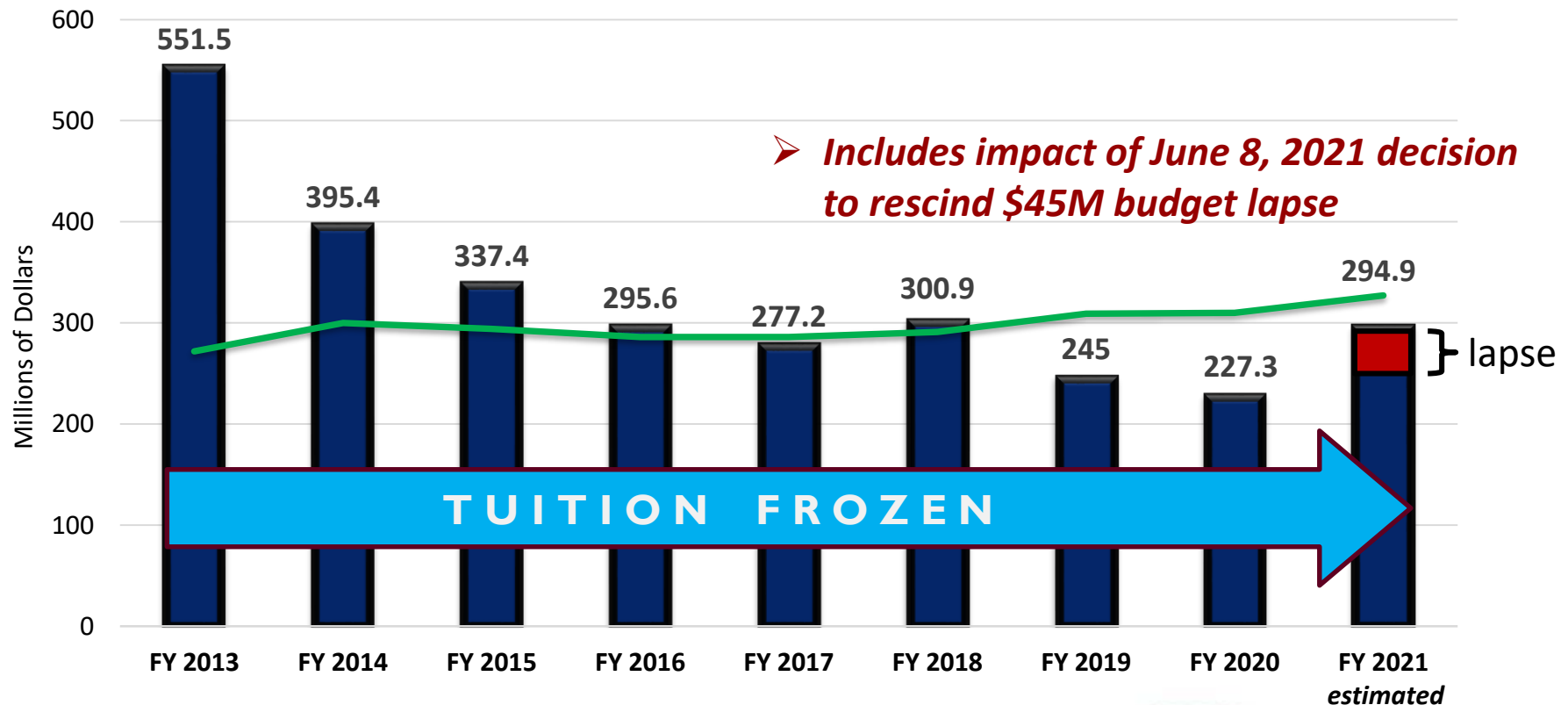
The Ohio State University \$11,518

Indiana University-Bloomington \$11,221

University of Wisconsin-Madison \$10,742

University of Iowa \$9,606

GPR/Tuition Balances



➤ **Green line** represents 12% of budgeted expenditures, the BOR reporting threshold for program revenue balances in Regent Policy Document 21-6

FY2022 Annual Budget:

Auxiliary Rates

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Auxiliary rate increases are limited to: mandated compensation, contractual agreements, debt service, enumerated capital projects, student-initiated proposals, and student safety

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5 campuses reduced segregated fees or held fees flat from the prior year

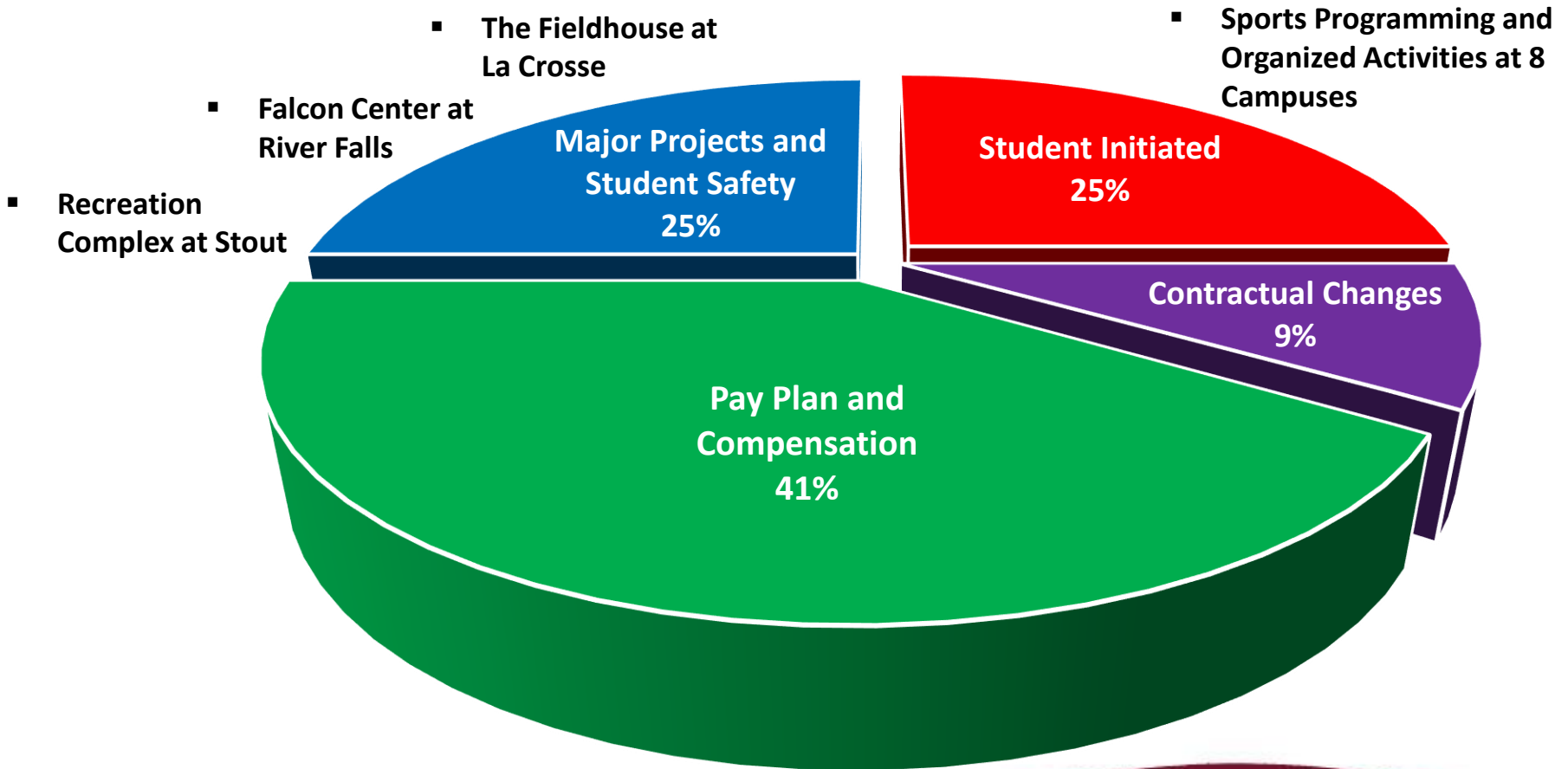
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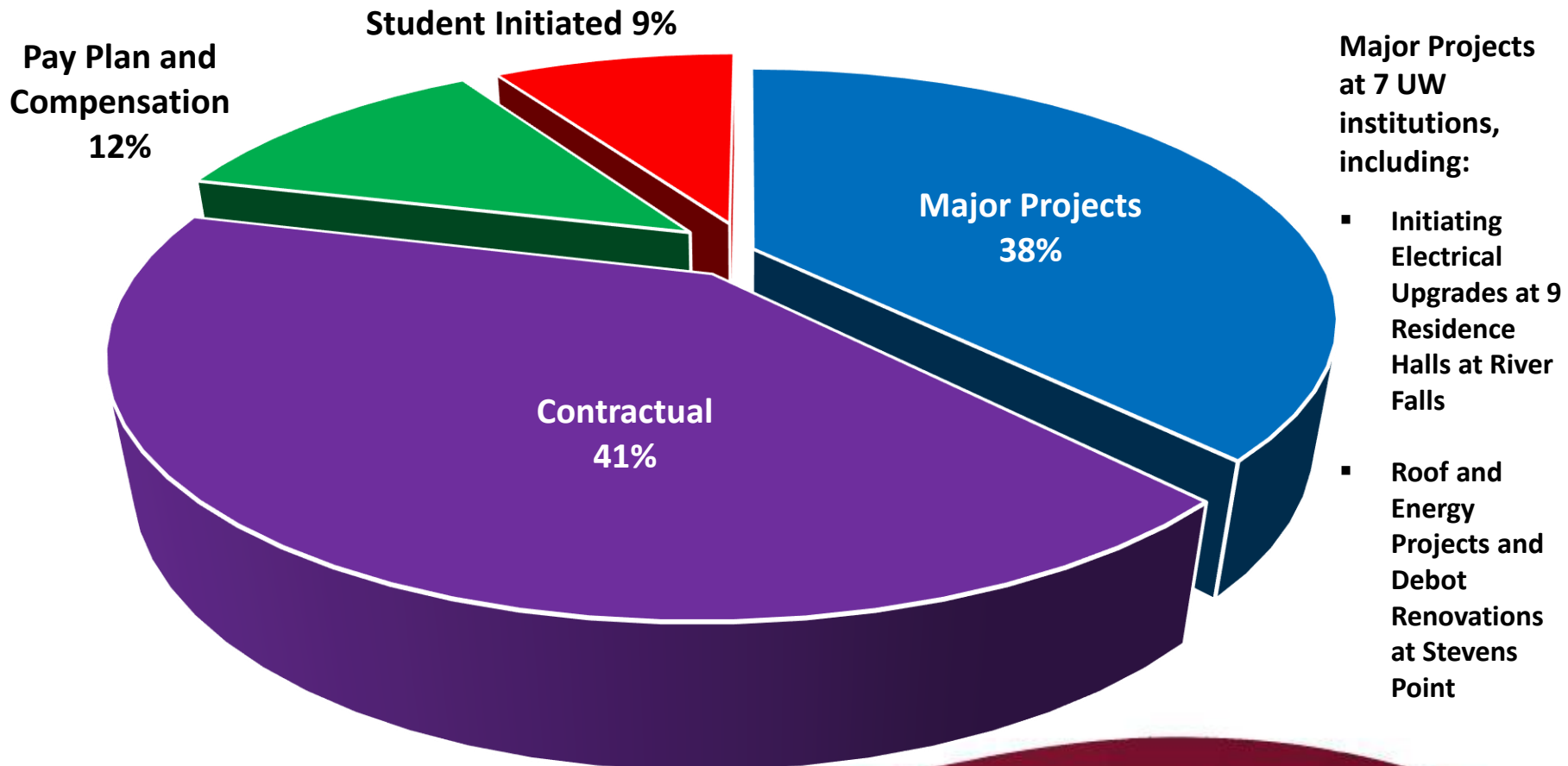
Room and Board rates at 4-year campuses will increase, on average, by \$150 per year -- or by 1.8%

Auxiliaries: Segregated Fees by Category



➤ Average Increase of \$10 [.1%]

Auxiliaries: Room and Board Increases by Category



➤ Average Increase of \$150 [1.8%]

Average Cost of Attendance for Upcoming Academic Year

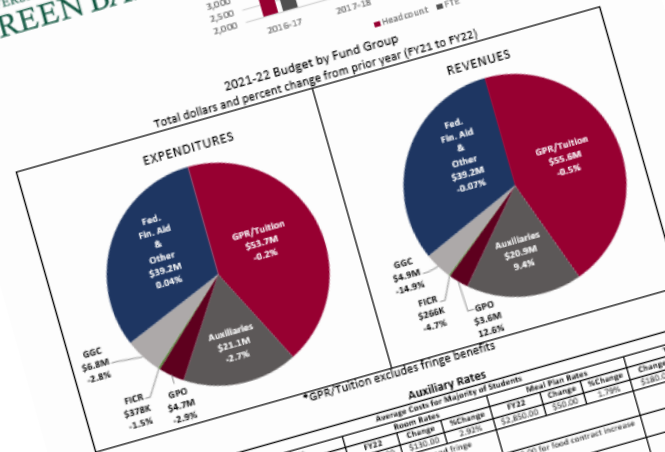
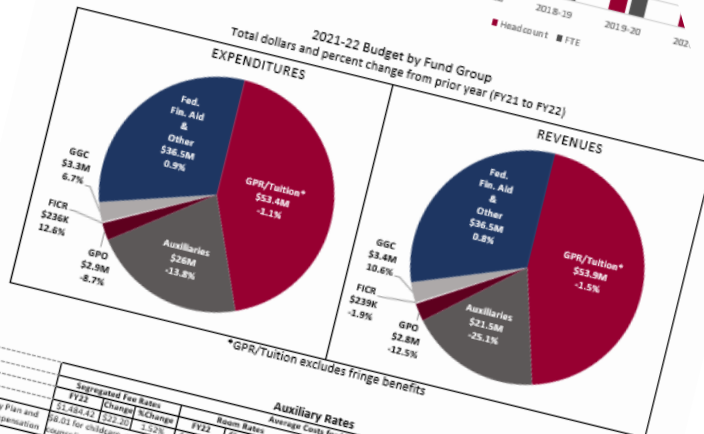
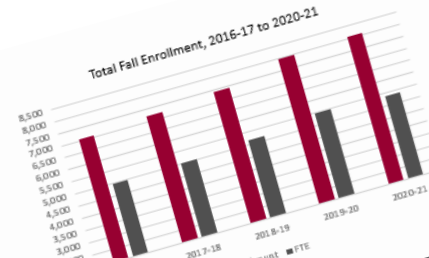
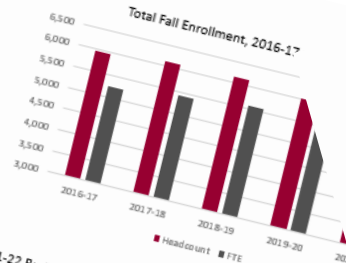
UW Institution	Tuition	Segregated Fees	Room	Meal Plan	Total Cost	Total % Increase
Madison	\$ 9,273	\$ 1,447	\$ 7,367	\$ 4,100	\$ 22,187	1.0%
Milwaukee	\$ 8,091	\$ 1,519	\$ 6,274	\$ 4,189	\$ 20,073	0.1%
Eau Claire	\$ 7,361	\$ 1,373	\$ 5,170	\$ 3,180	\$ 17,084	0.9%
Green Bay	\$ 6,298	\$ 1,575	\$ 4,575	\$ 2,850	\$ 15,298	1.1%
La Crosse	\$ 7,585	\$ 1,436	\$ 4,130	\$ 2,674	\$ 15,825	1.3%
Oshkosh	\$ 6,422	\$ 1,311	\$ 4,662	\$ 3,330	\$ 15,725	0.9%
Parkside	\$ 6,298	\$ 1,146	\$ 4,908	\$ 2,856	\$ 15,208	0.7%
Platteville	\$ 6,418	\$ 1,206	\$ 5,057	\$ 3,160	\$ 15,841	0.7%
River Falls	\$ 6,428	\$ 1,484	\$ 4,450	\$ 2,572	\$ 14,934	1.8%
Stevens Point	\$ 6,698	\$ 1,503	\$ 4,600	\$ 3,200	\$ 16,001	1.3%
Stout	\$ 7,020	\$ 1,364	\$ 4,810	\$ 2,988	\$ 16,182	1.7%
Superior	\$ 6,535	\$ 1,620	\$ 4,433	\$ 2,772	\$ 15,360	0.5%
Whitewater	\$ 6,519	\$ 1,037	\$ 5,435	\$ 2,724	\$ 15,715	1.3%
Average for 4-year campuses:	\$ 6,996	\$ 1,386	\$ 5,067	\$ 3,123	\$ 16,572	1.0%

➤ *Sticker price for the cost of attendance is up 1%*

Summary Budget Detail by UW Institution

➤ Enrollments, Revenue/Expense, & Auxiliary Information

UNIVERSITY OF WISCONSIN River Falls



Integrated Fee Rates			
FY22	Change	%Change	
\$2,481.42	\$27.20	1.1%	
Pay Plan and Compensation			
\$6.01 for childcare, sports, and housing	\$0.52	9.3%	
Contractual Changes			
\$1.10 for clinical health services			
\$3.09 for Falcon Center maintenance	\$7.89 for utility costs		
Student Safety			
Student Initiated Programming	\$10.00 for a sustainability fee		
Major Projects			
	\$142.11 infrastructure improvements		
	\$11.00 infrastructure improvements		
	\$6.42 for relocation costs		

Integrated Fee Rates			
FY22	Change	%Change	
\$3,975.12	\$0.00	0.00%	
Pay Plan and Compensation			
\$9.93 in sports programming, student life and health	\$11.00 for pay plan and fringe benefits		
\$11.00 for utility costs			
\$30.84 due to an increase in FTE	\$53.00 for a \$417 dispatch center		
Contractual Changes			
\$3.25 due to the realignment of programming			
\$18.85 due to funding career services with another funding source			
\$21.52 for sports programming building maintenance	\$59.00 for facility maintenance and repairs		
\$3.32 for the Green Center and sports programming			
Major projects			

GPR Allocation Background

GPR Allocation Background

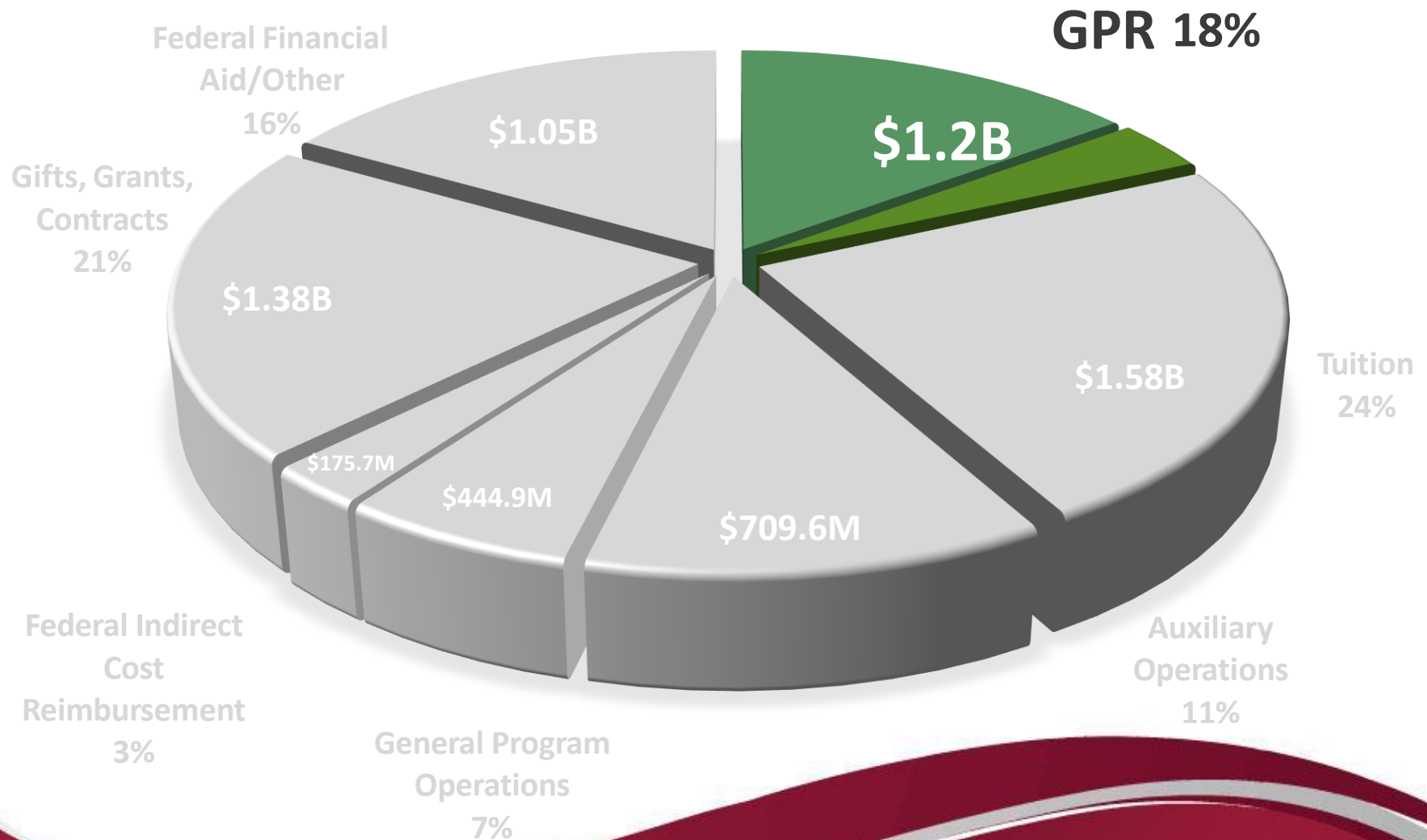
- General Purpose Revenue (GPR) base funding continues for each campus into the next year with **incremental increases and/or decreases annually** based, in part, on:
 - ✓ Biennial budget changes
 - ✓ Pay plan increases and fringe benefit adjustments
 - ✓ Adjusted utility costs based on actual expenses

GPR Allocation Background

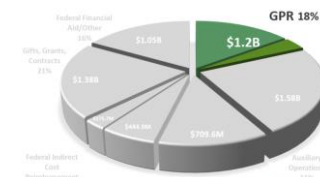
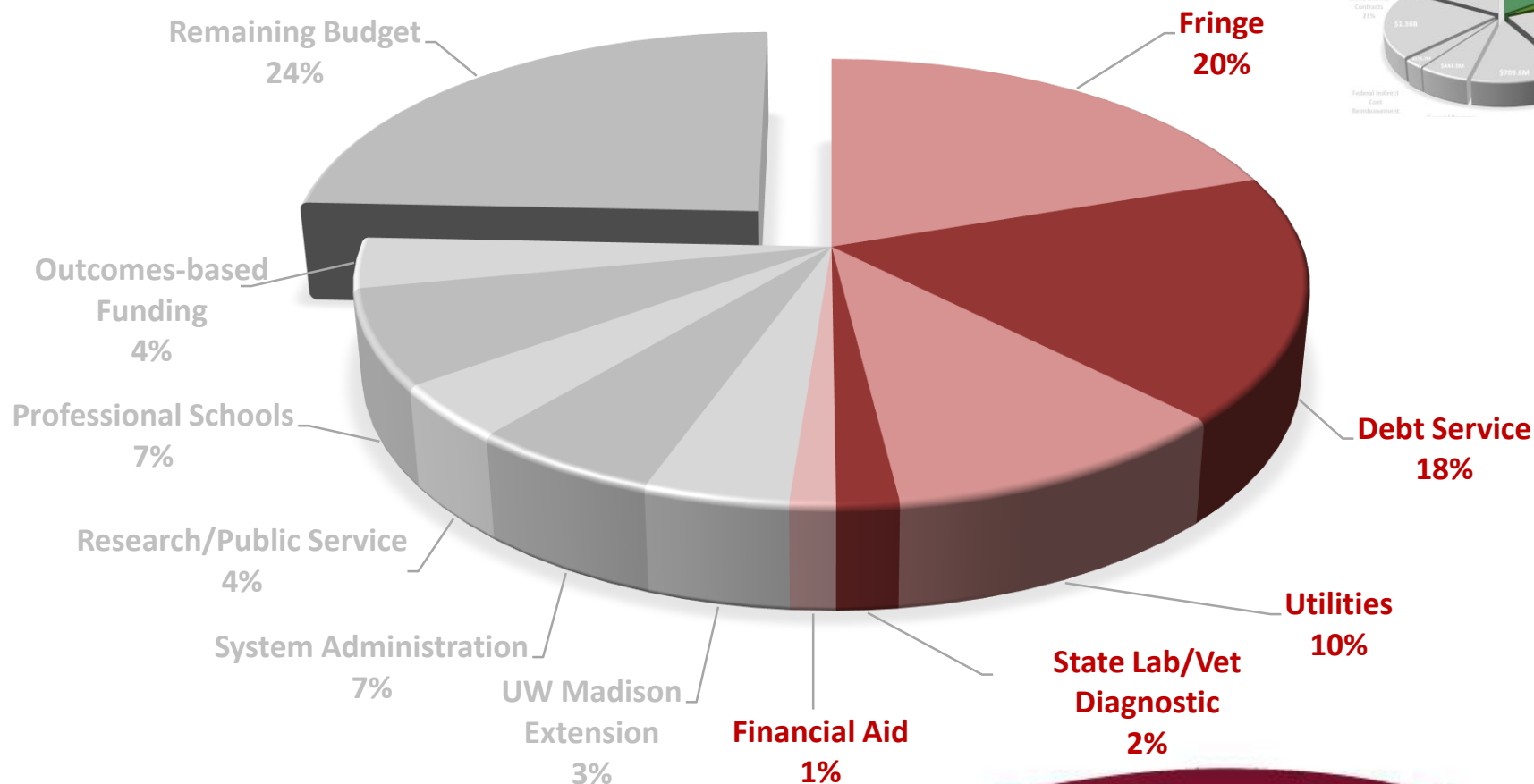
Previous Review of GPR Allocation

- There have been several efforts to comprehensively review the GPR allocation “formula” since 1998 with the last effort in 2014-15. The committees had broad representation from campuses, Board of Regents, and UW System.
 - ***No substantive changes to the underlying allocation were made as a result of those efforts***
- Two minor changes to the GPR allocation have occurred since 2017:
 - Return of \$25M lapse in FY18
 - Allocation of \$45M in Outcomes-Based Funding FY2019-20

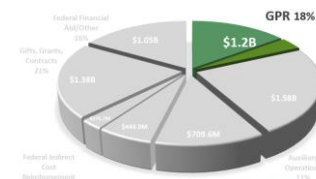
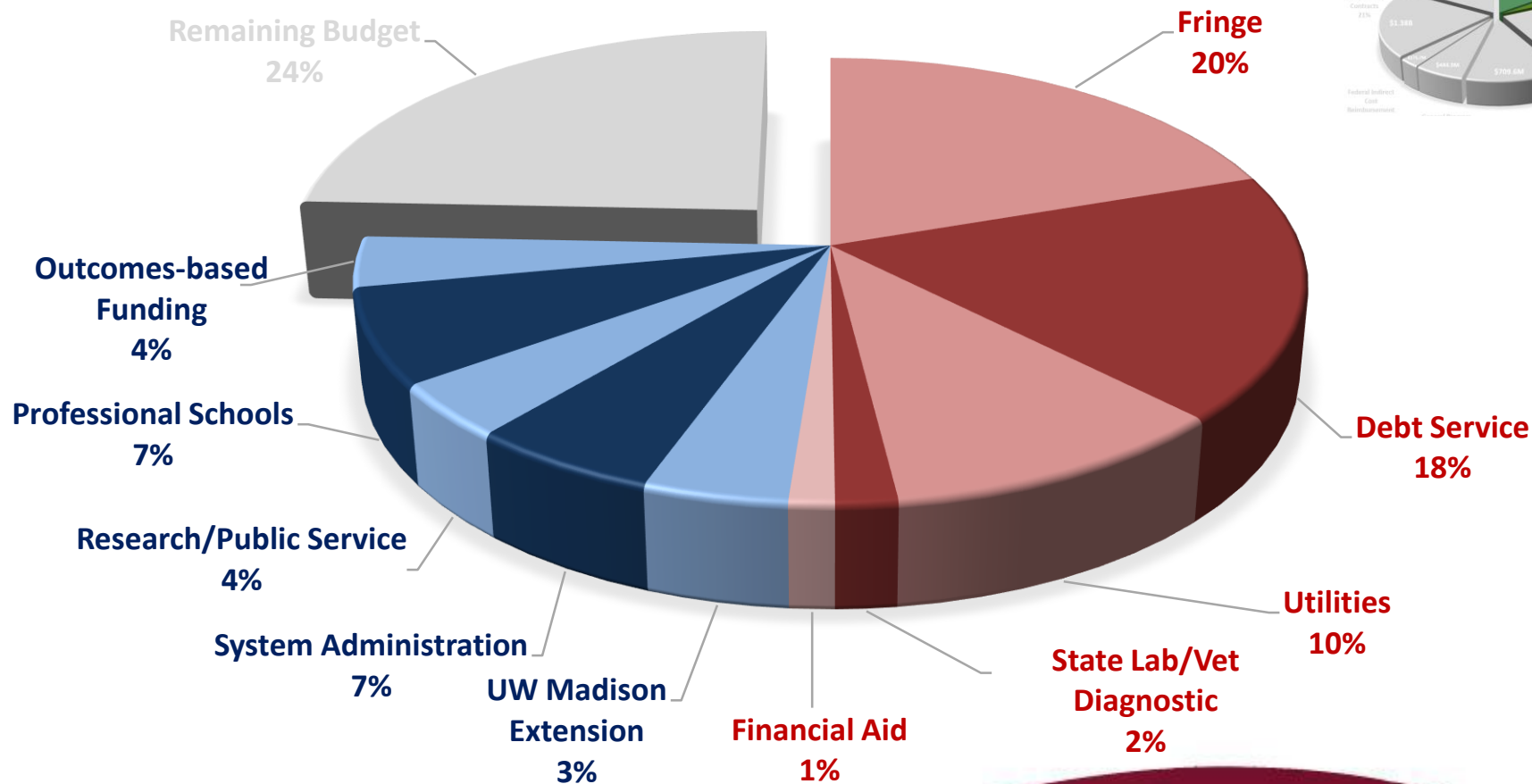
Revenue Source: GPR only



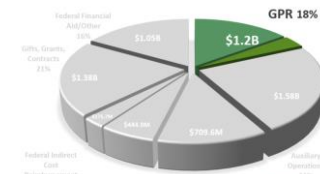
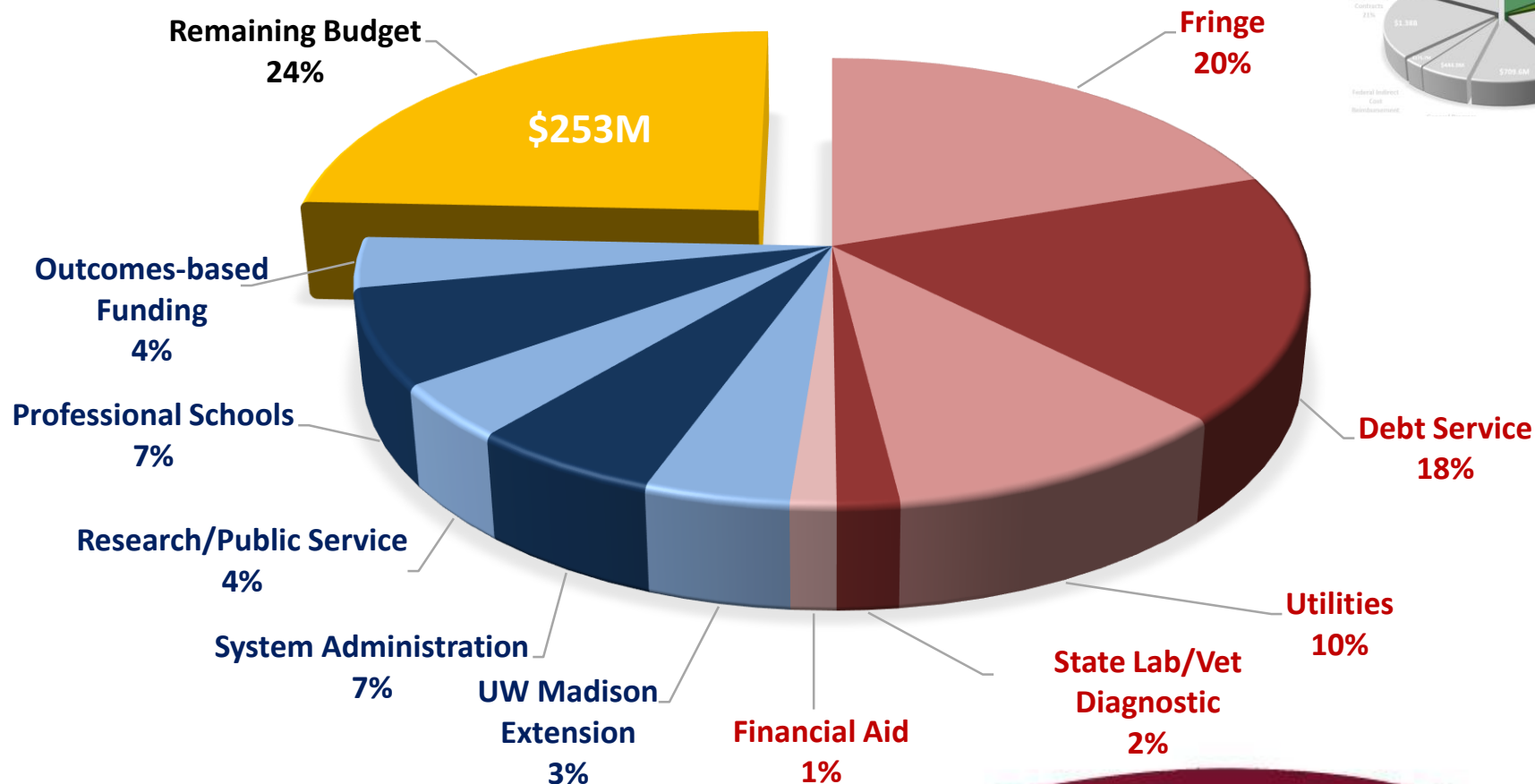
\$1.2 billion GPR Breakout



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\$1.2 billion GPR Breakout



Looking Ahead

- Awaiting final outcome of the biennial budget including the **approval of Pay Plan** by the Joint Committee on Employee Relations (JCOER)
- Reviewing timeline for **future auxiliary and tuition setting**
- Reviewing considerations on how **state support (GPR) should be allocated** amongst UW Institutions

➤ ***Board of Regents to be apprised** on any substantive changes and developments regarding FY2022*

Acknowledgements

Partners at the UW Institutions: Chancellors, Chief Business Officers, Budget Directors, Controllers, Auxiliary Unit Heads

UWSA Staff: Renee Stephenson, Aimee Arnold, Julie Gordon, Gary Buehler, Jennifer Goytowski, Chrissy Klappa, Mickie Krall, Katie Ptaszek



UNIVERSITY OF WISCONSIN SYSTEM

QUESTIONS?