



UNIVERSITY OF WISCONSIN  
**PLATTEVILLE**  
ADMINISTRATIVE SERVICES

Date: August 27, 2013

To: Members of the Faculty

From: Robert Cramer, Vice Chancellor

Re: Update on 2013-15 Biennial Budget and 2013-14 Budget at UW-Platteville

2013-15 Biennial Budget

Detailed information on the 2013-15 biennial budget and its impact on the UW System and institutions are available at <http://www.wisconsin.edu/news/2013/r130711a.htm>.

Some key points to note are:

- Tuition is frozen for resident undergraduate students and the Board of Regents (Board) expanded this to include nonresidents and graduate students;
- \$75 million in one-time expenditures were transferred to the Board from other sources (this includes \$58 million for the Higher Educational Aids Board and \$11 million for economic development incentive grants);
- \$52 million in reductions and unfunded cost increases have to be absorbed by UW institutions in 2013-14 – this increases to \$62 million in 2014-15;
- A 1% state pay plan includes UW employees;
- Delay of the new University Personnel System (UPS) until 2015;
- Sale of university facilities by the Building Commission (without Board approval) is authorized;
- The Board may be a member of a third party entity that provides telecommunications services (excluding Wiscnet) for the purpose of advancing academic research;
- An \$11 million economic development incentive grant program is established;
- The Board and WTCS are required to identify 30 core credits that are transferable between each institution;
- Open enrollment for K-12 students is expanded to allow a student to take up to two university courses at a time with reimbursement set by DPI;
- WRS annuitants who are rehired for more than 2/3rds time have their annuity suspended (applies to those retiring after the budget bill was passed). See <http://etf.wi.gov/news/ht-act20faqs.htm> for more information.

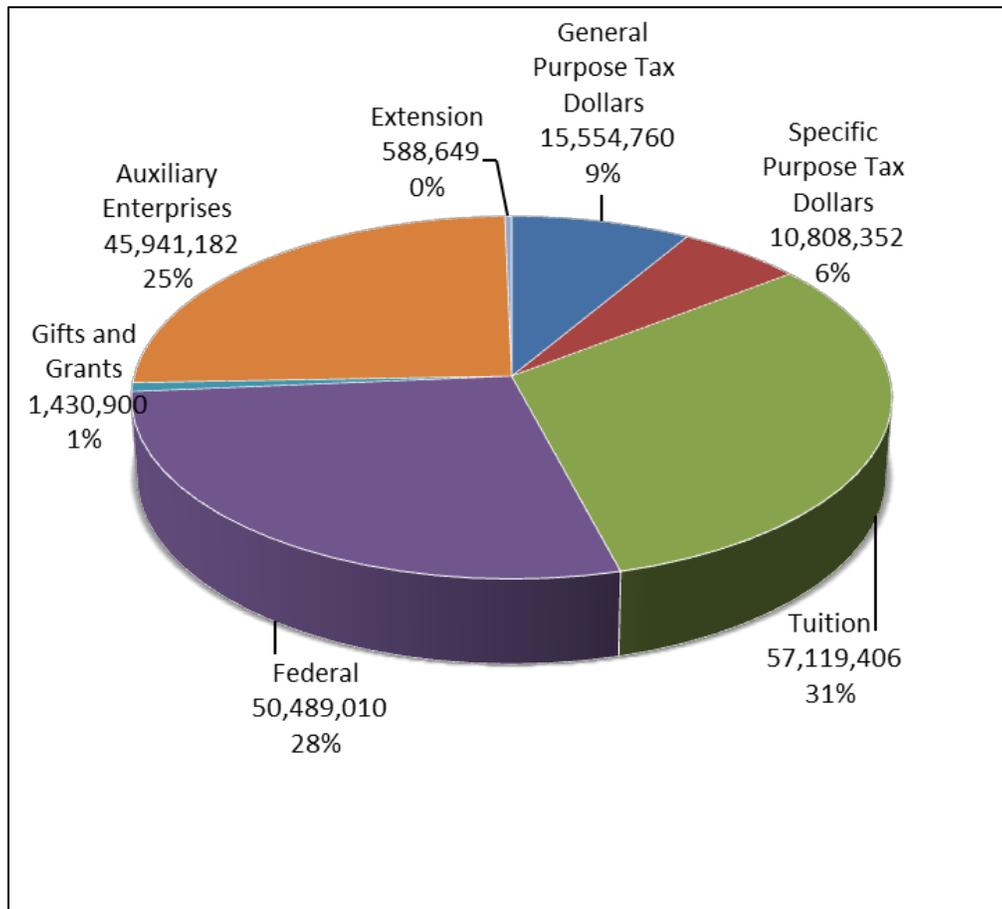
In addition, the budget as passed by the Legislature includes a number of additional fiscal reports and controls for UW System and institutions. These include:

- Directing the UW System to develop an appropriate methodology to calculate the tuition and extension fees appropriation balances and other relevant appropriation balances. Requires the UW System to submit this proposed methodology to the Joint Audit Committee by September 1, 2013, for its review and approval.
- Directing the UW system to submit proposed appropriation balance limits for the UW System as a whole, and for individual UW institutions; and related reporting requirements, by January 1, 2014, to the Joint Finance Committee for approval through a 14-day passive review process.
- Requiring the submission for JFC approval of UW System policies regarding: (1) the annual distribution of tuition revenues and state GPR funds to UW institutions; and (2) the expenditure of GPR funds and tuition revenues during the fiscal year.

2013-14 UW-Platteville Budget

UW-Platteville’s revenue mix continues to move away from state funds. Chart 1 (below) shows the preliminary all funds budget for 2013-14, including 15% state funding for the year. Preliminary figures show total state funds (general purpose tax dollars and specific purpose tax dollars) decreasing from \$28.4 million in 2012-13 to about \$26.4 million this year. The all funds budget is projected to increase from \$172.6 million to \$183.9 million.

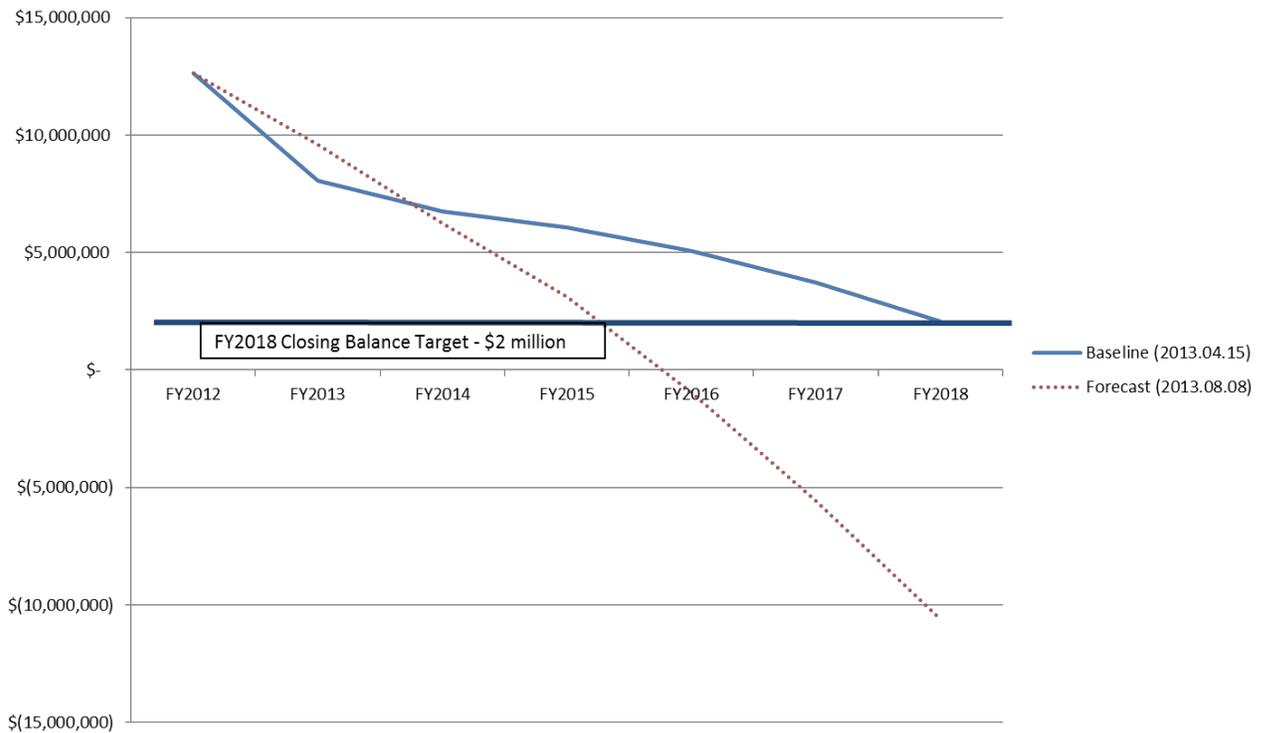
Chart 1: Preliminary All Funds Sources of Revenue for UW-Platteville 2013-14



The biennial budget moves UW-Platteville from a 2013-14 budget that included investments in several areas to a situation requiring a base budget reduction of \$1.4 million; the base budget reduction increases to \$1.7 million in 2014-15 and thereafter. These reductions impact general purpose revenues and tuition / fee revenues.

The cumulative impact of the biennial budget for UW-Platteville is reflected in Chart 2 below. It shows the “Baseline” projections developed in early April 2013 from the Governor’s budget and the “Forecast” following passage of the 2013-15 biennial budget.

Chart 2: Estimated Closing Balance for UW-Platteville’s Core Financial Model



The financial projections summarized in Chart 2 reflect a component of UW-Platteville’s budget and are based on a number of assumptions. For the projections above, please note:

- This is for our core financial model – TSI, tuition revenues (excluding alternative delivery cost recovery programs), and most state funding and does not include other funds such as residence life, dining services, or international programs;
- UW-Platteville’s core financial model projects a negative closing balance in 2015-16 - the first year of the 2015-17 biennium;
- The baseline scenario reflects budget actions through mid-April 2013 and 3% tuition increases;
- The forecast includes 2% tuition increases after the 2013-15 biennium;
- The core financial model assumes that UW-Platteville will continue to increase the amount budgeted for compensation – increasing from \$350,000 ongoing in 2012-13 to \$650,000 in 2013-14 to \$1 million by 2016-17;
- The core financial model assumes minimal enrollment growth (125 TSI undergraduates) between 2013-14 and 2017-18.

The opening balance reflected in Chart 2 is about \$12 million. The total opening balance for 2013-14 for UW-Platteville, which includes funds such as residence life and dining, is about \$28 million. This is up from the approximately \$24 million in funds at the start of 2012-13.

Colleges and divisions are developing options for base cuts as summarized in Table 1. These are due September 15 and will be reviewed with Fall 2013 enrollment figures.

Table 1: Budget Reduction Planning Requirements

<b>Division</b>	<b>2013-14 Base Budget</b>	<b>Reduction Percentage</b>	<b>Reduction Amount</b>
Chancellor	\$1,754,529	7.00%	\$122,817
Provost (includes Student Affairs)	\$6,576,036	7.00%	\$460,323
BILSA	\$6,718,633	5.00%	\$335,932
EMS	\$11,555,541	5.00%	\$577,777
LAE	\$10,310,909	5.00%	\$515,545
Diversity & Inclusion	\$739,499	7.00%	\$51,765
Administrative Services	\$9,736,716	7.00%	\$681,570
Admissions & Financial Aid	\$2,457,603	7.00%	\$172,032
Advancement	\$1,404,521	7.00%	\$98,316
<b>Total</b>	<b>\$51,253,987</b>		<b>\$3,016,077</b>

The 5% / 7% reduction plans will generate about \$3 million in options to consider.

For 2013-14, an additional eleven tenure track faculty positions are budgeted. This continues the growth in faculty positions at UW-Platteville. In 2010, there were 232.78 positions payrolled as faculty; in 2013-14 the total budgeted is 284.24.

Please let me know if you have any questions regarding this information. Presentations will be scheduled with the Senates and campus-wide later this fall to provide a more detailed financial update.

cc: Dennis J. Shields  
Mittie Nimocks Den Herder  
Cathy Riedl-Farrey