Biennial Budget Recommendation Timeline

August
BOR Meeting

- General Purpose Revenue (GPR)
- Key Initiatives
- Financial Aid
- Statutory Changes
- Standard Adjustments
- Capital Budget

December
BOR Meeting

- Compensation
Revenue Sources

Estimated FY21 Revenue: $6.449 billion

- Operational GPR: $894.4M (14%)
- GPR Debt Service: $219M (3%)
- Tuition: $1.56B (24%)
- Federal Financial Aid/Other: $1.35B (17%)
- Gifts, Grants, Contracts: $1.09B (21%)
- Auxiliary Operations: $769.5M (12%)
- General Program Operations: $380.9M (6%)
- Federal Indirect Cost Reimbursement: $175.4M (2%)
- Federal Indirect Cost: $109.1M (2%)
- Federal Financial Aid/Other: $175.4M (2%)

Total Revenue: $6.449 billion
Revenue Sources

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Total Revenue: $6.449 billion
Recommendation: General Purpose Revenue

- 3.5% in FY2022 and 3.5% in FY2023, a total increase of $95.7M in state support over the biennium

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Percent Increase</th>
<th>2021-22</th>
<th>2022-23</th>
<th>Biennial Increase</th>
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<tbody>
<tr>
<td>FY2022</td>
<td>3.5%</td>
<td>$31.9M</td>
<td>$31.9M</td>
<td>$63.8M</td>
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<tr>
<td>FY2023</td>
<td>3.5%</td>
<td>-</td>
<td>$31.9M</td>
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Recommended GPR Increase over Biennium: $95.7M
General Purpose Revenue (GPR) FY14 – FY21 with state funding lapse

Not Including Debt Service

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
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<tbody>
<tr>
<td>FY2014</td>
<td>$915.5M</td>
</tr>
<tr>
<td>FY2015</td>
<td>$933.1M</td>
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<tr>
<td>FY2016</td>
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<tr>
<td>FY2019</td>
<td>$904.5M</td>
</tr>
<tr>
<td>FY2020*</td>
<td>$895.4M</td>
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<tr>
<td>FY2021**</td>
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</tr>
<tr>
<td>FY2022</td>
<td>$926.2M</td>
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<tr>
<td>FY2023</td>
<td>$958.1M</td>
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* FY20 Lapse: $40.7M
** FY21 Lapse: $69.0M
General Purpose Revenue (GPR) FY14 – FY21 with state funding lapse

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Biennial Recommendation

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** FY21 Lapse: $69.0M
Key Initiative: Tuition Promise

The Wisconsin Tuition Promise would expand UW-Madison’s *Bucky’s Promise* initiative to all campuses in the UW System. The program – eligible to both freshman and transfer students -- would provide free tuition and segregated fees for those households with an adjusted gross income (AGI) of $60,000 or less.
Example of How Tuition Promise Works

Tuition and Segregated Fees: $10,746

Less Federal Grants (Pell, SEOG)

Less Wisconsin Grant

Less Scholarships

Tuition Promise Grant

Net Cost for Tuition and Segregated Fees: $0
Key Initiative: Freshwater Collaborative

The Freshwater Collaborative, coordinated by the UW-Milwaukee School of Freshwater Sciences, would create a systemwide program focused on local and global water issues across all 13 UW institutions while providing employment in one of the world’s fastest growing economic sectors.
Key Initiative: Advancing Teachers

This initiative to advance Wisconsin’s teachers and school leaders would increase funding and expand eligibility for existing student loan forgiveness programs; target high need fields and school districts; and support educational innovation at UW System institutions.
Key Initiative: Expanding Online

This initiative would increase capacity for all of the UW System to deliver online education to the 815,000 Wisconsin adults and professionals with some college but no degree who desire to continue and/or complete their education.
Key Initiative: Expanding Education into Prisons

This initiative would create a partnership between the UW, the Department of Corrections, and the Wisconsin Technical College System to provide college access for incarcerated adults with the goal of reducing recidivism rates and increasing the number of prisoners eligible for gainful employment after serving their sentences.
Key Initiative: Mental Health Support

This initiative would expand the support for students’ mental and behavioral health by providing staffing, training, operations, prevention, and evaluation/assessment to more adequately address student mental and behavioral health issues.
Key Initiative: Supporting Agriculture

This initiative would support Wisconsin's agricultural sector by adding 20 county-based positions in the Division of Extension of UW-Madison. The positions would provide free research and technical assistance to Wisconsin farmers on agricultural practices and business management and planning.
Recommendation: Financial Aid

- Fully-fund all eligible students for the needs-based Wisconsin Grant financial aid program

- A biennial increase of $4.6 million, a 3.7% increase

This recommendation, if approved by the Board of Regents, will be advanced to the Higher Education Aids Board (HEAB) for approval at their August 28th board meeting.
Statutory Language Changes

- **Program Revenue Bonding**
  - Allow program revenue supported capital projects to be funded with the proceeds of UW revenue bonds authorized by the Board of Regents

- **Operational Borrowing**
  - Allow access to credit markets and/or other borrowing capacity to augment short-term cash flow

- **Reduction in Reporting Requirements**
  - Reduce administrative burden for UWSA which produces dozens of reports for the legislature annually

- **Minnesota/Wisconsin Reciprocity**
  - Delegate UWSA to renegotiate the continuation of the reciprocity agreement between WI and MN
Standard Budget Adjustments

- **Standard budget adjustments** acknowledge the actual cost of continuing current fiscal year obligations into the next fiscal year
  - For example, full-funding of **fringe benefits**; and contractual **lease increases**
Biennial Budget Summary

- **General Purpose Revenue: 3.5% increase** in FY22 and **3.5% increase** in FY23, a biennial total of $95.7M to support, in part, several key initiatives:
  - ✓ Tuition Promise
  - ✓ Freshwater Collaborative
  - ✓ Advancing Teachers
  - ✓ Expanding Online Education
  - ✓ Prison Education
  - ✓ Mental Health
  - ✓ Supporting Agriculture
Biennal Budget Summary (cont’d)

- A $4.5M increase for the needs-based *Wisconsin Grant* financial aid program, appropriated through HEAB, to cover all eligible students

- **Proposed Statutory changes**: Program Revenue Bonding, Operational Borrowing, Regulatory Relief, Reciprocity

- **Standard Budget Adjustments** to support obligated operating costs (fringe, leases, etc.)
QUESTIONS?