



WISCONSIN
UNIVERSITY OF WISCONSIN-MADISON

MEMORANDUM
Via e-mail only

Date: July 9, 2018

To: Deans and Directors

From: Sarah Mangelsdorf, Provost and Vice Chancellor for Academic Affairs
Laurent Heller, Vice Chancellor for Finance and Administration

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Subj: 2018-19 Fund 150 Overhead Allocations

This memorandum documents the amount of federal indirect cost reimbursement carryforward balance that will be released to your unit as part of the 2018-19 Fund 150 overhead allocation. The project number and amount of your unit's allocation are listed in Appendix A.

As part of the new budget model recommended by the Budget Model Development Committee and approved by Chancellor Blank, allocations to schools and colleges are distributed according to a formula based on a two-year average of direct expenditures and overhead generated. Overhead generated and direct expenditures as categories are given equal weight in the formula, and the most recent year is given twice the weight of the previous year.

In addition, the new budget model used a similar methodology to redistribute a share of school and college Fund 101 budgets beginning with the 2016-17 annual budget development process.

The source of funding for this allocation is overhead generated by federal research grants and contracts. The revenue represents reimbursement by the federal government for prior GPR-funded administrative (both central campus and divisional/departmental) and facilities (e.g. debt service, operations and maintenance) expenditures in support of the organized research program.

The purpose of this allocation is to provide funding for investment in critical research staff resources and the capital needs of organized research programs. The federal overhead allocation is the primary source of support for the underlying infrastructure of UW-Madison's research enterprise. UW-Madison's state-funded budget has never been sufficient to meet the infrastructure requirements of the total research program. Given the recent decline in federal research awards, it is critical that you make optimal use of these funds by prioritizing their distribution to sustain and improve the long-term viability and competitiveness of your critical research programs.

Vice Chancellor for Finance and Administration

The 2018-19 total Fund 150 capital exercise allocation to schools and colleges will be \$29.6 million, the same amount as distributed last year. Despite the significant downturn federal research awards over the past several years, and a corresponding decline in expenditures and federal indirect cost revenue generated, the campus will be able to use reserve balances to maintain the capital exercise at its prior year level. As in the past, eighty percent of the campus-wide capital exercise allocation is made directly to schools and colleges.

Finally, it is important to recognize that UW-Madison must continue to manage its year-end balances in a manner that is transparent, accountable and understandable to all of its stakeholders. Within that context, you should make your best effort to expend your allocation before year-end while weighing the strategic nature of your research investments against potential timing constraints on release of funds. School and college indirect cost carryover balance were significant last year. Although all schools and colleges fully documented the commitments against those balances, the balances cannot continue to grow.

Please note that amounts listed in Appendix A relate only to your formula allocations. The Budget Office will follow up with units individually regarding specific purpose allocations, such as Strategic Hires commitments.

The Budget Office will contact your budget staff regarding transfer of funding for specific purpose allocations. If you have any questions, please contact Ann Bourque (890-0481).

cc: Chancellor Rebecca Blank
Associate Vice Chancellor Tim Norris
Ann Bourque

2018-19 Fund 150 Overhead Allocation (Formula only)

Budget Unit	Addressee	Project Number	Amount
Division of International Studies	Guido Podesta, Dean and Vice Provost for Globalization	1502921	\$176,200
College of Agricultural and Life Sciences	Kathryn VandenBosch, Dean	1502931	\$2,452,400
School of Business	Barry Gerhart, Interim Dean	1502934	\$22,000
School of Education	Diana Hess, Dean	1502935	\$554,100
College of Engineering	Ian Robertson, Dean	1502936	\$3,557,900
School of Human Ecology	Soyeon Shim, Dean	PRJ25XM	\$121,000
Office of the Vice Chancellor for Research and Graduate Education	Norman Drinkwater, Interim Vice Chancellor for Research and Graduate Education	1502938	\$5,084,700 (includes WEI)
WISCIENCE	Steven Cramer, Vice Provost for Teaching and Learning	PRJ32DG	\$8,900
Nelson Institute for Environmental Studies	Paul Robbins, Director	1502939	\$123,200
College of Letters and Science	John Karl Scholz, Dean	1502941	\$5,386,500
General Library System	Edward Van Gemert, Director	1502942	\$2,900
Wisconsin State Laboratory of Hygiene	James Schauer, Director	1502947	\$736,100
School of Medicine and Public Health	Robert Golden, Dean	AAD1389	\$10,050,700
School of Nursing	Linda Scott, Dean	1502945	\$57,500
School of Pharmacy	Steven Swanson, Dean	1502946	\$296,200
Division of Continuing Studies	Jeffrey Russell, Vice Provost for Lifelong Learning and Dean	1502951	\$24,500
School of Veterinary Medicine	Mark D. Markel, Dean	1502950	\$945,200