2019-20 Operating Budget Kick-Off

January 10, 2019
Agenda

- 2019-21 Biennial Budget Process
  - Biennial Budget Basics
  - UW System biennial budget request

- 2019-20 Budget Development
Wisconsin has a biennial budget process

- Governor and Legislature develop a two-year budget for the state
- Fiscal year 2019-20 is the first year of the 2019-21 biennium
- The state’s biennial budget provides the foundation for UWM’s annual operating budget.
  - Funding levels
  - Tuition Increase/Freeze
  - Flexibility/Control
State Revenue Outlook

- General purpose revenue taxes: FY18
  - Revenues: $16.144 Billion
    - Increase of $626 Million from prior year: 4%
    - Above the estimate of $16.126 Billion for FY18 ($18.4 M - 0.1%)

- Unemployment rate: 3% (November 2018)
  - Lower than national unemployment rate: 3.7%
State Revenue Outlook

- In January, the Legislative Fiscal Bureau prepares an estimate of general fund revenue
  - Estimates of revenues and expenditures for the current fiscal year
  - Tax collection projections for each year of the next biennium
  - Typically incorporated into the Governor’s budget
  - Used throughout legislative budget deliberations
Governor’s Budget

• Typically in February, the Governor presents his budget to the Legislature
  ▪ Governor Evers’ priorities: Education, transportation, health care
    ▪ Inaugural address: “We need to fully fund our public schools at every level—from all day pre-K to our university and technical college systems.”
    ▪ Compromise will be key between the Democratic Governor and Republican Legislature in building the state’s budget
Tuition

- Wisconsin statutes grant the Board of Regents (BOR) the authority to set tuition and fees
- Tuition freeze has been *legislatively mandated* since the 2013-15 biennium through the biennial budget
- BOR not recommending an increase in *resident undergraduate tuition*
  - UWM base tuition increase request – 2019-20
    - 1.5% for nonresident undergraduate students
    - 1.5% for resident and nonresident graduate students
    - February BOR meeting
Outcomes-based funding

• Four goals
  ▪ Grow Student Access
  ▪ Improve Student Progress and Completion
  ▪ Expand contributions to the workforce
  ▪ Enhance operational efficiency and effectiveness

• Funding request
  • 2019-20: $27.5M GPR
  • 2020-21: additional $27.5M GPR; annual amount of $55M GPR
  • Biennial total: $82.5M
Capacity-building initiatives

- Two key focus areas
  - Student success
  - Workforce need
- Funding request
  - 2020-21: $25M GPR
  - Biennial total: $25M GPR
    - Includes initiatives from all UW campuses
    - UWM initiatives: $4.5M

Total biennial request

- $107.5M
- 4.7% increase - GPR
Pay plan

- BOR *recommendation* for 2019-21 biennium
  - 2019-20: 3% increase
  - 2020-21: 3% increase
  - Fully funded from the State’s Compensation Reserve using GPR for state-funded employees
    - Tuition share of pay plan is approximately 30% ($3.2M)

- Legislature’s Joint Committee on Employment Relations approves pay plan for state employees
2019-20 Budget Development

- 1/10/2019 – Operating budget kick-off
- 1/16 – 1/17 – New budget system training
- Week of 1/21 – 6-year financial forecast spreadsheets made available
- Week of 1/21 – Compensation Planning
  - Financial Planning & Analysis runs the initialization report, creates divisional institutional planning spreadsheets and distributes to UBRs for compensation planning
- End of January – FP&A gives divisions their budget allocations
- 2/27 – 3/27 – School/College/Division completed budgets due to FP&A
- 4/30/19 – UWM’s budget due to UW System
- Board of Regents approves the 2019-20 operating budget
# 2019-20 Budget Deadlines

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Office of Financial Planning & Analysis

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Questions: email obp-budget@uwm.edu