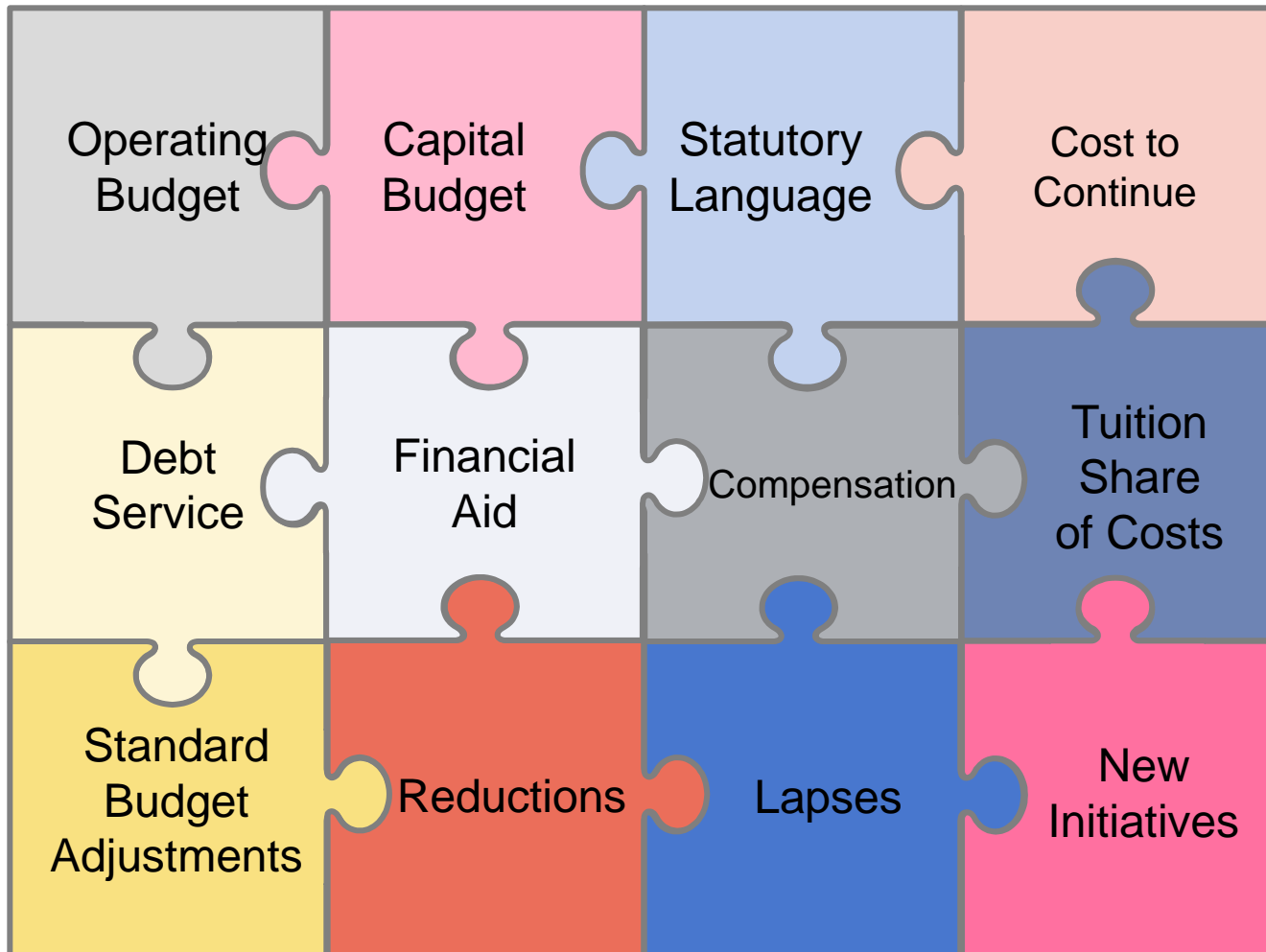


Biennial Budget Picture



UNIVERSITY OF
WISCONSIN SYSTEM



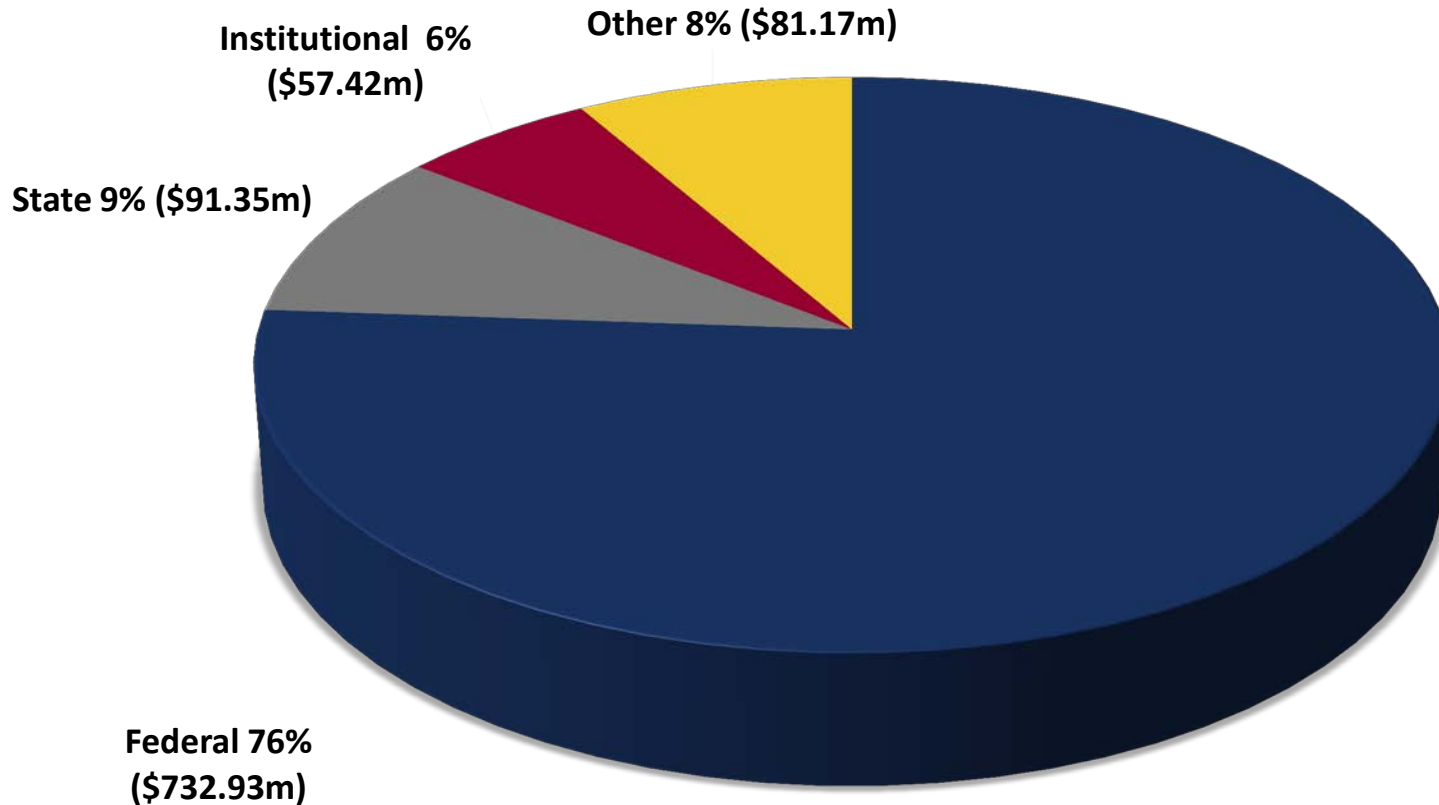
**2015-17 BIENNIAL
BUDGET PRESENTATION
FINANCIAL AID**

March 2014

Sources of Financial Aid 2012-2013

Wisconsin Resident Undergraduates

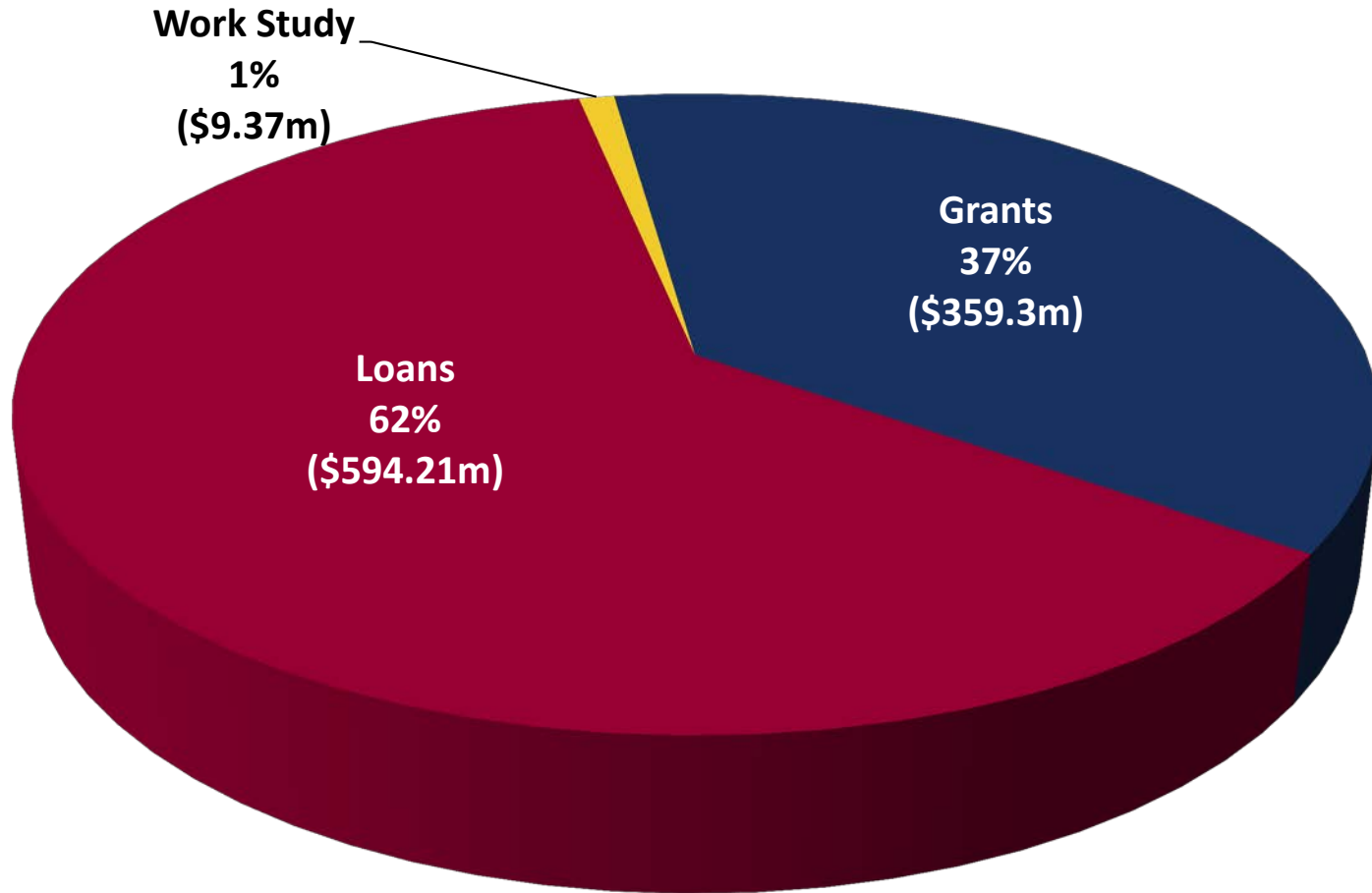
3



Types of Financial Aid 2012-13

Wisconsin Resident Undergraduates

4



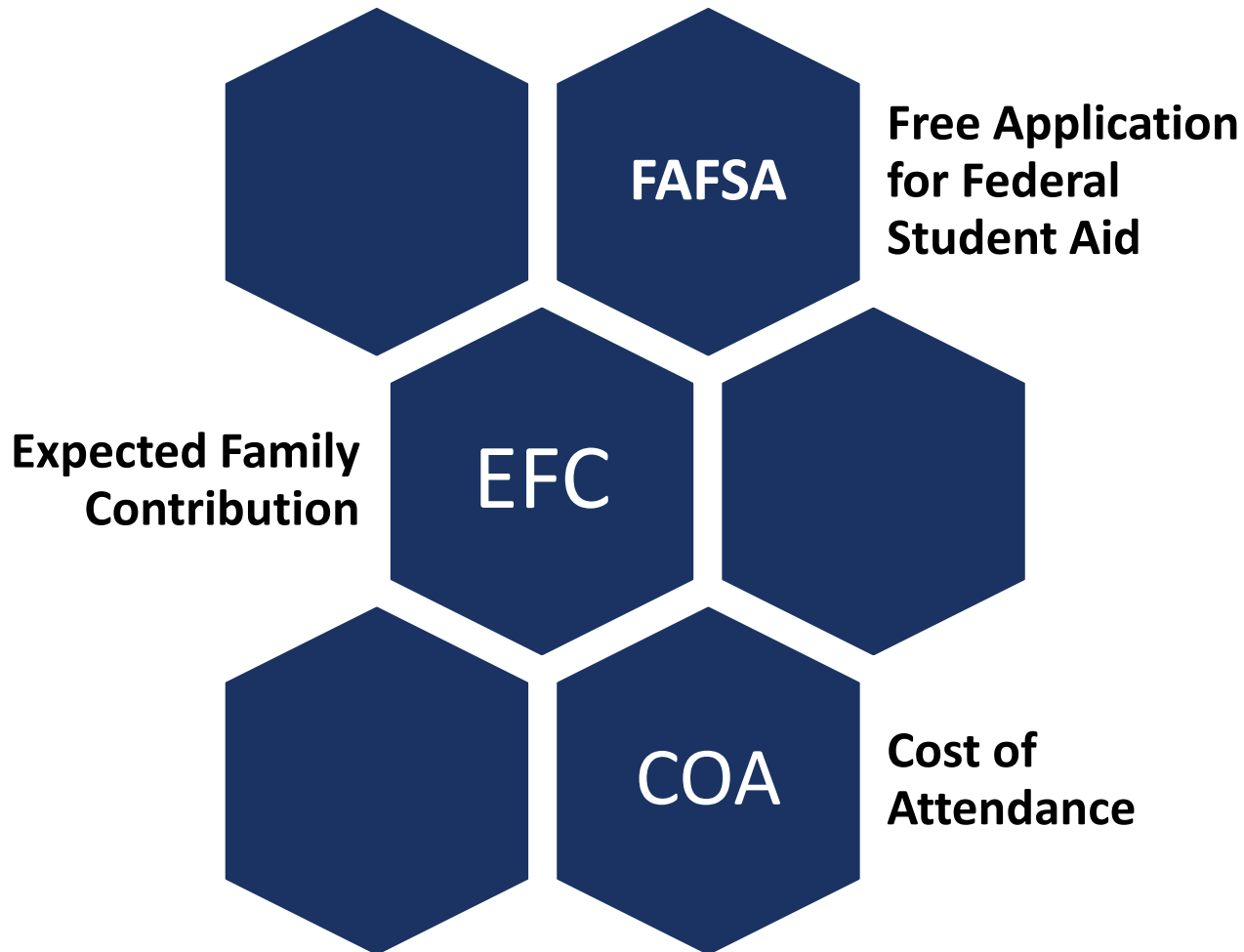
Primary Need-Based Grants for Wisconsin Resident UW Students 2012-13

5

	Pell Grants	Wisconsin Higher Education Grants (WHEG)
Total Funds	\$158.6 M	\$58.3 M
Recipients	42,976	31,767
Average Grant	\$3,668	\$1,837
Award Size	\$555 to \$5,550	\$764 to \$2,324

What Determines Financial Aid?

6

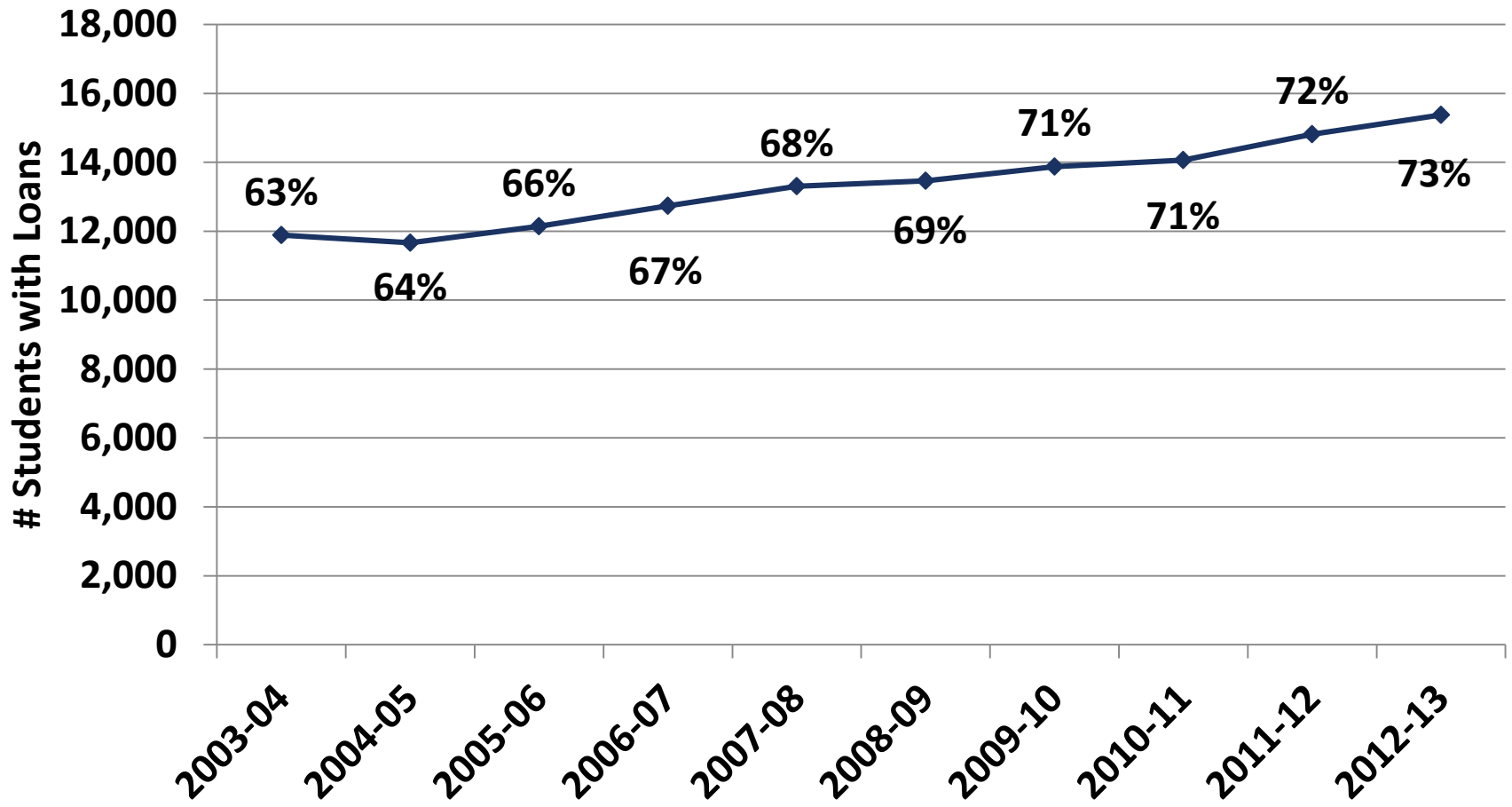




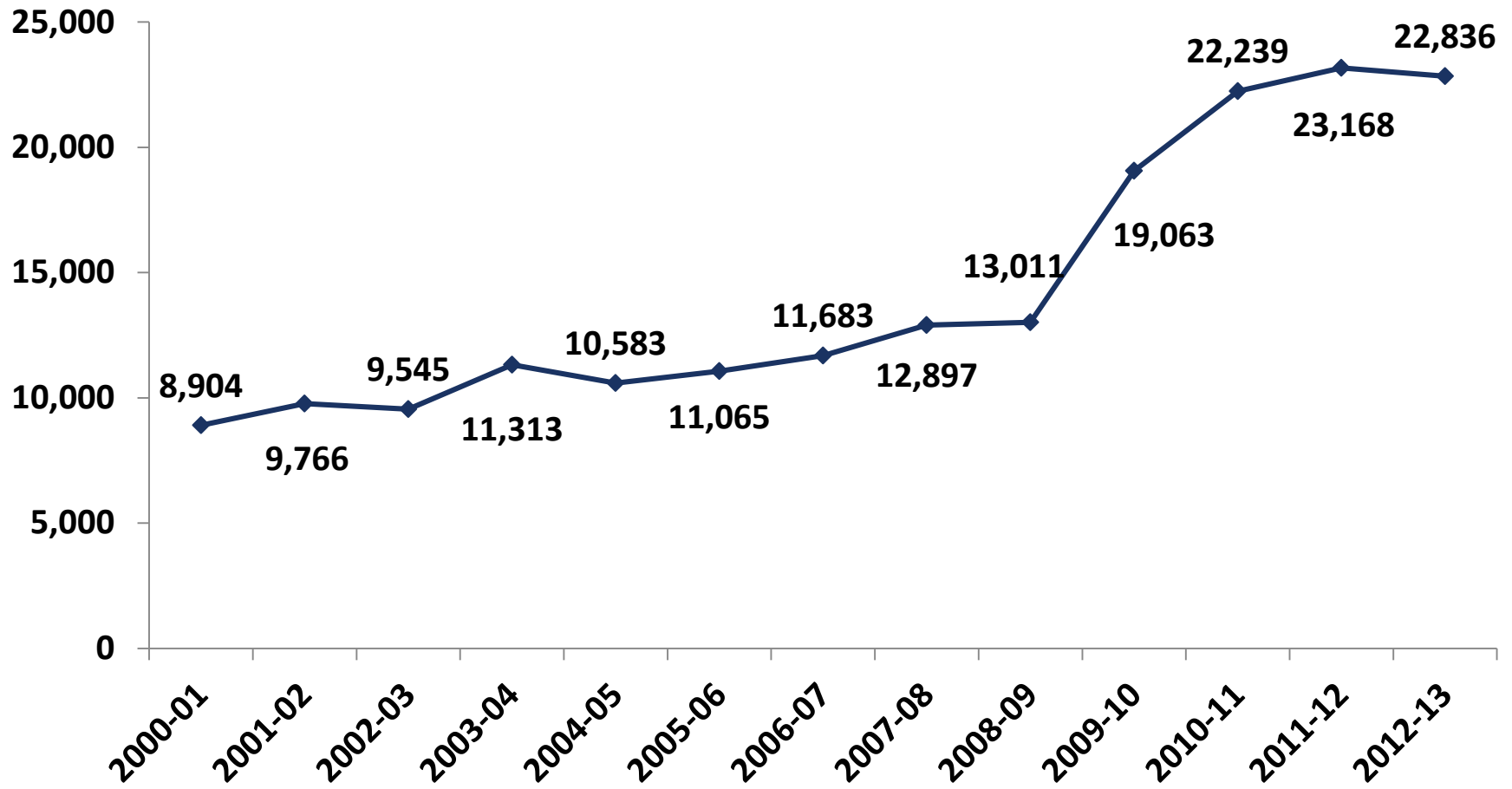
UW-Eau Claire 2013-14 Student Financial Aid Award Packages

<i>Typical Family of Four Income</i> →	\$37,000	\$49,000	\$58,000	\$69,000	\$85,000
Cost to Attend	\$18,980	\$18,980	\$18,980	\$18,980	\$18,980
Expected Family Contribution	(\$0)	(\$2,000)	(\$3,500)	(\$5,500)	(\$10,000)
Need	\$18,980	\$16,980	\$15,480	\$13,480	\$8,980
Pell Grant	\$5,645	\$3,695	\$2,195	\$0	\$0
WI Covenant Grant	\$2,500	\$2,500	\$1,000	\$1,000	\$1,000
WHEG	\$2,324	\$1,544	\$959	\$0	\$0
SEOG	\$500	\$500	\$500	\$0	\$0
Blugold Grant	\$900	\$900	\$900	\$900	\$0
Sub. Stafford Loan	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Perkins Loan	\$0	\$0	\$2,426	\$3,000	\$0
Unsub. Stafford Loan	\$1,611	\$2,000	\$2,000	\$2,000	\$2,000
Work Study	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Unmet Student Need	\$0	\$341	\$0	\$1,080	\$480

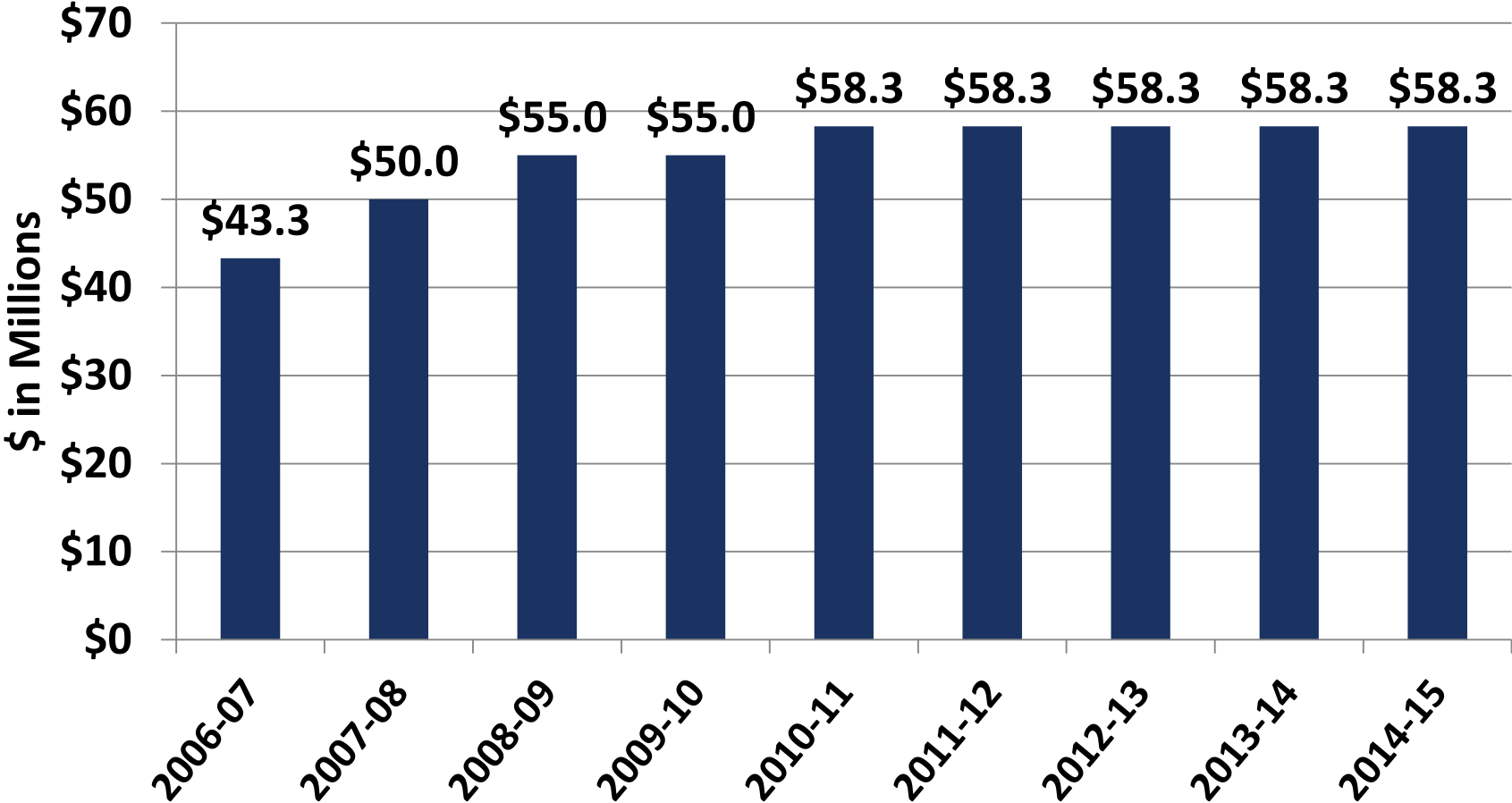
WI Resident Undergraduates with Student Loans at Graduation



Students with \$0 EFC

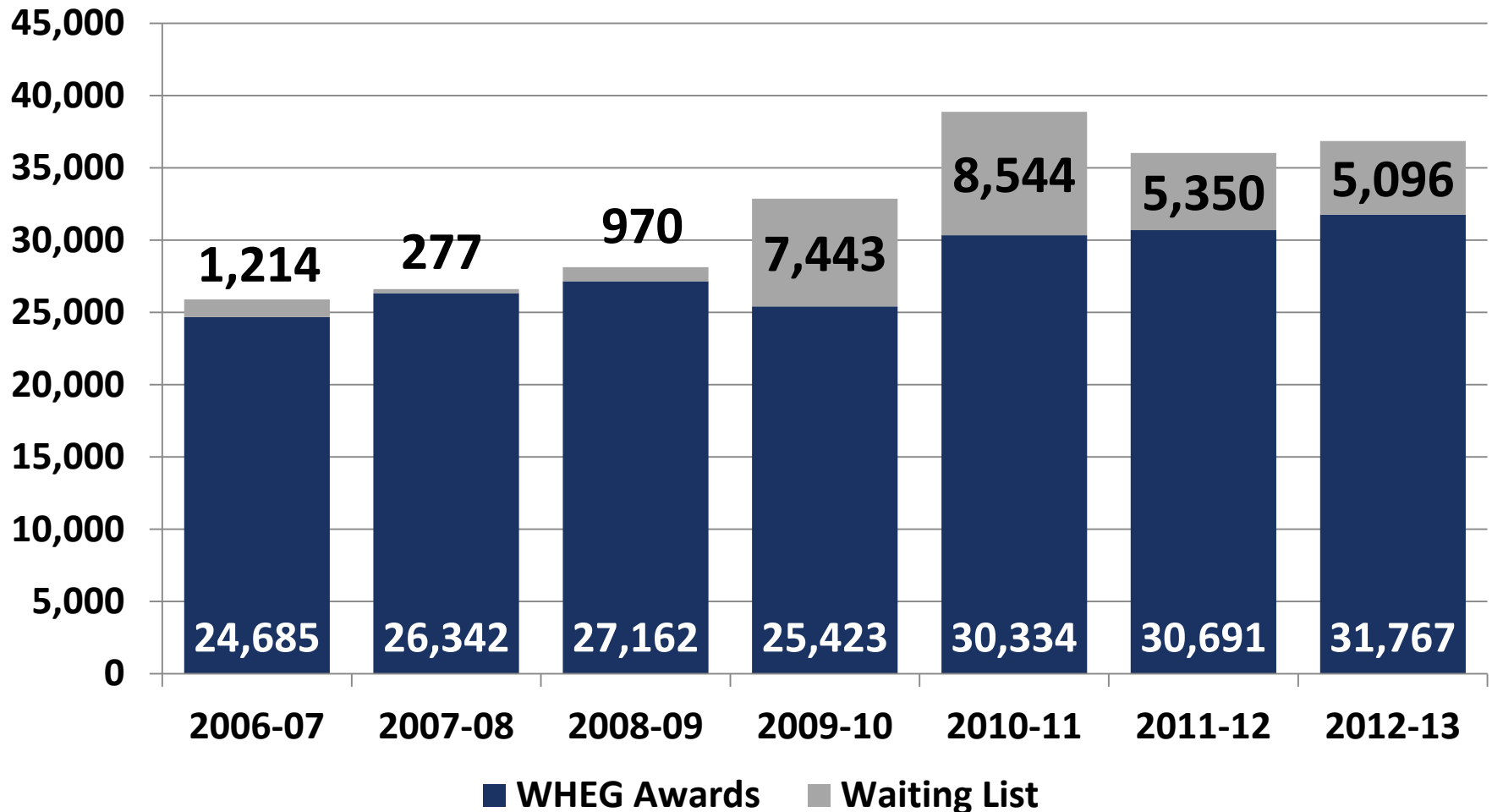


Historical WHEG Funding



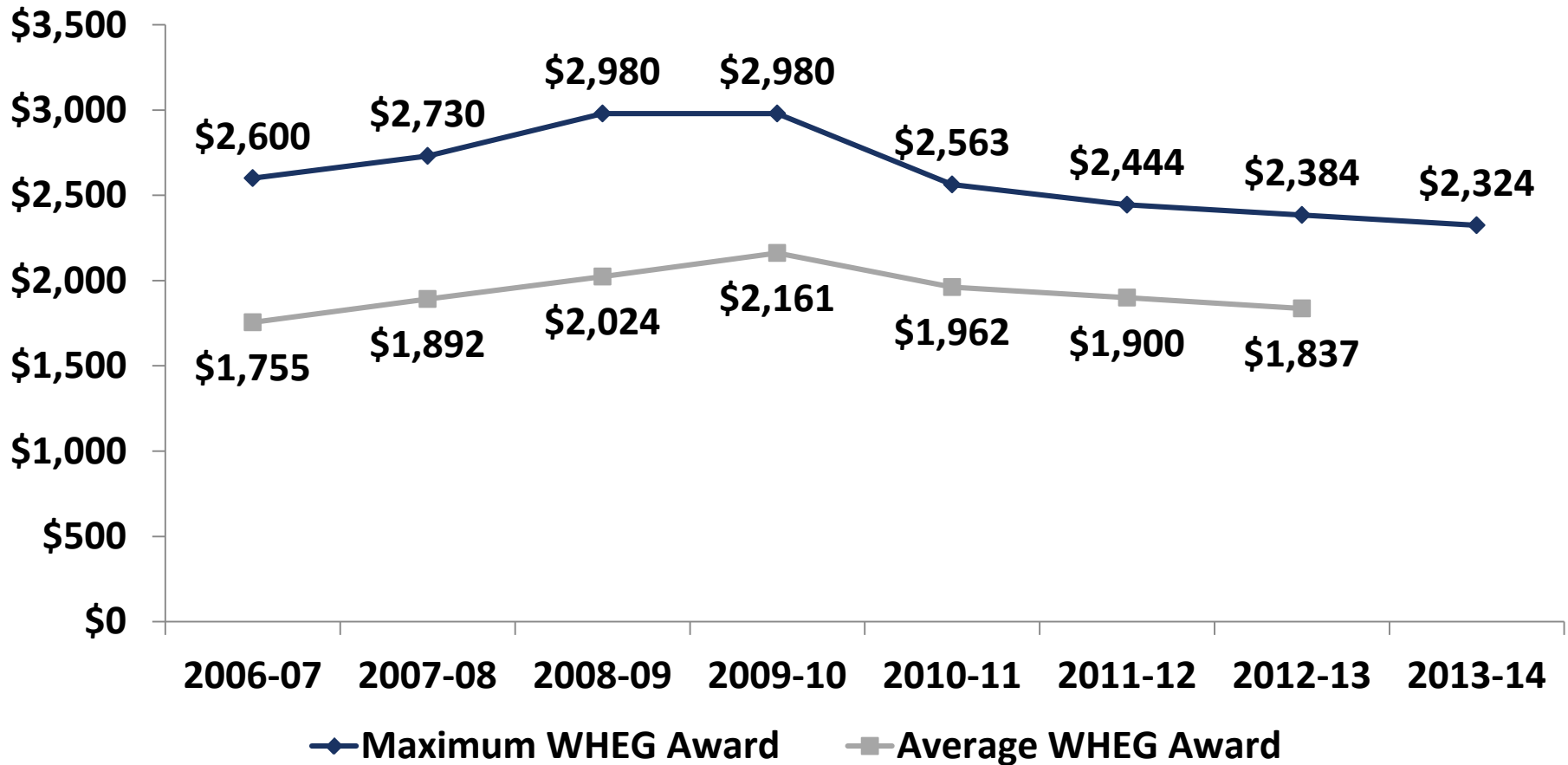
WHEG Unmet Need has Grown

11



WHEG Maximum & Average Award History

12



**Note: 2013-14 Average WHEG Awards are not available.*



UW-Eau Claire 2013-14 Student Financial Aid Award Packages

<i>Typical Family of Four Income</i> →	\$37,000	\$49,000	\$58,000	\$69,000	\$85,000
Cost to Attend	\$18,980	\$18,980	\$18,980	\$18,980	\$18,980
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Work Study	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Unmet Student Need	\$0	\$341	\$0	\$1,080	\$480

WHEG Request Options

14

Option 1: Eliminate Wait-List

Biennial Request: \$18.7m (\$9.35m annually)

Total Annual Funding: \$67.7m

RESULTS: Eliminate Wait-List (5,096) & Avg. Award \$1,837

Option 2: Increase Awards to 2009-10 Levels

Biennial Request: \$20.6m (10.3m annually)

Total Annual Funding: \$68.6m

RESULTS: Max Award: \$2,980 Avg. Award: \$2,161

Option 3: Eliminate Wait- List & Increase Awards to 2009-10 Levels

Biennial Request: \$42.6m (\$21.3m annually)

Total Annual Funding: \$79.6m

RESULTS: Avg. Award: \$2,161 & eliminate wait-list (5,096)

Questions and Discussion





FY14-15 ANNUAL BUDGET 2015-17 BIENNIAL BUDGET

March 6, 2014

Discussion Objectives

17

- Elements of annual operating budgets and biennial “budget” requests.
- Changes in the financial reporting and the review and approval of budgets and requests.
- How fund balances will be categorized and reported.

Increasing Financial Transparency

18

- **Providing cash balances in the categorical format established by the LAB in the audit of FY12 balances; Report 13-17.**
- **Providing the Business and Finance Committee quarterly management reports of FY14 YTD revenue and expenses, and year-end projections. This process will be ongoing.**
- **Reporting to the Business and Finance Committee projected year-end cash balances beginning in April based on the first three quarters of FY14.**

Annual Budgets and Biennial Requests

19

Annual

- Revenue
- Expenses

- Fiscal Year

- Budget
- Actual

Biennial

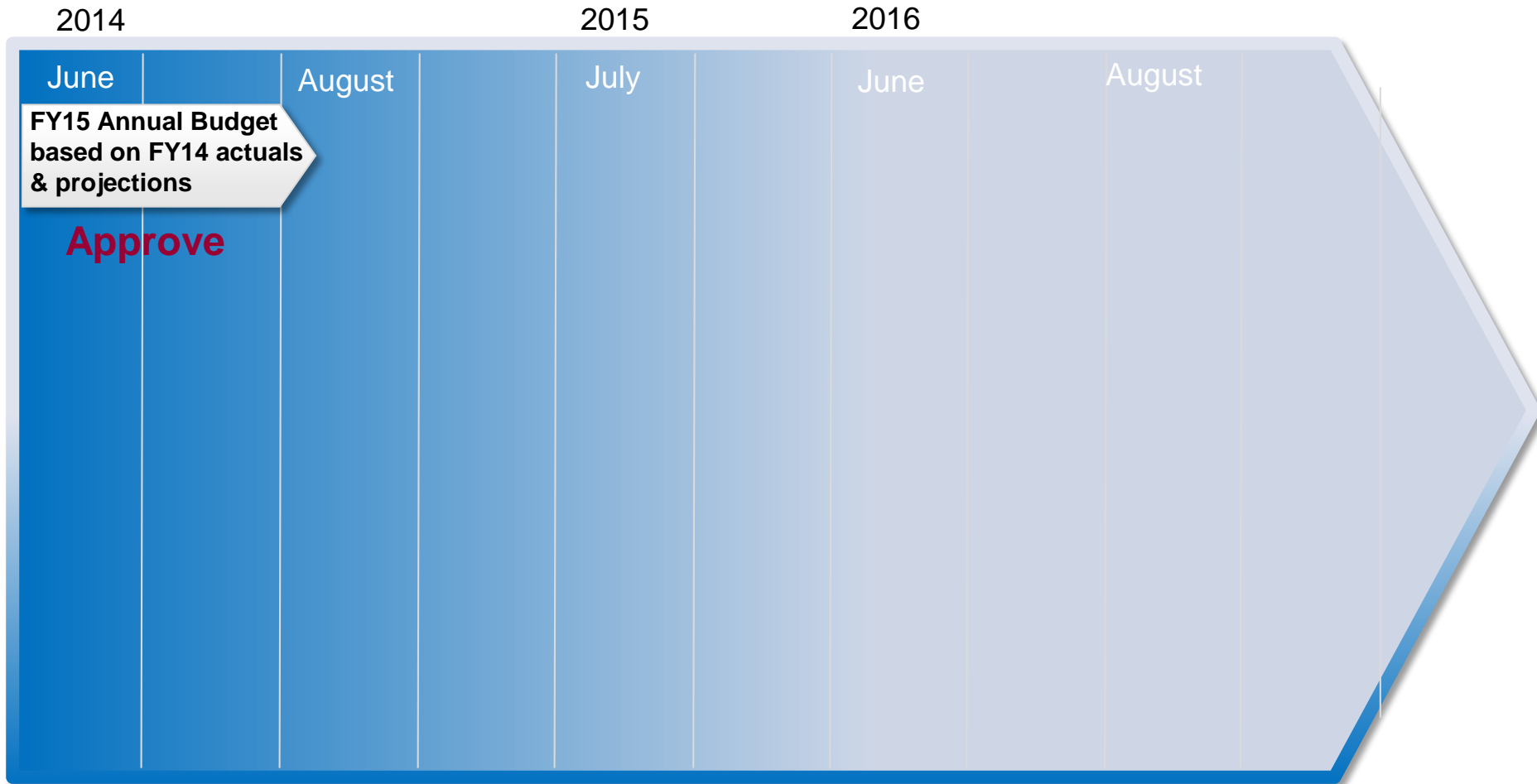
- Estimates

- 2-years:
evolving

- Estimates

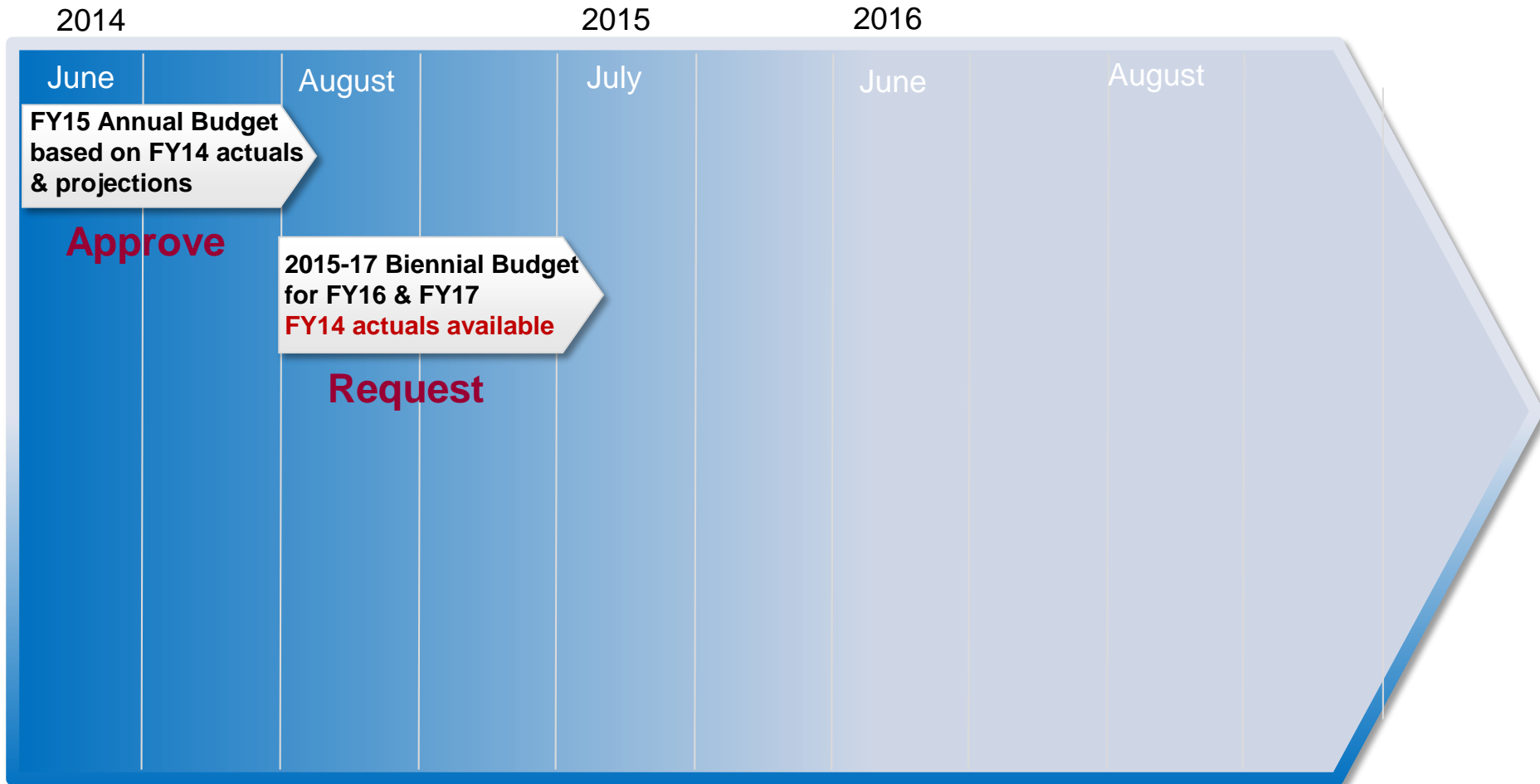
Annual and Biennial Budget Timelines

20



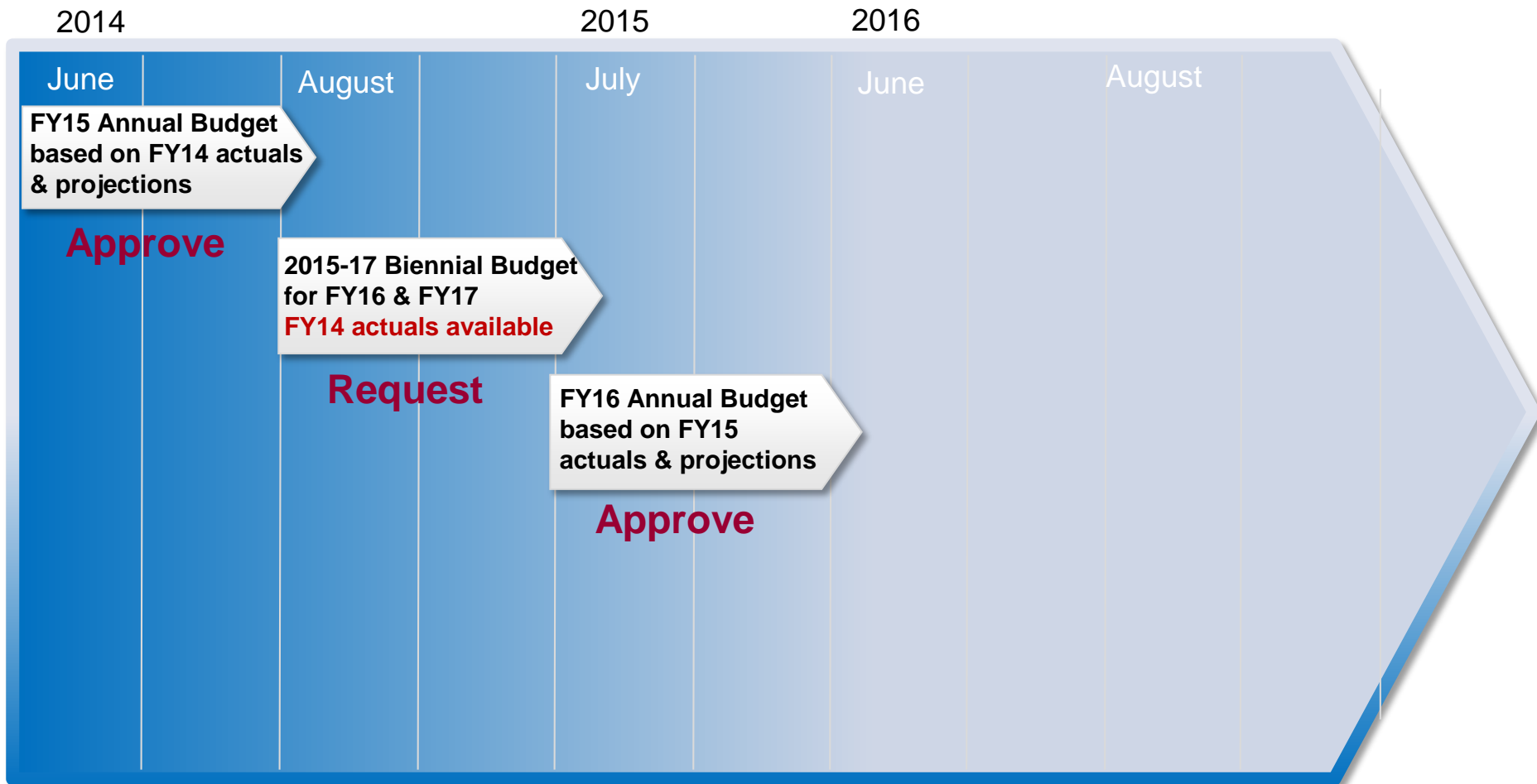
Annual and Biennial Budget Timelines

21



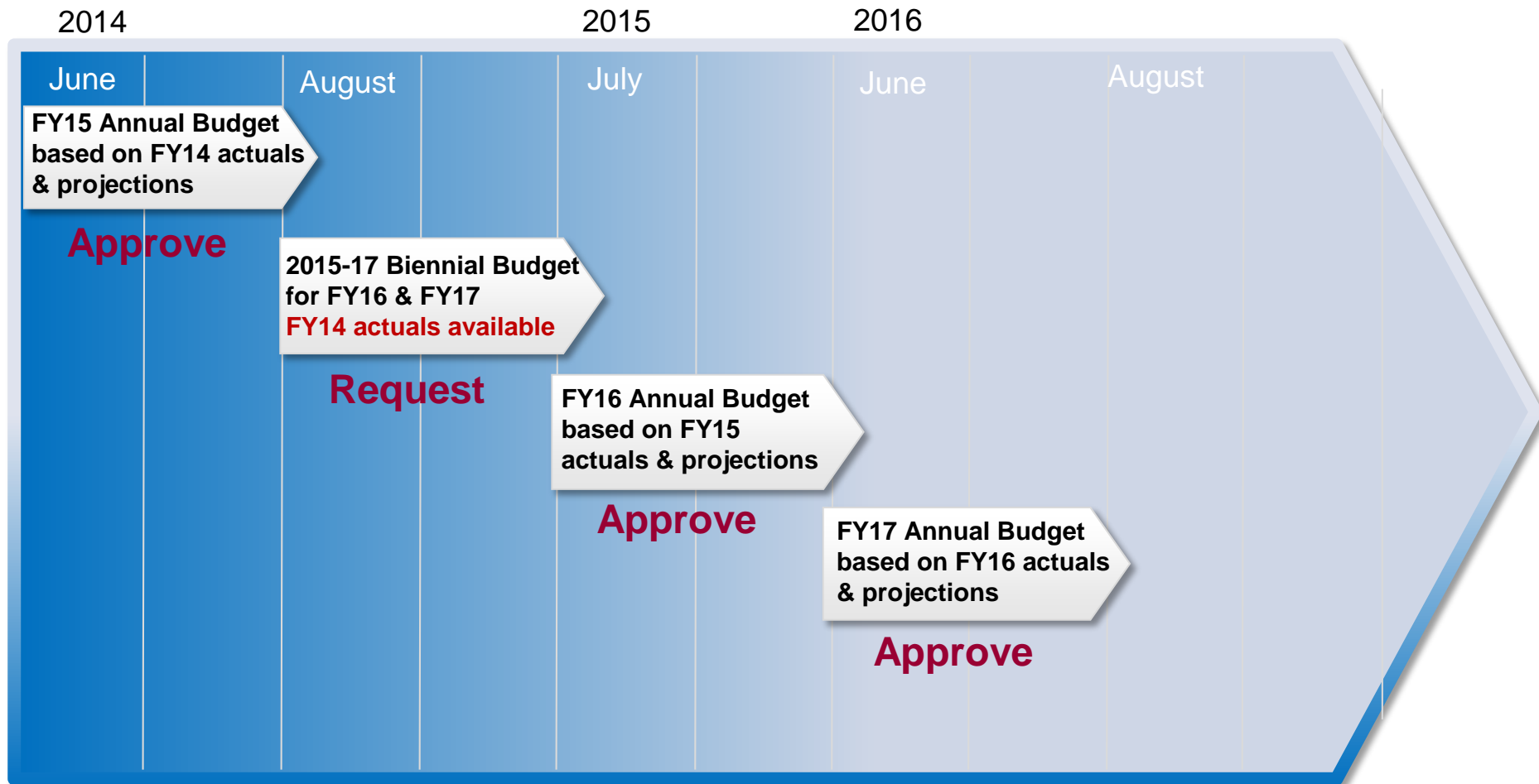
Annual and Biennial Budget Timelines

22



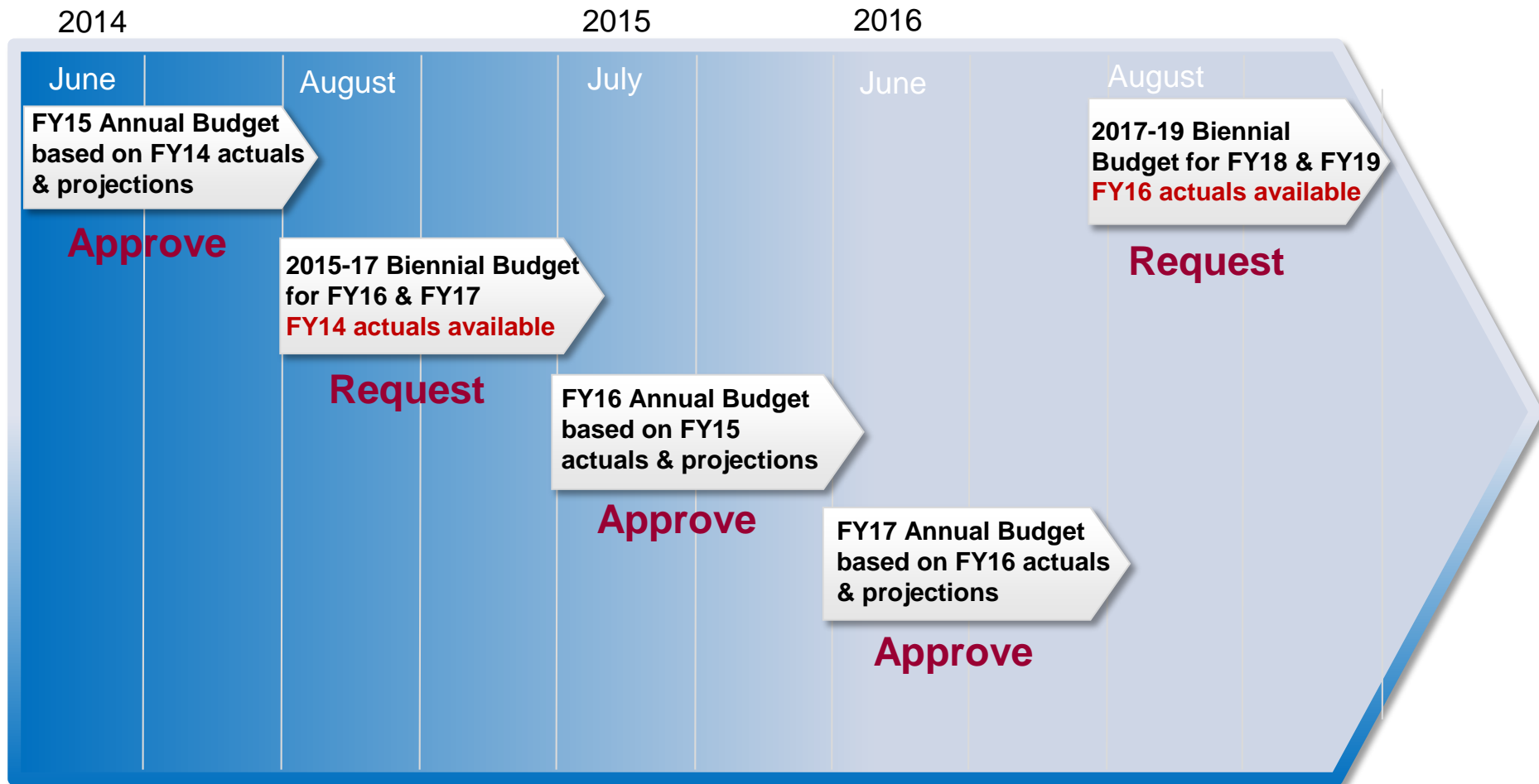
Annual and Biennial Budget Timelines

23



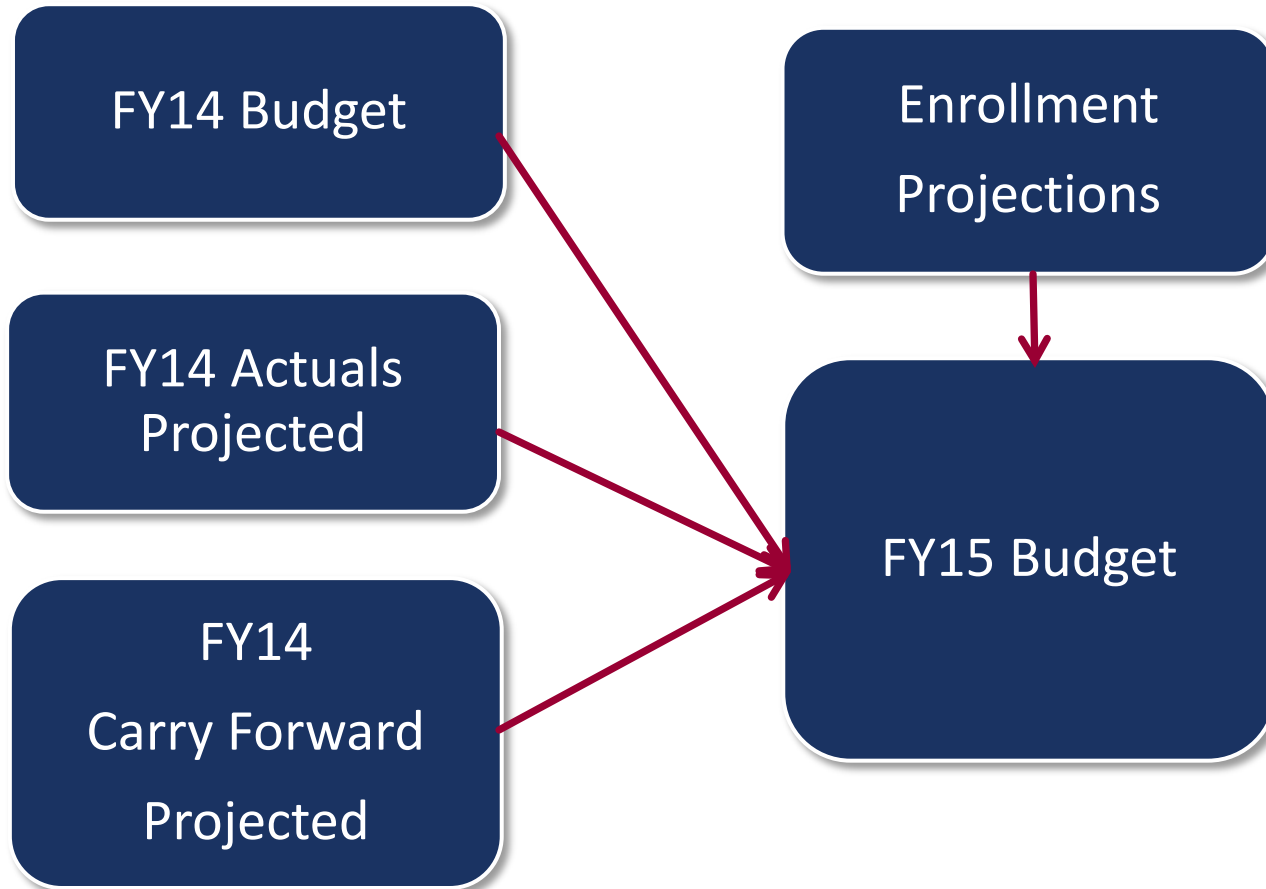
Annual and Biennial Budget Timelines

24



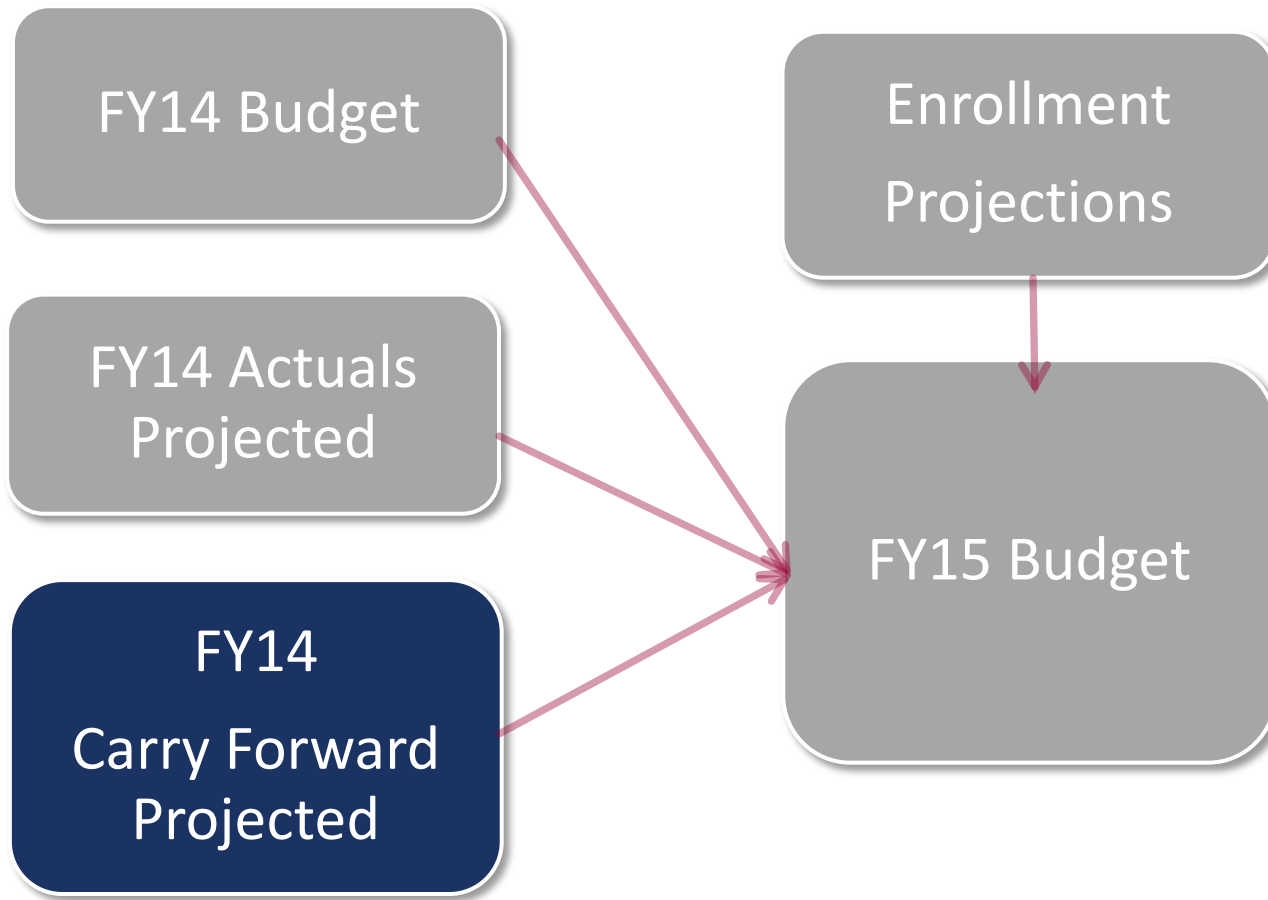
Factors of an Annual Budget

25



Factors of an Annual Budget

26



UW Colleges FY2012 - Audit

27

in thousands

Institution	Obligated	Planned	Designated	Reserves	Undocumented	Totals
Tuition & Fees	\$732	\$9,801		\$2,508	\$92	\$13,043
General Operations	\$46	\$2,040	\$1,216	\$1,613		\$4,914
Federal Indirect	\$28	\$53		\$601	\$46	\$728
Totals	\$807	\$11,803	\$1,216	\$4,721	\$139	\$18,685

UW Colleges FY2012 - Audit

in thousands

Institution	Obligated	Planned	Designated	Reserves	Undocumented	Totals
Tuition & Fees	\$732	\$9,801		\$2,508	\$92	\$13,043
Auxiliaries						\$2,671
General Operations	\$46	\$2,040	\$1,216	\$1,613		\$4,914
Other PR						\$1,105
Federal Indirect	\$28	\$53		\$601	\$46	\$728
Totals	\$807	\$11,803	\$1,216	\$4,721	\$139	\$22,461

Categorized Balances For Each Institution

29

in thousands

Institution	Obligated	Planned	Designated	Reserves	Undocumented	Totals
Tuition & Fees	\$732	\$9,801		\$2,508	\$92	\$13,043
Auxiliaries						\$2,671
General Operations	\$46	\$2,040	\$1,216	\$1,613		\$4,914
Other PR						\$1,105
Federal Indirect	\$28	\$53		\$601	\$46	\$728
Totals	\$807	\$11,803	\$1,216	\$4,721	\$139	\$22,461

Major Issues to Address in the Biennial Request

30

- **Unfunded Obligations (UW structural deficit)**
- **Fixed Cost Increases (cost-to-continue and debt service)**
- **Budget vs. Actual (carry forward balances)**
- **Tuition**
- **Compensation**
- **Financial Aid (Affordability)**
- **Initiatives (state priorities)**

Preliminary Estimate of 2015-17 Funding Obligations

31

	Ongoing	Biennial
Funding Base Budget Cut and Flex Option	\$34 million	\$68 million
2013-15 Unfunded Tuition-Share Compensation Costs	\$28 million	\$56 million
2013-15 GPR Compensation Costs (Funded Through Compensation Reserve & 15-17 Budget)	\$57 million	\$114 million
2015-17 Estimated Fringe Benefit (GPR/Fee) Increases (UW & Compensation Reserve)	\$46 million	\$68 million

Rule of Thumb: Annual 1% Pay Plan increases require \$27 million ongoing (\$40 million biennially).

Excludes Utilities and Debt Service which will be added by DOA, and financial aid funding that will be requested by HEAB.

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Questions and Discussion

