



WISCONSIN
UNIVERSITY OF WISCONSIN-MADISON



BUDGET IN BRIEF

BUDGET REPORT 2021-2022



This document is intended to provide an easy-to-understand glimpse of UW–Madison’s budget picture.

Revenue information included in the document is from the 2020–21 fiscal year, the most recent year for which complete information is available. Most other budget, tuition, and fee data are for 2021–22.

For a more comprehensive look at UW–Madison’s revenues and spending, and information about faculty, staff, and students, visit the university’s *Data Digest* at apir.wisc.edu/data-digest.

From the Chancellor



Our commitment to Wisconsin is built on the belief that higher education transforms lives.

Thanks to the commitment and investment of many generations of Wisconsin citizens, the University of Wisconsin–Madison maintains its position among the top-rated universities in the world. Our commitment to Wisconsin is built on the belief that higher education transforms lives.

Having a major research and educational institution enriches the overall quality of life for all in Wisconsin. Our responsibility is to be good stewards of those resources and to spread the positive influence of our teaching and research across our state and beyond.

Our budget is complex, with many revenue streams and expenditures driven by education, research, economic development, and outreach efforts throughout Wisconsin and the world. Each year, we publish this document, the *Budget in Brief*, to provide information about how we are using the investment that students, taxpayers, and other friends and supporters make in our university.

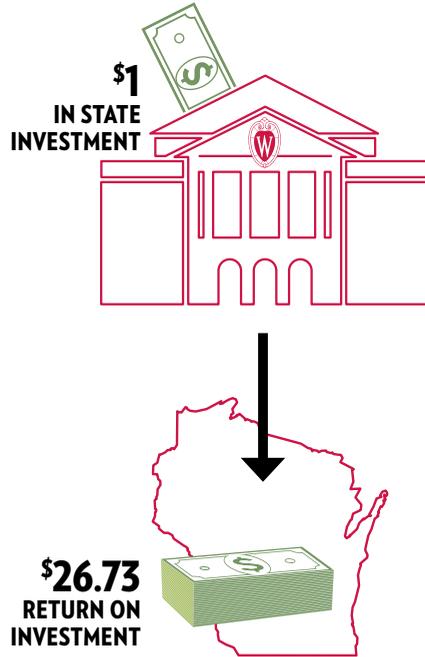
Our goal is for the *Budget in Brief* to explain our budgeting process and to demonstrate the incredible value of UW–Madison to the state of Wisconsin. With sustained investment, UW–Madison will continue to change lives for generations to come.

If you have questions or concerns about our budget, I invite you to contact us at budget@uc.wisc.edu.

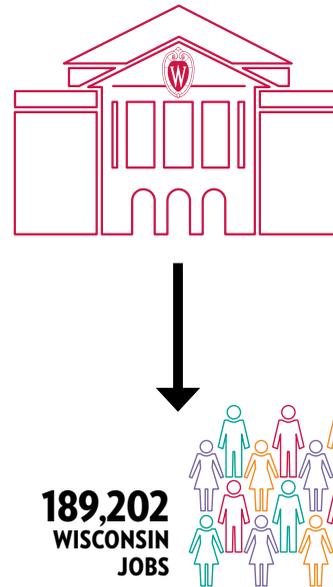
Rebecca Blank
UW–Madison Chancellor

Economic Impact

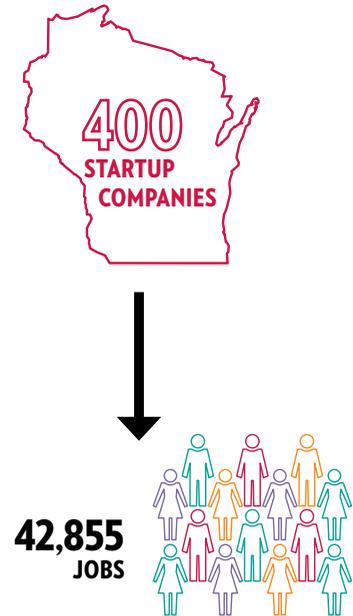
Wisconsin taxpayers get a tremendous return on their investment in the state's flagship university



\$30 BILLION
Overall Economic Impact



\$718.6 MILLION
In State and Local Tax Revenue



\$10 BILLION
Impact from New Wisconsin Startups

A 2020 study by NorthStar Consulting found that **for every state taxpayer dollar** spent on UW–Madison, the university **generates \$26.73** for the state economy, accounting for \$30 billion annually in economic impact statewide.

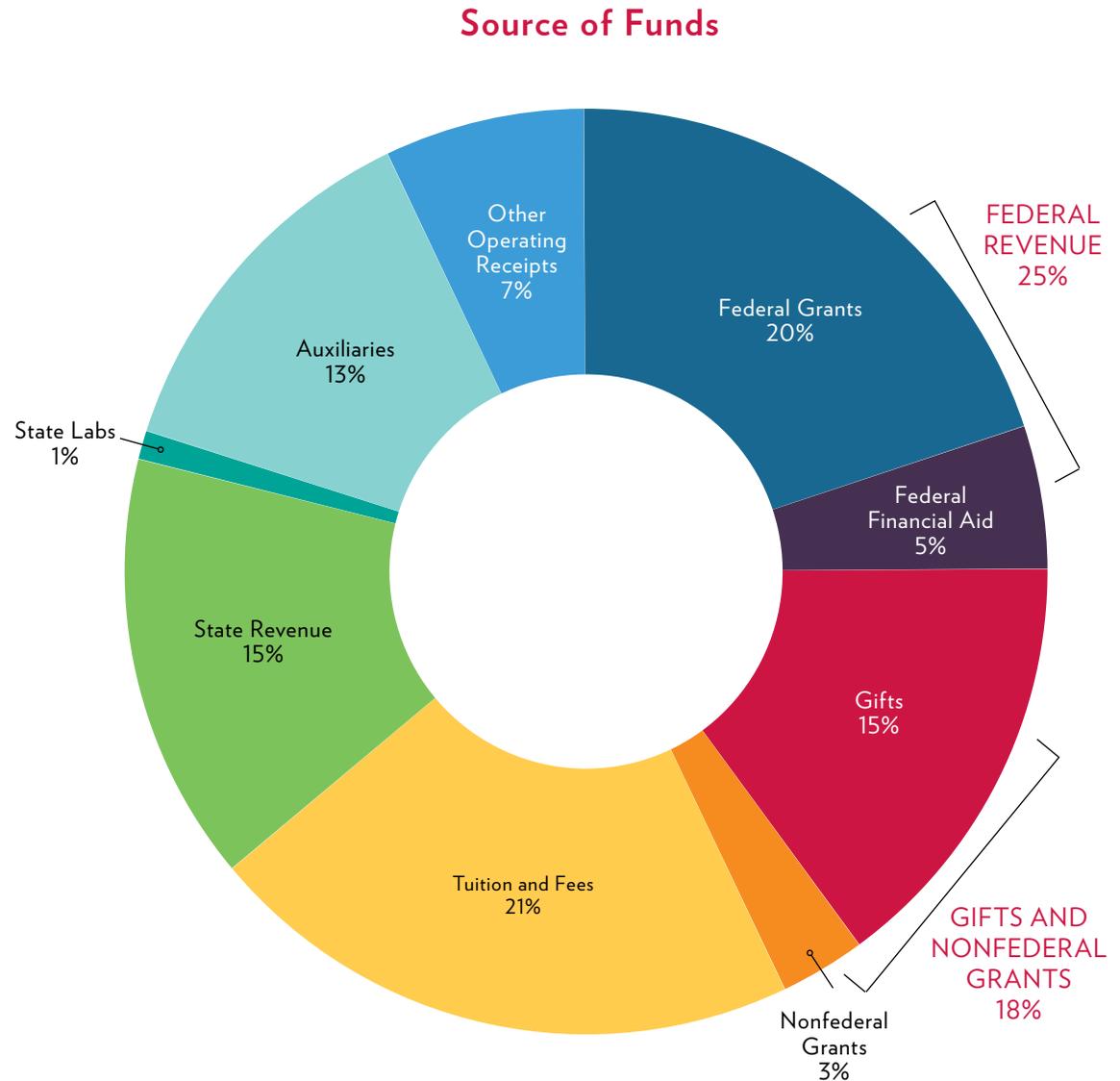
UW–Madison, UW Hospital and Clinics, and the university's affiliated organizations and startup companies support **189,202 Wisconsin jobs** and generate more than **\$718.6 million annually** in state and local tax revenue, according to the NorthStar study.

UW–Madison research has fostered more than **400 startup companies** that support more than **42,855 jobs**, **generate \$320 million in state and local tax revenue**, and contribute approximately **\$10 billion annually** to the Wisconsin economy, according to NorthStar.

Part I: Revenue Sources in Fiscal Year 2020–2021

UW–Madison receives revenue from five main sources for its \$3.6 billion budget. The university's mission is supported by state and federal government investments, tuition, research grants, and contributions from friends of the university.

- The largest portion of the university's budget, approximately \$892 million, or 25 percent, is from the federal government. Most of this is competitively awarded to UW–Madison for specific research projects and supports salaries for faculty, staff, and students, and funds research facilities.
- The second-largest amount, \$749 million, 21 percent of the budget, comes through student tuition and fees.
- Gifts from donors and private grants, \$676 million, account for 18 percent of the budget.
- Revenue from state government for the 2020–21 fiscal year totals \$537 million, or 15 percent of the overall budget. State revenue includes general program revenue (\$364 million), over which the university has some discretion, and specific-purpose revenue (\$173 million), which goes to predetermined programs and services.
- Revenues from auxiliary enterprises, such as University Housing and the Wisconsin Union, account for \$468 million, or 13 percent of the overall budget. This money is collected and spent almost entirely within these units and cannot be used for other purposes.



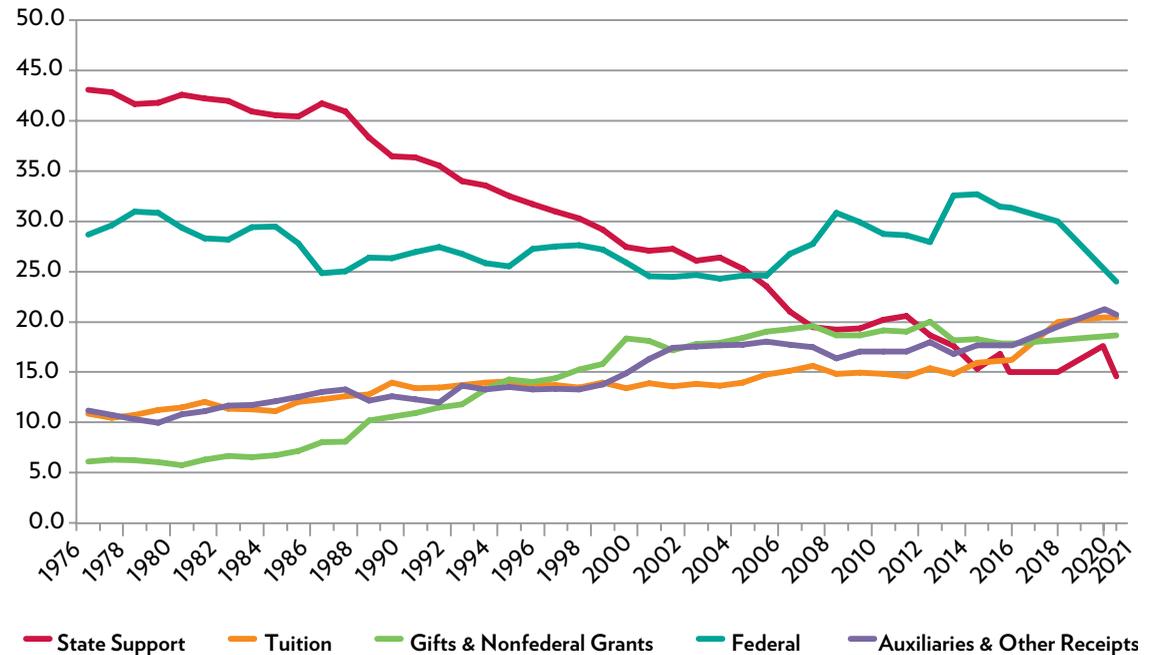
Changing Budget Landscape

UW–Madison’s funding sources have shifted over the decades. As the chart on the right indicates, the amount of support we receive in state funds relative to our overall budget has declined, and the university has become increasingly reliant on private donations, federal dollars, and tuition payments.

- For instance, in 1974, the year the UW System was created, state revenue accounted for 43 percent of UW–Madison’s total revenue. This has declined to 15 percent of the university’s total revenue in 2021. In 1974, tuition made up roughly 11 percent of the budget, compared to 21 percent today. Gifts and nonfederal grants accounted for 6 percent of the budget in 1974, versus the current 18 percent.
- At the time of the UW System merger, state support in inflation-adjusted dollars was approximately \$569 million. Since that time it has declined by approximately \$32 million to the current level of \$537 million.
- The reduction in state support has coincided with real price increases in the things that universities must purchase, as well as growth in the number of students from 38,545 to 45,540 in fall 2020. In inflation-adjusted dollars, state support per student was \$14,783 at the time of the merger. Today it is \$11,790.

Source of Funds

Percent of total budget



Tuition and Fees

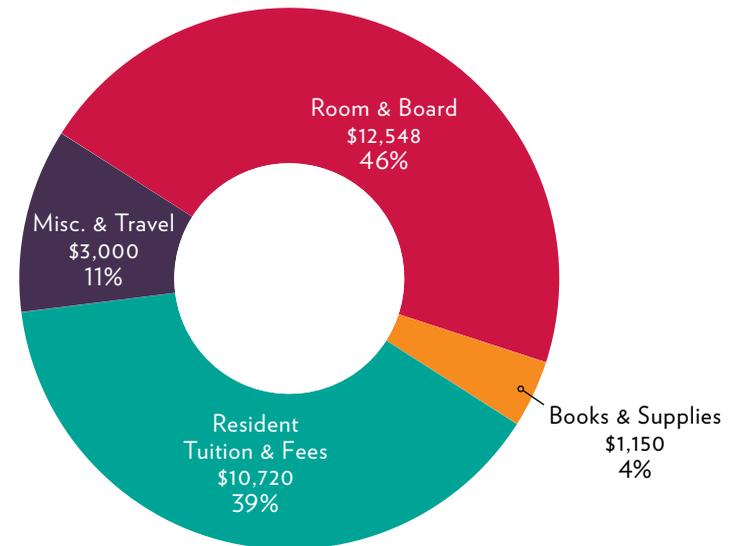
Tuition and fees are part of the overall cost of attending UW–Madison. Tuition for in-state undergraduates enrolled at UW System campuses has been frozen since 2013.

UW–Madison is consistently ranked one of the nation’s best values among public colleges and universities. University Residence Halls at the University of Wisconsin–Madison offer some of the lowest on-campus housing rates of any Big Ten school while providing exceptional facilities, programs, and experiences.

The support of generations of Wisconsinites has helped to make UW–Madison a top institution. In return for that legacy of investment, we strive to keep tuition for in-state students affordable. UW–Madison ranks 10th among the Big Ten Conference’s 13 public schools for in-state resident undergraduate tuition and fees. For nonresident undergraduate students, UW–Madison tuition and fees are fourth among Big Ten public universities.

Notes: Rates shown are for new, entering students. Most of the public Big Ten universities assess additional fees, beyond those shown at right, for undergraduates enrolled in specific academic programs, such as engineering and business. Source: Peer AAU institutions Survey of Academic Year Tuition & Required Fees.

Cost of Attendance for Typical Wisconsin Undergraduate Total = \$27,418



2021–2022 Academic Year Tuition & Required Fees at Public Big Ten Universities

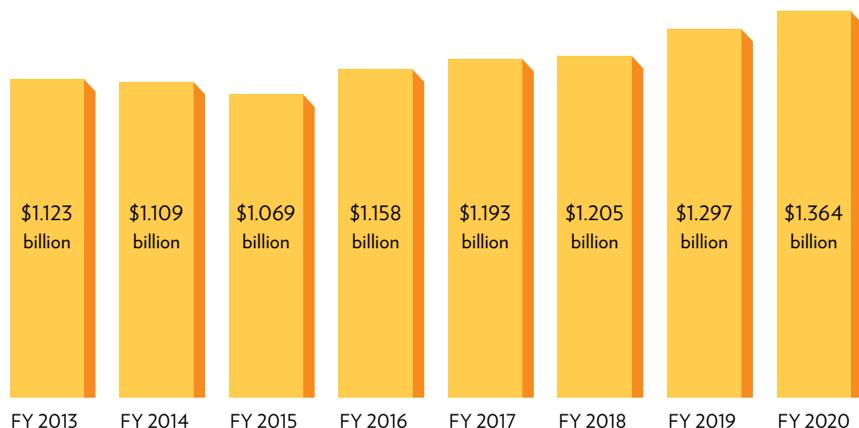
University	Undergraduate: Resident		Nonresident	
	Amount	Rank	Amount	Rank
Pennsylvania State University	\$18,898	1	\$36,476	6
University of Illinois at Urbana–Champaign	\$16,866	2	\$34,316	8
University of Michigan	\$16,178	3	\$53,232	1
Rutgers University	\$15,804	4	\$33,005	10
University of Minnesota–Twin Cities	\$15,254	5	\$33,817	9
Michigan State University	\$14,850	6	\$40,662	2
Ohio State University	\$11,936	7	\$35,018	7
Indiana University	\$11,333	8	\$38,353	5
University of Maryland	\$10,955	9	\$38,638	3
University of Wisconsin–Madison	\$10,720	10	\$38,608	4
Purdue University	\$9,992	11	\$28,794	12
University of Iowa	\$9,942	12	\$31,905	11
University of Nebraska	\$9,590	13	\$26,720	13
Average excluding UW–Madison	\$13,466		\$35,911	
Midpoint excluding UW–Madison	\$13,393		\$34,667	
UW–Madison distance from midpoint	–\$2,673		+\$3,941	

Research and Development

UW–Madison is home to one of the largest research enterprises in the nation. The research done on campus leads to new ways of understanding the world around us and to scientific and medical advances. Research also stimulates economic activity, providing jobs and commerce statewide.

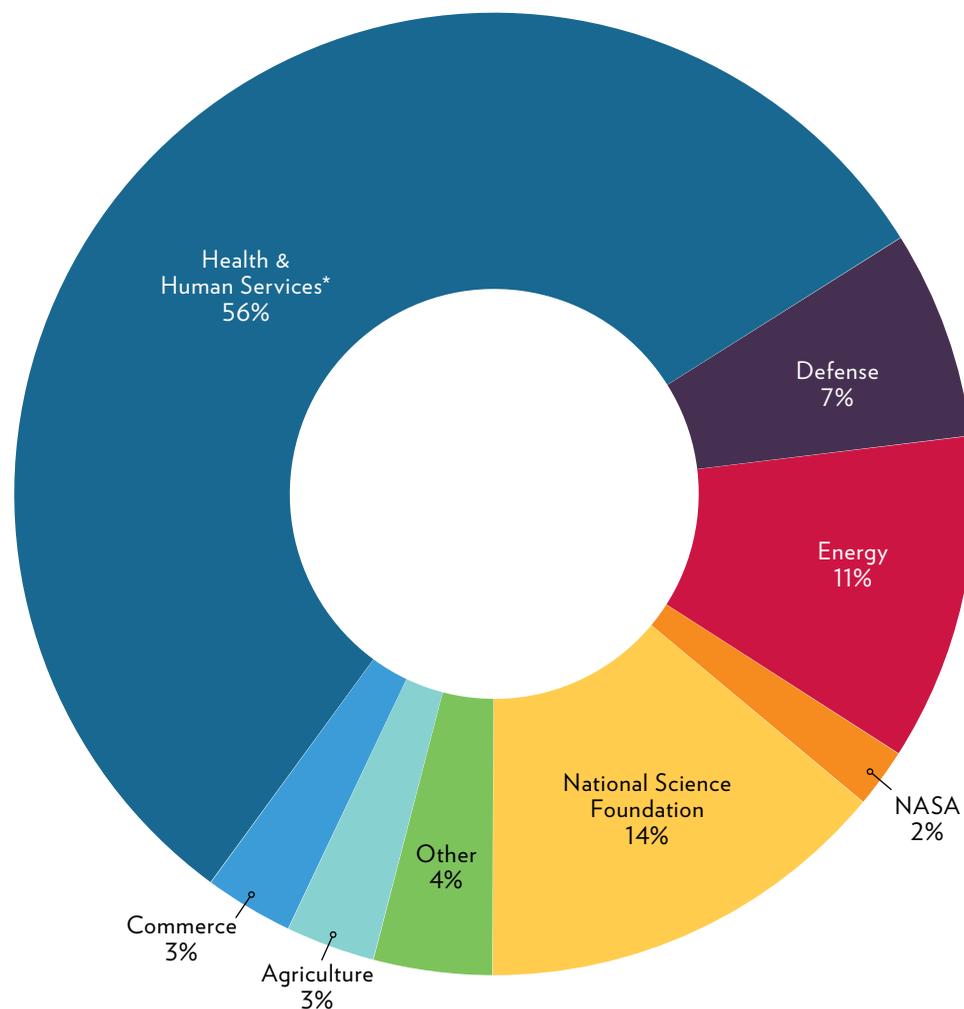
- UW–Madison received nearly \$1.4 billion from federal and state government and private sources for research and development in fiscal year 2020.
- Since national rankings began in 1972, UW–Madison has been perennially in the top ten universities for research and development spending. It was ranked sixth in 2015, 2016, and 2017, and eighth in 2018, 2019, and 2020.
- Federal research dollars are awarded competitively for specific projects and require faculty to be innovative and entrepreneurial. Our researchers compete for these federal funds with other top researchers from institutions across the United States.

Total Research and Development Expenditure Trend



Sources of 2020–2021 Federal Research Awards

Funding allocation by specific federal agencies for research projects at UW–Madison



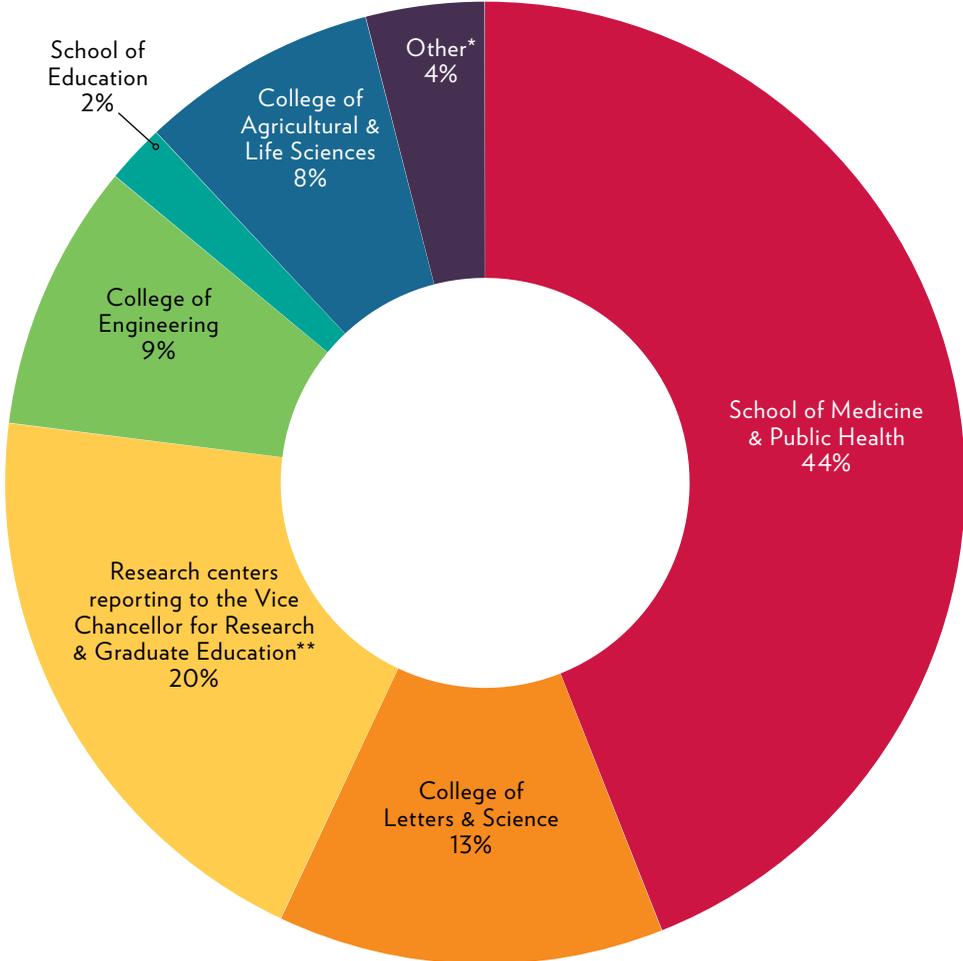
* National Institutes of Health accounts for 93% of HHS funding

Distribution of Research Awards

This chart shows how research awards were distributed across the UW–Madison campus in 2020–21. Faculty and staff across the university—in the sciences, engineering, medicine, business, education, social sciences, arts, and humanities—compete for research dollars and help make UW–Madison a premier research institution.

UW–Madison’s research enterprise brings \$1.3 billion into the state, much of it spent in Wisconsin. Dollars invested here support jobs and are used to purchase goods and services. This research fuels teaching and learning and spurs economic growth and development.

Research Awards by School/College, 2020–21



* Other includes the School of Business, Nelson Institute for Environmental Studies, School of Human Ecology, International Division Law School, School of Nursing, and School of Pharmacy

** Centers include such entities as the Waisman Center, the Biotechnology Center, and the Wisconsin Institute for Discovery

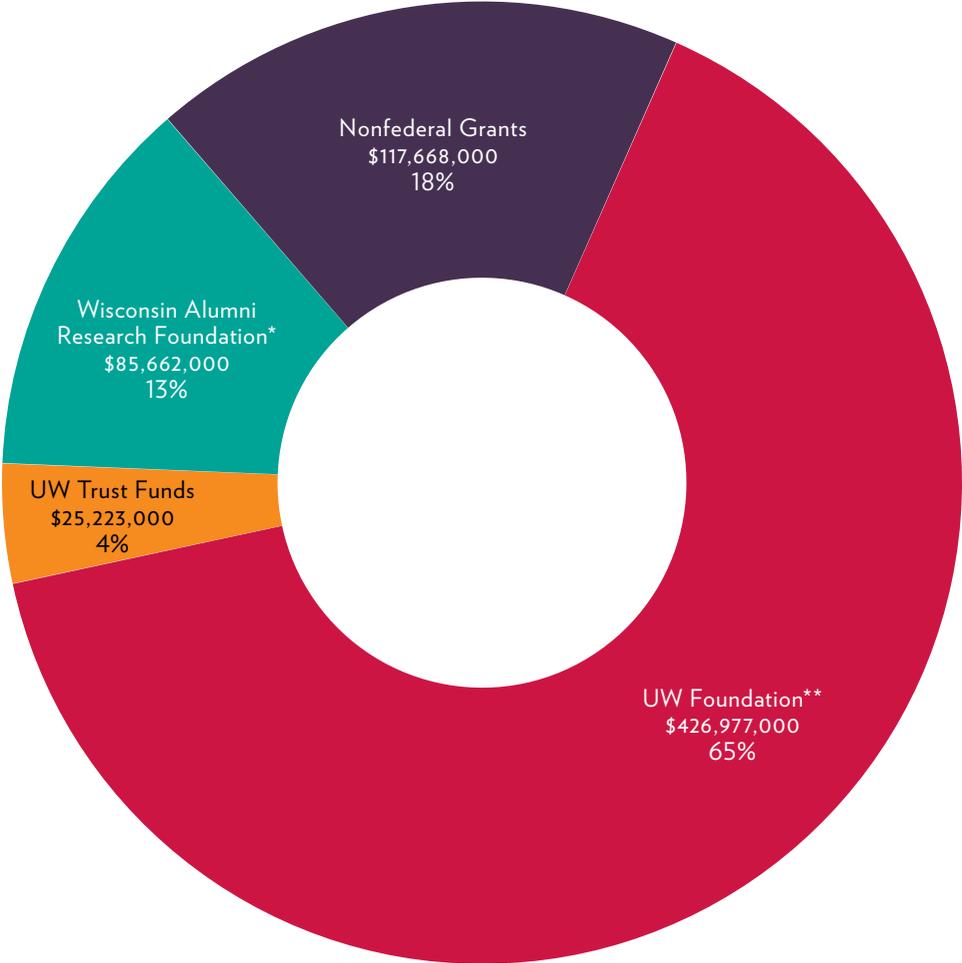
Gift and Grants Funds

UW–Madison also received a significant amount of funding, \$655 million in 2020–21, from private gifts, nonfederal grants, private contracts, and licensing fees. These funds are typically earmarked for specific purposes.

The UW Foundation and the Wisconsin Alumni Research Foundation are strong partners with UW–Madison in generating these funds. As independent entities, they allocate dollars to the university. Many of these funds are not under the university’s control and must be spent on preapproved projects. They cannot be used for discretionary purposes. Private and public universities across the country increasingly depend upon support from their alumni and friends.

The majority of gift funds at UW–Madison are spent to provide need-based financial aid to students, to improve facilities, to spur innovation, and to enrich the academic experience.

Fiscal Year 2021 Gifts and Nonfederal Grants



* Gifts to research-related activities from dollars generated by past patenting and licensing activity

** Athletics and gifts to academic and research programs

Auxiliary Funds

Auxiliary funds are user fees paid for services the university provides to the campus community or general public, such as residence halls, parking services, and athletics events. Most auxiliary units are entirely supported by the funds they themselves generate and collect. UW–Madison budgeted nearly \$481 million in auxiliary revenues in the 2021 fiscal year. These funds typically must be used to support the units where they are collected and cannot be used for other university purposes.

Auxiliary Funds

Agency	Amount	% of Total
Intercollegiate Athletics	\$116.8M	24.3%
University Housing	\$99.5M	20.7%
Hospital Services	\$67.0M	13.9%
Wisconsin Union	\$61.4M	12.8%
Facilities Planning & Management	\$61.1M	12.7%
University Health Services	\$33.5M	7.0%
International Division	\$30.0M	6.2%
University Recreation & Wellbeing	\$10.9M	2.3%
Student Affairs	\$8.1M	1.7%
Division of Information Technology	\$4.8M	1.0%
Other	-12.3M	-2.6%
Total	\$480.8M	100%

Operations Receipts

The university budgeted about \$213 million in revenue in fiscal year 2021 from other sources, typically sales of specific goods and services to the public. For instance, these include payments to the animal hospital at the School of Veterinary Medicine and curriculum licensed via the School of Education.

Operations Receipts

Agency	Amount	% of Total
School of Education	\$78.4M	36.9%
School of Medicine & Public Health	\$25.3M	11.9%
School of Veterinary Medicine	\$23.8M	11.2%
College of Agricultural & Life Sciences	\$17.4M	8.2%
Vice Chan for Research & Grad Ed	\$17.3M	8.1%
Other	\$16.1M	7.6%
UW Extension	\$10.3M	4.9%
College of Letters & Science	\$7.3M	3.4%
Student Affairs	\$4.8M	2.3%
Public Media	\$4.6M	2.2%
College of Engineering	\$2.5M	1.2%
School of Human Ecology	\$2.0M	1.0%
Library	\$1.7M	0.8%
School of Business	\$1.0M	0.5%
Total	\$212.6M	100%

Part II: Expenditures in Fiscal Year 2020–2021

Expenditures at UW–Madison reflect our core missions of education, research, and outreach.

- In the 2020–21 academic year, more than \$2 billion, 62.5 percent of our total expenditures, were allocated to our academic units.
- In addition, 10.6 percent was spent on auxiliary units. Most of these operate independently but serve the entire university and generate much of their own revenue.
- An additional 18.6 percent was spent on support units necessary to the academic and research missions of the university, such as the library system, police services, and information technology.

UW–Madison Expenditures by Unit (In Millions)

Academic Units			All Revenue Sources		
	All Funds	% of Total		All Funds	% of Total
School of Medicine & Public Health	\$616.8	18.5%	Support Units		
College of Letters & Science	\$437.5	13.1%	Facilities Planning & Management	\$216.7	6.5%
College of Agricultural & Life Sci	\$200.0	6.0%	General Services	\$181.7	5.4%
Vice Chan for Research & Grad Ed	\$192.1	5.8%	Division of Information Technology	\$70.3	2.1%
College of Engineering	\$160.0	4.8%	Business Services	\$43.9	1.3%
School of Education	\$150.7	4.5%	General Library System	\$35.0	1.1%
School of Veterinary Medicine	\$79.5	2.4%	Enrollment Management	\$28.3	0.8%
School of Business	\$69.5	2.1%	Student Affairs	\$19.0	0.6%
Law School	\$38.0	1.1%	Police Department	\$14.0	0.4%
Division of Continuing Studies	\$30.9	0.9%	General Administration	\$10.2	0.3%
School of Pharmacy	\$30.0	0.9%	Subtotal	\$619.1	18.6%
School of Human Ecology	\$21.9	0.7%	Outreach Units		
School of Nursing	\$20.2	0.6%	Extension	\$53.8	1.6%
International Division	\$18.2	0.5%	Public Media	\$29.8	0.9%
Nelson Institute for Environmental Studies	\$9.8	0.3%	Subtotal	\$83.7	2.5%
Collab for Adv Learning & Teaching	\$8.6	0.3%	Other	\$193.4	5.8%
Division of the Arts	\$1.2	0.0%	TOTAL	\$3,335.8	100%
Subtotal	\$2,084.8	62.5%			
Auxiliary Units					
Intercollegiate Athletics	\$111.9	3.4%			
University Housing	\$93.3	2.8%			
State Laboratory of Hygiene	\$53.8	1.6%			
Wisconsin Union	\$38.5	1.2%			
University Health Services	\$29.9	0.9%			
Wisconsin Veterinary Diagnostic Lab	\$14.9	0.4%			
University Recreation and Wellbeing	\$12.4	0.4%			
Subtotal	\$354.8	10.6%			

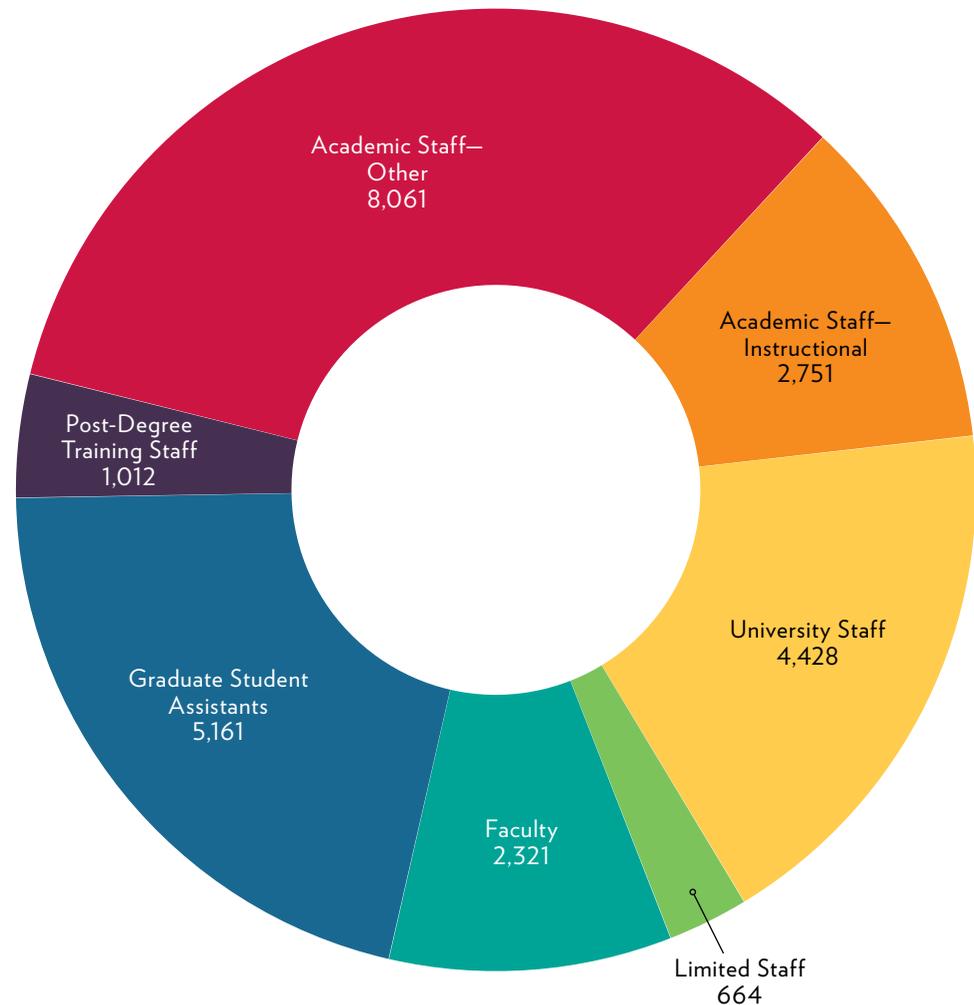
Faculty and Staff

We have world-class faculty and staff at UW–Madison, with teachers and researchers whose skills are in demand in a global marketplace. A large portion of our budget is dedicated to compensation for faculty, academic staff (nontenure-track teachers, administrators, etc.), and university staff (maintenance, clerical, research support, etc.).

Each employee at UW–Madison has a role in supporting our education, research, and outreach missions. In addition to 24,398 members of the faculty and staff, the university also employs more than 9,000 undergraduate students in part-time and part-year work who gain valuable on-the-job experience that will help them after graduation in their future careers.

Faculty and Staff Positions, Fall 2020

Total Positions: 24,398



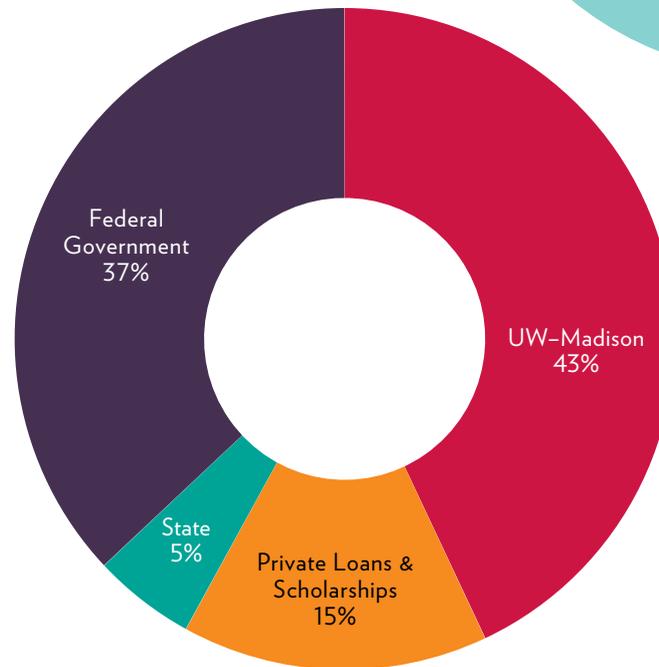
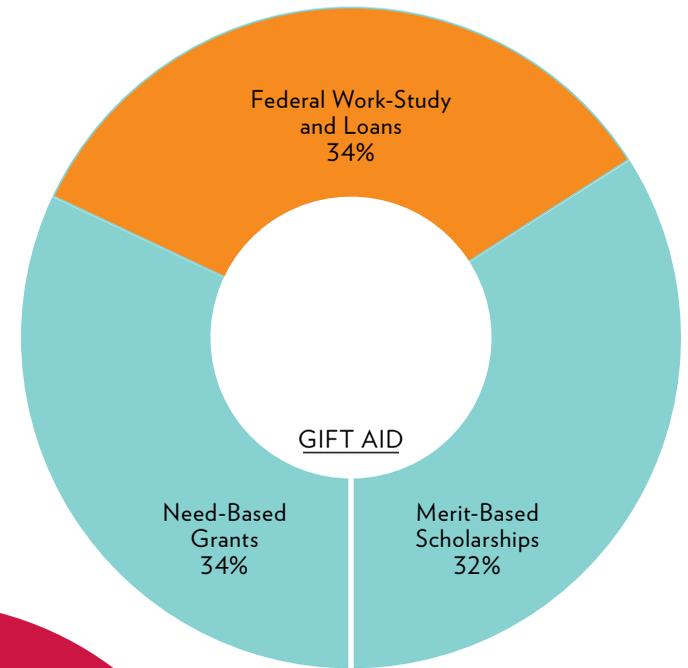
Student Financial Aid

Though UW–Madison strives to keep higher education affordable and accessible, many students and families still need financial support to make degree attainment possible. In 2020–21, 62 percent of UW–Madison undergraduates received some form of financial aid, including student loans.

UW–Madison undergraduate students’ loan debt continues to be below national, state, and UW System averages. In fact, *well over half* of our students graduate without any student loan debt. According to the most recent available student debt data, for those who do borrow, the average student loan debt of \$26,513 for UW–Madison bachelor’s degree recipients is below the state average for undergraduates who borrow (\$30,270) and also below the national average of undergraduates who borrow (\$29,650). The average student loan debt for UW–Madison bachelor’s degree recipients decreased from the prior year compared to the national average student loan debt, which rose slightly. Through efforts to expand financial aid as well as increase financial wellness education, the Office of Student Financial Aid has helped our students reduce debt.

The top chart shows annual grants, scholarships, and loans for UW–Madison undergraduates. Loans include subsidized, unsubsidized, private, state, and institutional. Work-study is earned through federally subsidized employment and does not have to be repaid. The bottom chart shows where these financial aid dollars come from. UW–Madison revenues are the largest source of financial aid for undergraduate students. Private aid is primarily provided by donor-funded scholarships.

Types of Undergraduate Financial Aid
\$321,183,479



Sources for Undergraduate Financial Aid
\$321,183,479

Need-Based Support

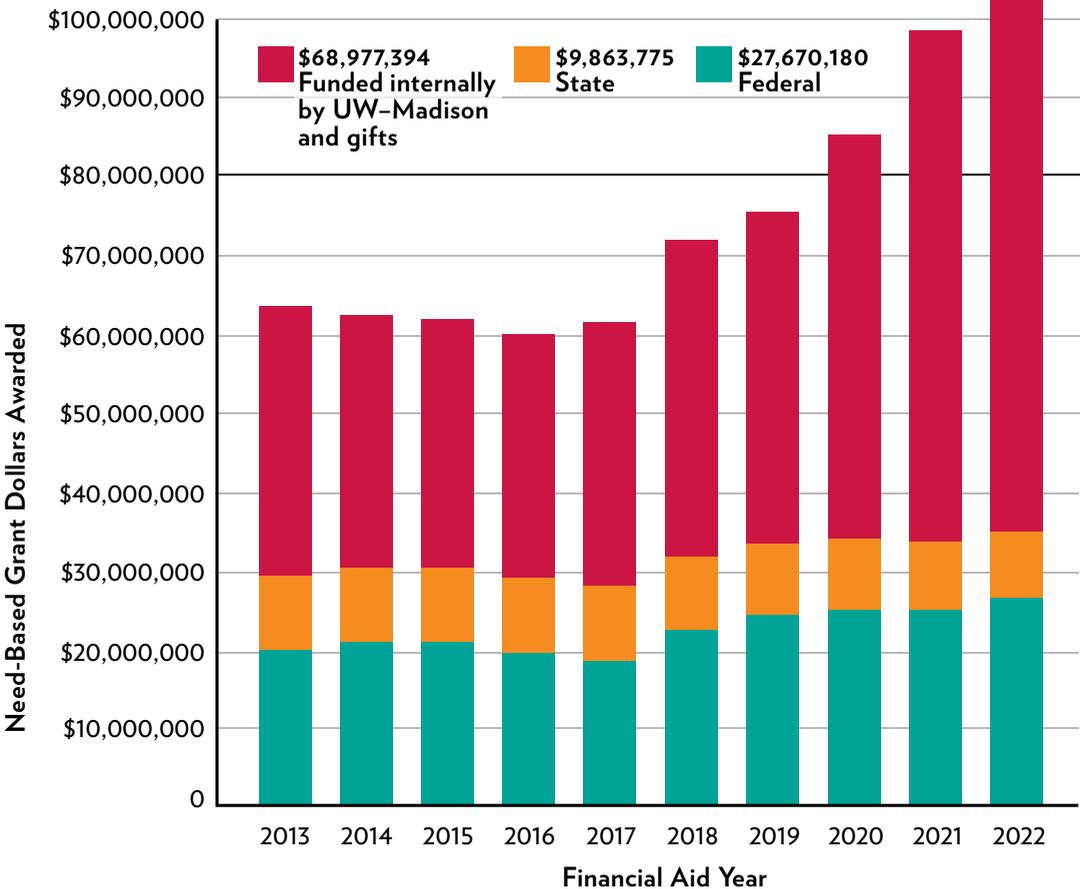
UW–Madison strives to help minimize student loan debt while making the cost of attending the university more affordable by increasing fundraising for financial aid, as illustrated in this graph. Significant strides have been made to make a UW–Madison educational experience affordable for our most financially disadvantaged students. We continue to work toward our goal of closing funding gaps for all students with financial need. More than half of our resident students have annual unmet financial need averaging \$5,470 per student.

As the graph illustrates, internally funded grants from UW–Madison now make up the majority of need-based funds available to undergraduates. Ten years ago, institutional need-based programs were 34 percent of the total need-based grants awarded to undergraduates. By 2021–22, this percentage rose to 64.5 percent of need-based grants.

Even with this increase, UW–Madison continues to have less funding for institutional grants and scholarships than most of our peer institutions. UW–Madison’s Office of Student Financial Aid is at the forefront of creativity in leveraging what is available, striving to be good stewards of these limited resources. Almost 3,500 undergraduates from Wisconsin now receive free tuition through Bucky’s Tuition Promise and other similar initiatives for in-state students. These students, especially from rural Wisconsin, would not have had the opportunity to benefit from a UW degree without this much-needed support.

Undergraduate Need-Based Grant Dollars Awarded at UW–Madison, 2013–2022

In 2022, \$106 million in need-based grants were disbursed



Year-End Fund Balances

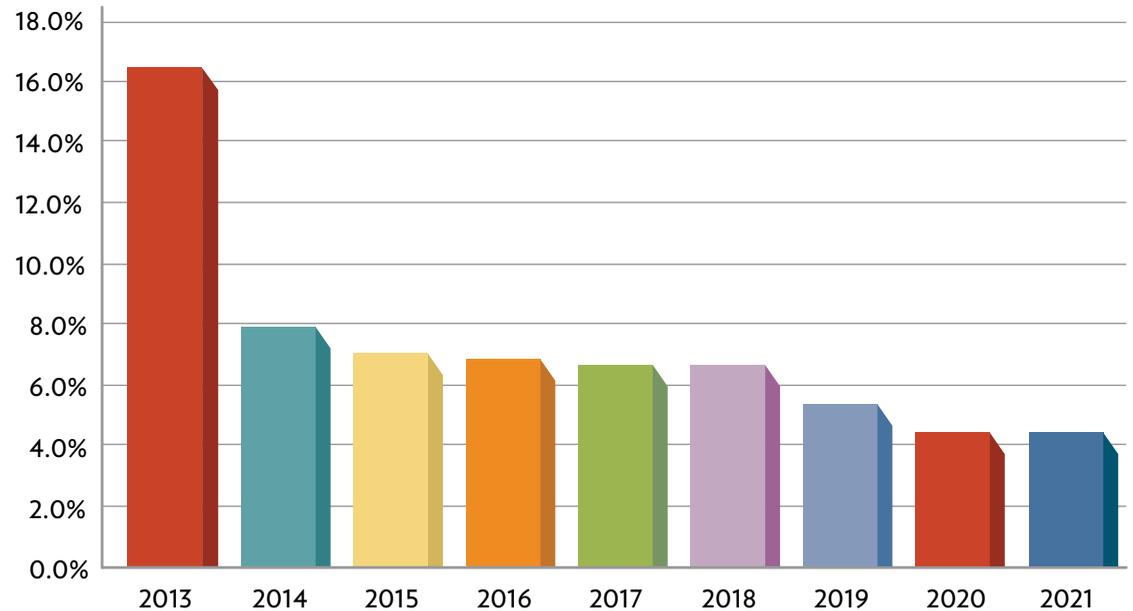
UW–Madison is working hard to manage its fund balances to minimize cost increases, to make strategic investments, and to retain a prudent amount for unplanned events.

The university’s tuition balance, as calculated by Legislative Audit Bureau methodology, declined from 16.3 percent in 2013 to 4.4 percent in 2021.

- Much of the tuition balance is designated for commitments that have been made but are not yet paid for, such as financial aid to low-income students or faculty and staff hiring.
- Approximately 5 percent of our tuition balance is not designated for specific purposes. Holding a small share of tuition balances in reserve is necessary for the operation of a large research university.

The funds are used as a safeguard against revenue fluctuations caused by enrollment shifts or state budget cuts and to cover sudden cost increases for obligations like emergency maintenance, utilities, and fringe benefits. Based on metrics utilized by Moody’s Investors Services to assess a university’s financial strength, UW–Madison’s reserves are in line with financial agency recommendations for top-ranked universities.

Tuition Carryover Ratio



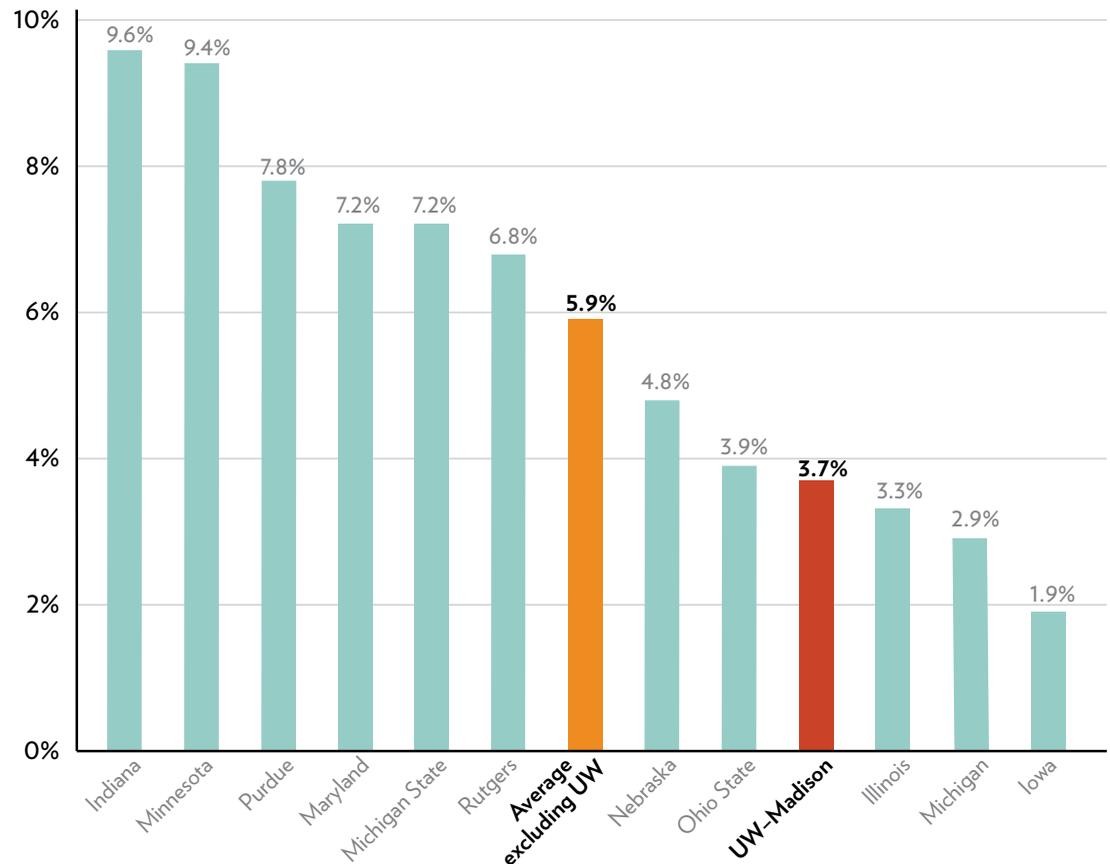
Fiscal Year 2019 Administrative Support Expenses

UW–Madison offers the state of Wisconsin a university that is among the world’s elite academic and research institutions at a lower administrative cost than other top public and private universities.

According to 2019 data (the most recent year available), the amount spent on day-to-day administrative support as a percentage of total operating expenses at UW–Madison is fourth lowest among the 13 public institutions in the Big Ten.

UW–Madison’s administrative support costs—which include general administrative services, legal and fiscal operations, purchasing and printing, and information technology—are only 3.7 percent of total expenses. At other public Big Ten schools, these costs range as high as 9.6 percent of overall expenses.

Fiscal Year 2019 Administrative Support Expenses UW–Madison and Other Public Big Ten Universities



Commitment to Wisconsin

UW–Madison’s commitment to Wisconsin creates a powerful partnership to grow the state economy by using funding from the state budget to educate and prepare students to become the next generation of highly skilled employees needed by Wisconsin businesses. This investment by Wisconsin residents gives them access to a world-class university and a tremendous economic return thanks to the jobs and startup companies generated by the university.

Part of our commitment to Wisconsin is to enroll at least 3,600 Wisconsin residents each fall as freshmen at UW–Madison. In fall 2021, we exceeded that by enrolling 3,859 in-state students. These students were part of a record-setting pool of 53,829 applications from around the world.



ACCESS

- Freshman applications in 2021 totaled 53,829, a 17% increase over 2020.
- 9,799 Wisconsin residents applied and 65% were admitted.
- The 2021 freshman class is the largest in the university’s history—8,465, with 3,859 from Wisconsin. As the number of high school graduates has declined in Wisconsin, a growing share are attending UW–Madison.



AFFORDABILITY

- More than half of our undergraduate students graduate without student loan debt, compared to one-third nationally.
- Bucky’s Tuition Promise guarantees scholarship and grant funding to pay for four years of tuition and fees for students whose annual household adjusted gross income (AGI) is \$60,000 or less.
- The Badger Promise guarantees first-generation, Wisconsin-resident transfer students up to two years of grant and scholarship funding for tuition and fees. One in five new Wisconsin students benefited from Bucky’s Tuition Promise or Badger Promise in 2020.



BUILDING WISCONSIN’S WORKFORCE

- The freshman-to-sophomore retention rate is high, better than 95%, compared to the Big Ten average of 93%.
- UW–Madison had a six-year graduation rate of 89.2% in 2021, placing it sixth among public research universities in graduation rates.
- Time to graduation continues to fall. Undergraduates now complete their degrees in an average of 3.89 years, down from 4.15 10 years ago.
- At the 10-year mark, 48% of bachelor’s degree alumni have a Wisconsin address.

COVID-19 Impact

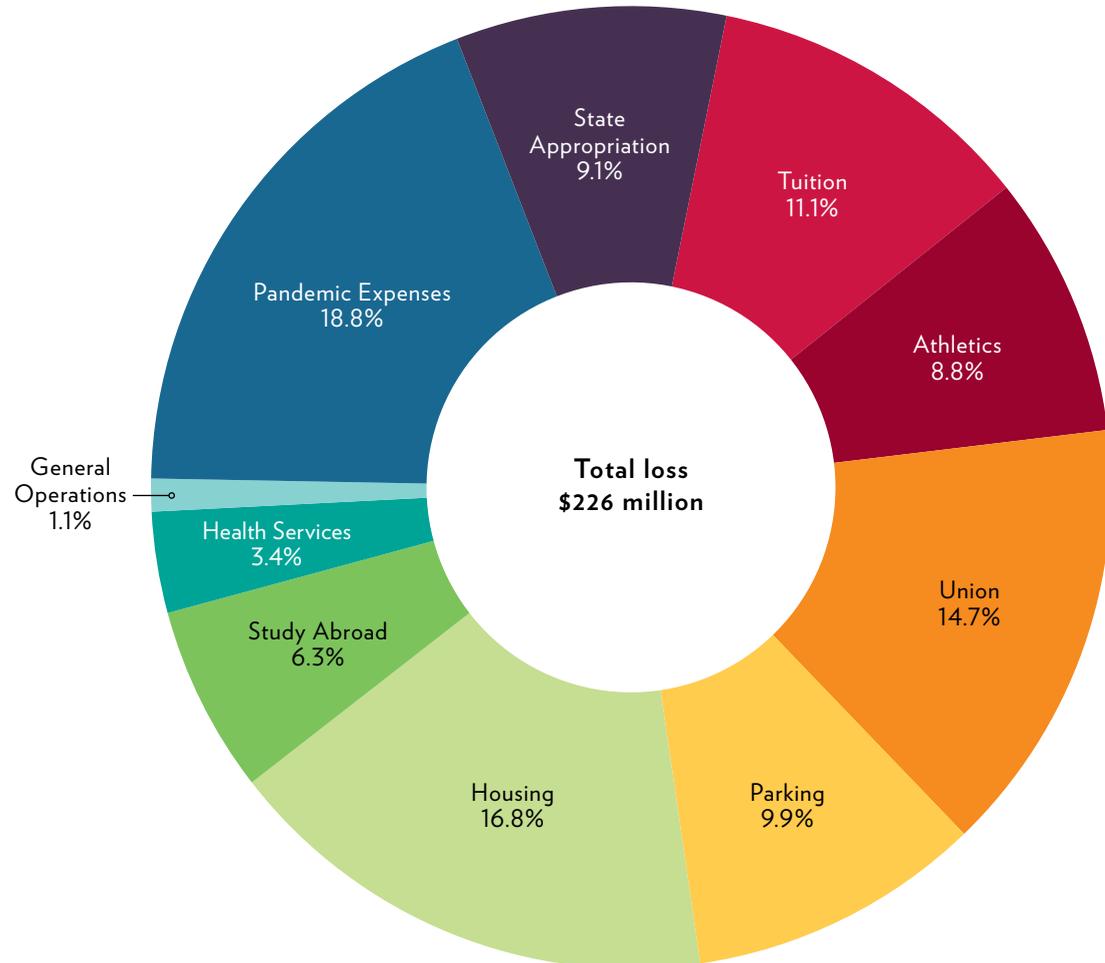
Through the 2021 fiscal year, the budget impact of the COVID-19 pandemic on UW–Madison was \$226 million in revenue losses plus additional expenses incurred for preventative measures such as testing.

Federal and state aid, along with prudent internal fiscal management, continued strong research and philanthropic performance, and a larger than expected freshman class, helped to mitigate the losses. UW–Madison is in a strong position to not only rebound but thrive.

The efforts of so many in the campus community to adapt to the constraints of the coronavirus have enabled the campus to avoid even larger losses that seemed possible at the onset of the pandemic. By making relatively small budget cuts, requiring furlough days from all faculty and staff, imposing a hiring freeze, and restricting travel and campus events, the university avoided major cuts to its academic programs.

Federal assistance dollars were also important. UW–Madison received \$46.5 million earmarked for emergency student aid. Another \$80.2 million was received to offset pandemic-related losses, covering about one-third of the university's losses.

Pandemic Revenue Loss



Expense Reductions: Hiring freeze, travel controls, non-payroll reductions, etc.

Furloughs: All employees had mandatory furlough days for the year, resulting in annual salary reductions of between 2.5 and 4.6 percent (depending on salary level).

Additional Personnel Actions: Staff in certain hard-hit units have been subject to layoffs, extended furloughs, pay reductions, and work-share arrangements.

\$35 Million Budget Cut: Base budget reduction of approximately 5 percent of total centrally provided budget, distributed more heavily to administrative functions.



WISCONSIN
UNIVERSITY OF WISCONSIN-MADISON

For more statistical and budget information, visit
apir.wisc.edu/data-digest