

## Budget/Auxiliary Officer Meeting

Thursday, February 3, 2022

1. Welcome and Introductions (5 minutes)
2. Discussion with Vice President Nelson (1 hour)
  - a. FY23 Tuition & Differentials Increase Update
  - b. TTC Equity and Compression Funding
  - c. Minnesota Reciprocity Bill
  - d. Timing of Auxiliary Rate Setting for FY24 (attachment)
  - e. FY23 101/102/103 Flexibilities
  - f. FY23 Budget Document Narrative (attachment)
3. Review FY23 Budget Guidelines and Timeline (attachment) (15 minutes)
4. Plan UW FY23 Enhancements and Reports/CAT (15 minutes)
- Break (10 minutes)
5. AFIRS/Tuition Model (15 minutes)
6. Miscellaneous Items (30 minutes)
  - a. New Service Based Pricing (SBP) Fund
  - b. SBP/Distance Education Approvals/Reporting Project
  - c. Auxiliary Templates/Reporting from Plan UW
  - d. Utilization of Regent Policy 21-1 and BOR Reporting (attachment)
  - e. FICA deferred tax liability on 136 balances
  - f. Other items
7. Roundtable (30 minutes)
  - a. Sunsetting Segregated Fee Debt Service
  - b. Forecast Results/Challenges/Processes
  - c. Items for 2/15 2-hour ATP meeting

### Attachments:

- Timeline of options for Auxiliary Rate Setting for FY24
- Potential FY23 Budget Document Narrative Items
- FY23 Budget Guidelines and Timelines (details will need more conversations)
- Regent Policy 21-1 and Reporting

# FY24 Auxiliary Rate Setting Tentative Timeline for Discussion

**Current submission information that will likely be needed in the timeline below**

- **Allocable vs. Non-Allocable-Segregated Fees**
- **Operations & Major Projects-Segregated Fees**
- **BOR Reporting-Segregated Fees**
- **Room and Board Rates**
- **Room and Board Reporting**
- **Apartment Rates**
- **Parking Rates**
- **Estimated Future Rates**
- **Prior Fiscal Year Ending Balances**
- **Estimated Current Fiscal Year Ending Balances**
- **Estimated Next Fiscal Year Ending Balances**

<b>Board of Regents Meeting</b>	<b>March 9, 2023</b>	<b>April 6 and 7, 2023</b>
<b>Materials to BOR Office</b>	Last week in February	Last week in March
<b>BOR Briefings</b>	February 13-24	March 13-24
<b>Campus Review</b>	Week of February 13	Week of March 13
<b>UWSA Finalizes Materials</b>	2 weeks	2 weeks
<b>President Briefing</b>	1 <sup>st</sup> week in February	1 <sup>st</sup> week in March
<b>Vice President Briefing</b>	Last week in January	Last week in February
<b>UWSA Budget Office Analysis</b>	2 weeks	2 weeks
<b>Rates due to UWSA</b>	<b>January 9, 2023</b>	<b>February 6, 2023</b>
<b>Preliminary Rates to UWSA</b>	December 2, 2022	January 6, 2023

**Information that will be needed with the campus budget submission**

- **Revenues and Expenditures**
- **Operational Detail**

**The UWSA Budget Office will work with campus Budget and Auxiliary Officers over the next 6 months to enhance the current templates and try to find efficiencies for this process change.**

## Potential Areas for Campus Narratives Highlighting Strategic Priorities in Annual Budget Document

- Enrollment trends
- New and/or changing academic programs or structures
- Operational changes
- New initiatives
- Reallocations
- Reductions
- Philanthropic plans
- Challenges
- Where would your campus like to be in the next 3-5 years?
- What strategies are you implementing to get to where you would like to be?

# University of Wisconsin System 2022-23 Annual Budget Guidelines

## **GENERAL INFORMATION**

### **Timeline**

A summary of the 2022-23 budget building timetable for a June Board of Regents meeting is included on the last page of this document. As in prior years, the timeline for institutional budget submissions is staggered.

### **Auxiliary Rate Submission Dates:**

Comprehensive institutions: April 1

Doctoral institutions and System Administration: April 15

### **Budget Submission Dates:**

Comprehensive institutions: April 1

Doctoral institutions and System Administration: April 15

### **Tuition Authority Changes**

In January, UW institutions received a template for requesting changes in tuition authority. This information should be submitted to the System Budget Office by February 11, 2022, to ensure timely allocation creation. Tuition authority change requests should only be for anticipated increases or decreases in ongoing tuition expenditures. They should not include anticipated expenditure of tuition fund balances – those should be budgeted as fund 231. Salary and fringe benefit costs associated with budgeted 131 are the responsibility of the institution and will not be included in the State's supplement process.

### **Budgeting on Fund 231**

The 2022-23 annual budget should reflect all anticipated tuition expenditures and revenues. Expenditures should include those that are one-time and coming from fund balances. Fund 231 (Academic Student Fees – Carryforward Contribution) should be used in the budget for anticipated expenditures beyond an institution's allocated fund 131 budget authority. This will allow the budget to reflect all anticipated expenditures (including non-recurring one-time expenditures) while also allowing easy identification of one-time expenditures vs. on-going base budgets. All expenditures in the financial system will continue to be on fund 131 or 1(a) – there will not be actual expenditures on fund 231.

### **Fund 109**

Please ensure that there is nothing budgeted on fund 109. Effective with FY21, fund 109 utilities were allocated out as fund 101-106 and should be budgeted on the fund allocated.

### **Budgeting on Funds 133 and 233**

Institutions are no longer required to zero out fund 233 entries in the budget system. Budget submissions can include both fund 133 and 233.

### **GPR Budget Shifts**

While building your 2022-23 budget, keep in mind that there should be no shifts onto the GPR salary line beyond what has been allocated. Increases on the salary line may result in a corresponding increase to the fringe benefit line which will be de-allocated from your supplies and services budget. If your campus intends to make this type of shift, please reach out to Chrissy Klappa ([cklappa@uwsa.edu](mailto:cklappa@uwsa.edu)).

### **Pay Plan – General Information**

JCOER approved pay plan for the 2021-2023 biennia on December 21, 2021. Pay plan for 2022-23 is 2% effective January of 2023. Campuses will receive allocations for pay plan, however, as with the past few pay plans, that pay plan will not be administered by person using the CAT.

### **Planning for Non-GPR Funds Pay Plan**

Pay Plan should be built in as a lump sum amount either in a campus clearing account or in individual departments, and not attributed to individuals.

Institutions should budget for the second half of the 2021-22 2% pay plan effective January 2022 as well as the first half of the 2022-23 2% pay plan effective January 2023.

### **Plan UW**

Plan UW is used for budgeting non-salary expenses as well as revenue and fringe benefit budgeting. Budgets are developed utilizing more detailed account codes rather than just the major class. The account code documentation can be found here:

<https://www.wisconsin.edu/budget-planning/system-project/training/>

The System Budget Office will budget GPR revenue for institutions at the end of the budget development process. Campuses should not budget revenue on GPR funds. All other revenue (including 131 tuition revenue) should be budgeted based on the amount of revenue the institution expects to generate, rather than balancing to expenditures.

Plan UW integrates with the Shared Financial System (SFS) and the Compensation Administration Tool (CAT). More information and resources related to Plan UW can be found at:

<https://www.wisconsin.edu/budget-planning/system-project/>

### **NEW FOR FY23 – Budget Narrative**

A template will be provided for campuses to submit a budget narrative to be included in the Annual Operating Budget document. This will be a discussion item at the February 3, Budget Officer Meeting.

## **Plan UW Integrations**

Integrations with Plan UW during FY23 budget development will happen on the following cadence:

### Combo Edit Checks

Madison	Overnight Monday, Wednesday, Friday
Milwaukee & Comprehensives	Overnight Sunday, Tuesday, Thursday
All Institutions	Overnight Saturday
CAT to Plan UW	Hourly from 9:00 am – 5:00 pm and 3:30 am
Department Metadata Refresh	Weekly
Account Metadata Refresh	Weekly

We are now using each institution's FY23 Department Tree for building the FY23 budget, a combo edit report will be emailed to campus contacts nightly.

## **Planning Allocation System**

The Planning Allocation System will be available in early February, initial allocations will be entered by mid-February.

## **SmartView**

It is recommended that users update their SmartView version at least once per year. Procedures for installing SmartView can be found here (ensure "run as administrator" is selected):

<https://www.wisconsin.edu/budget-planning/system-project/help-topics/>

Step-by-step documentation for creating reports in SmartView ad hoc has been added to the Budget Office website and can be found here: <https://www.wisconsin.edu/budget-planning/system-project/training/>

## **Compensation Administration Tool (CAT)**

Salary data will continue to be budgeted in the CAT. Detailed information and CAT resources can be found at: <https://www.wisconsin.edu/compensation-administration-tool/>.

## **Auxiliary Submissions**

Please see the Auxiliary Cost Factors memo for information specific to the development and submission of auxiliary budgets.

## **Non-GPR Positions**

For all non-GPR funding sources, the System Budget Office will be comparing the number of positions in the budget submission to the number of filled positions in the January position control reports. Budgeted positions that are significantly higher than the January filled position control levels will require a justification.

## **Budget Reports**

To assure all budget development issues have been resolved please run the Allocated vs Budgeted reports and the CAT reports during budget development and prior to submitting your budget.

The Allocated vs Budgeted reports are found in the Planning Allocation System in the UWSA Planning Allocations card in Plan UW.

Information regarding the CAT reports can be found at:

<https://www.wisconsin.edu/compensation-administration-tool/>

At the time of submission, the following reports should be free from unexplained errors:

- Under Min, Over Max Report (CAT)
- Record Errors Report (CAT)
- Combo Edits Error Report (Plan UW)

Thank you, and please feel free to contact Chrissy Klappa [cklappa@uwsa.edu](mailto:cklappa@uwsa.edu), or Aimee Arnold at [aarnold@uwsa.edu](mailto:aarnold@uwsa.edu), if you have any questions.

CAT specific questions should be directed to [jgoytowski@uwsa.edu](mailto:jgoytowski@uwsa.edu).

Plan UW specific questions should be directed to [PlanUW@uwsa.edu](mailto:PlanUW@uwsa.edu).

### **Current Year Forecast Submission**

Campuses will submit their second FY22 current year forecast for inclusion as part of the 2022-23 Annual Budget Document. This forecast will be based on February data, and should be submitted to the System Budget Office no later than May 1, 2022. Specific guidance will be provided prior to the Current Year Forecast being opened.

## **HELPFUL HINTS AND INFORMATION FOR BUDGET RECONCILIATION**

The System Budget Office has prepared a list of some items to check for and verify before submitting the budget.

### **Planning Allocation System (in the UWSA Planning Allocation Card in Plan UW)**

Undistributed Funds – Review Allocation Reports for any undistributed funds and submit forms to the System Budget Office to distribute these funds. Once allocations have been entered, review the Allocated vs. Budgeted report to ensure undistributed lines have a zero variance.

Allocated vs. Budgeted Report – Review the Allocated vs. Budgeted report to check for the following items:

- For all funds that receive an allocation (GPR funds, 131, 132 and 189), there is zero variance for both dollars and FTE.
- Generally, we don't expect to see shifts onto or off-of the salary line. However, should your institution want to make such a shift, please reach out to us before doing so. If no shifts are being made onto or off-of salary, there should be a zero variance on 'Total S&W' and 'Total Non-S&W'.
- Any large shifts between programs, especially out of instruction and onto institutional support, may require an explanation during the check-out process.

### **CAT**

Position Report – You may want to run a position report to have a complete picture of all entries made in the CAT.

Under Min/Over Max – Run this report and review employees or vacant positions that may be under the min or over the max. Employees (or vacant positions) under the minimum should be corrected. Employees (or vacant positions) over the max should have an Extraordinary Salary Range (ESR) agreement with your institution.

Record Errors – This report should be free of errors, however there are a few exceptions. Contact Jennifer Goytowski [jgoytowski@uwsa.edu](mailto:jgoytowski@uwsa.edu) for questions about exceptions.

### **Plan UW**

Consolidated Trend Review – Under Budget Review, use the Consolidated Trend Review to view your budget at a high level as well as compare it to prior years.

Revenue and Expense Report – Under Reconciliation Reports, use the Rev and Exp Rpt by Dept - Summary to check for the following items:

- PR revenue is budgeted appropriately
- No revenue is budgeted on GPR funds
- Revenue budgeted on fund 131 is what your institution believes you will generate in total tuition



**2022-23 ANNUAL BUDGET TIMELINE**  
**REFLECTS A JUNE BOARD OF REGENTS MEETING**  
**TENTATIVE**

<u>BUDGET BUILDING STEPS</u>	<u>DATES</u>
Initial Auxiliary Cost Factors Distributed	November 2021
Plan UW Initialization	February 2022
CAT Initialized	February 2022
Auxiliary Instructions Posted and Templates Sent	February 2022
Tuition Authority Change Request Form Sent	January 2021
Initial Allocations Entered	Mid-February 2021
Tuition Budget Authority Change Requests Due to System Budget Office	February 11, 2022
Institutional Estimates for Seg Fee and Room/Board Rate Changes Due to System Budget Office	February 16, 2022
Inter-Institutional Allocations Sent to Institutions	March, 2022
Auxiliary Budgets and Worksheets submitted to System Budget Office: Comprehensives (including branch campuses) Doctoral & SYS	April 1, 2022 April 15, 2022
Annual Budget Due Dates: Comprehensives (including branch campuses) Doctoral & System Admin	April 1, 2022 April 15, 2022
Budget Narrative Due: Comprehensives (including branch campuses) Doctoral & System Admin	April 1, 2022 April 15, 2022
Current Year Forecast Due	May 1, 2022
System Budget Office Sends Out Auxiliary Budget Tables for Institutional Review Prior to Board of Regents Meeting	May 2022
Board of Regents Meeting	June 9-10, 2022

# Internal Management Flexibility of Auxiliary Funds

## Scope

This policy applies to all program revenue balances from auxiliary operations, except those funded with segregated fees or parking revenues, which are required by state statutes to be used for the purpose(s) for which they were generated. Auxiliary operations exist to provide goods or services to students, faculty, staff or incidentally to the general public and charge fees directly related to the costs of the goods or services. Examples of auxiliary operations include housing services, food services, and bookstores.

## Purpose

This policy outlines the expectations of the Board of Regents related to the use of auxiliary balances within UW institutions and the ability to use auxiliary funds for other purposes to support the mission of the institution, unless prohibited by state statutes.

## Policy Statement

Under Wis. Stat. s. 20.285(1)(gb), the Board of Regents is granted broad authority to administer and manage the UW System's educational programs and related programs. Since the State of Wisconsin moved the UW System to block grant funding in the 2011-13 biennium, a single non-GPR appropriation (or "fund") replaced several funds previously identified in state statutes for distinct types of operations or services.

Due to the complexity of UW institutions and their need to leverage resources to the greatest extent possible to achieve their missions, the Board of Regents delegates authority to the UW System President and the President's designee(s) to approve the transfer of program revenue balances from an institution's auxiliary operations to other operations or across auxiliary operations, within that institution. These transfers can be used to broadly support the mission of the institution and must be discrete budgetary decisions that result from unanticipated auxiliary fund balances.

## Oversight, Roles and Responsibilities

The Board of Regents delegates authority to the UW System President to develop operational policies and parameters regarding to the financial management of auxiliary operations and balances.

To ensure transparency and accountability, all fund transfers shall be discretely tracked and reported annually by institution and by auxiliary operation, to the Board of Regents.

## Related Regent Policies and Applicable Laws

Wis Stat. s. 36.27(6), Segregated Fees

**Campuses that have utilized this policy:**

**FY20:** UW-Platteville, UW-River Falls, UW-Whitewater

**FY21:** UW-Green Bay, UW-Eau Claire, UW-Milwaukee at Washington County, UW-Milwaukee at Waukesha, UW-Stout