Overview of the Budget Process

I. Biennial Budget
   
   A. The state has a biennial budget process which is a two-year budget that begins July 1 of each odd numbered year and ends on June 30 of the next odd numbered year. Each agency, including UW System, develops a biennial budget request.
      1. Campuses submit requests for new biennial budget initiatives, referred to as Decision Item Narratives (DINs), to UW System in March of each even-numbered year.
      2. The Board of Regents reviews campus budget initiatives for possible inclusion in the UW System biennial budget request. The Board approves the UW System budget request and submits it to the Department of Administration (DOA).
   
   B. DOA analyzes agency budget requests, makes modifications and recommendations to the Governor for possible inclusion in the Governor’s budget.
   
   C. The Governor presents his budget to the Legislature. The Legislature’s Joint Committee on Finance and the Legislature work on the budget which, when passed, is reviewed by the Governor for possible vetoes and signed into law.
   
   D. Biennial budget development timeline

II. Annual Operating Budget

   A. UW-Milwaukee has an annual operating budget which is based, in part, on the state’s biennial budget. UW System works with the campuses on the development of their operating budgets.
   
   B. The University’s budget is developed by fund, major classification, and program.
      1. Fund: an allocation of money that, by action of the Legislature, is segregated from other allocations and used for a specific, stated purpose.
      2. Major classification: Salaries, fringe benefits, debt service, student aid, supplies & expenses, capital (equipment), and sales credits
      3. Program (activity): functions or collections of services which comprise the University’s operations, such as instruction, student services, and research.
   
   C. Budget Process
      1. UWM Budget Development Schedule
      2. Budget Initialization: The budget is initialized, that is, loaded into the budget system for the new budget year, based on the prior year’s budget or recent payroll.
         a. The unclassified salary budget may be initialized from either the prior year’s budget or a recent payroll.
b. The classified salary budget is initialized from a recent payroll.

c. The non-salary budget (S&E, capital, etc.) is initialized from the prior year’s budget.

3. UW System makes allocations to the campuses for the state general purpose revenue (GPR) funds. These allocations establish the campus base budget for these funds and provide any funding increases or decreases related to specific program initiatives or budget reductions included in the biennial budget.

4. The Office of Budget & Planning (OBP) works with the Provost’s Office, campus administration, and divisions to develop the campus budget. OBP distributes UW System allocations to the divisions, along with other internal campus allocations or de-allocations.

5. The kickoff meeting for the annual operating budget is held in January. Planning for some budget processes that are part of the campus operating budget begin earlier in the fiscal year.

   a. Auxiliary Budget Planning and Process

      1.) Auxiliaries are units that exist primarily to furnish goods or services to students, faculty, or staff, that charge a fee directly related to the goods and services. These are program revenue-funded units budgeted in Fund 128. The auxiliary budget process also includes units that are funded through student segregated fees, or a combination of segregated fees and fees for service, like the Klotsche Center and the Children’s Center

      2.) The auxiliary budget process typically begins in October with the Auxiliary Budget Kickoff meeting.

      3.) UW System requires campuses to submit information on auxiliary budgets and segregated fees annually. Auxiliary units submit annual budgets to the Office of Resource Analysis. Budgets provide information that is required by UW System, as well as additional information for internal campus management purposes.

      4.) The Board of Regents approves the auxiliary budgets for campuses as part of the UW System annual operating budget.

   b. User fees and Non-Auxiliary budgets (Program Revenue Budgets)

      1.) Divisions submit user/special course fee budgets annually, a budget process that typically begins in November when ORA sends instructions and templates to divisions to complete and submit.

      2.) See 1.3.1 Non-Auxiliary Budgets & Fees for more information on this process.

6. Fringe benefits:

   a. UW System builds fringe benefits into the campus unit wide budget for GPR funds.

   b. For program revenue funds, divisions build fringe benefits directly into their budgets.
7. Pay Plan: Employee Compensation
   a. The Office of State Employee Relations (OSER) and the Legislature’s Joint Committee on Employee Relations (JoCOER) determine pay plan increases for the biennium for unclassified staff (faculty, academic staff, non-represented graduate assistants, and university senior executives) and non-represented classified staff.
   b. Pay plan increases for staff represented by bargaining groups (represented classified and represented graduate assistants) are negotiated for each individual bargaining group.
   c. See 1.2.3 Personnel and Position Related Procedures for more information about pay plan

D. Campus Budget Reports: the Office of Budget & Planning prepares the following budget reports:
   1. Annual Budget Report
   2. Auxiliary Budget Report