2017-18 Operating Budget Kick-Off
Thursday, January 5, 2017
Agenda

• 2017-19 Biennial Budget
• Key Board of Regent actions
• 2017-18 Budget Development
2017-19 Biennial Budget

• Wisconsin has a biennial budget process.
  ▪ Governor and Legislature develop a two-year budget for the state.
  ▪ Fiscal year 2017-18 is the first year of the 2017-19 biennium.
2017-19 Biennial Budget

- The state’s biennial budget provides the foundation for UWM’s annual operating budget.
  - Funding levels
  - Tuition Increase/Freeze
  - Flexibility/Control
2017-19 Biennial Budget Timeline

- **Spring 2016** – DOA gives biennial budget instructions to state agencies
- **August 2016** – Board of Regents takes final action on UW System biennial budget request
- **September 2016** – Board of Regents submits UW System biennial budget request to DOA
- **September 2016 to February 2017** – Development of Governor’s budget
- **February 2017** – Governor presents his budget to the Legislature
- **February to June 2017** – Joint Finance Committee and Legislature work on budget
- **July 1, 2017** – Biennial budget is enacted. Possible Governor’s vetoes
• UW System biennial budget request
  - $42.5 million biennially for 2020FWD initiatives
  - $32 million ongoing base funding
  - Approved by BOR in August and submitted to DOA in September
• Governor’s budget recommendations
  - Typically in February, the Governor presents his budget to the Legislature
  - Update on key aspects of the Governor’s budget that impact UW System and UWM at March meeting
2017-19 Biennial Budget

• The role of revenue estimates
  - In November, DOR prepares estimates for this fiscal year and upcoming biennium
    - Used by the Governor as the basis on which general fund biennial budget spending levels are recommended
    - Projected annual increases in GPR tax revenue of 2-3%
  - In January, the Legislative Fiscal Bureau prepares an estimate of general fund revenue
    - Typically incorporated into the Governor’s budget
    - Used throughout legislative budget deliberations
Key BOR actions that impact the budget

• Tuition – 2017-19 biennium
  ▪ Resident undergraduate tuition
    ➢ 2017-18: 0%
    ➢ 2018-19: increase of no more than the CPI rate
      » Projected to be 2% to 2.5%
  ▪ Nonresident undergraduate tuition
    ➢ 2017-18: 5% increase for UWM
  ▪ Business Master’s tuition
    ➢ 2.5% increase for UWM
Key BOR actions that impact the budget

• Pay plan
  ▪ BOR recommendation for 2017-19 biennium:
    ➢ 2017-18: 2% increase
    ➢ 2018-19: 2% increase
    ➢ Fully funded from the State’s Compensation Reserve using GPR for state-funded employees
      o Tuition share of pay plan is typically about 35%
    ➢ Legislature’s Joint Committee on Employment Relations approves the pay plan for state employees
DILBERT IS ASSIGNED TO PREPARE THE BUDGET.
YOU'LL HAVE TO LEARN OUR BUDGET SYSTEM.

IT WAS DEVELOPED 400 YEARS AGO BY A CRAZED MONK WHO SEALED HIMSELFW IN A WINE CASK.

UNFORTUNATELY, WE STILL HAVE HIM.

HEY, I'VE GOT ANOTHER IDEA.
2017-18 Budget Development

- Review budget development guidelines – reference document with guidance/links
  - Divisional budget deadlines
  - 6-year financial forecast timeline
  - Checklist
  - Program revenue balance reporting
  - Program/activity shifts
  - Salary shifts
  - Budgeting positions
  - Faculty promotions
  - Error reports
2017-18 Budget Initialization

- Late January – Salary budget initialized and divisional institutional planning spreadsheets made available
- Non-salary data (S&E, capital, etc.) will be loaded into the 3270 budget system in January
2017-18 Budget Development

• Budget deadlines
  ▪ Upcoming:
    ➢ 6-year Financial Forecast – Revenue forecast
      o Monday, January 23rd
    ➢ User fee/special course fee
      o Administrative units: Monday, January 9th
      o Schools/Colleges: Monday, February 6th
  ▪ Divisional budgets due in March:
    ➢ See schedule in Budget Development Guidelines
  ▪ UWM’s Budget due to UW System by 4/30/17