UNIVERSITY OF WISCONSIN SYSTEM

Budget & Planning

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2024-25 Reasons for Rate Changes:

Pay plan and associated fringes benefit increases: Impact of the pay plan increase for 2024-25 and/or for the prior year, if rates were not previously fully adjusted for that pay plan.

Market salary adjustments and fringe: Impact of market salary/wage adjustments to bring employees up to certain level of the market wage, increases necessary to attract or retain employees and/or competition with private sector for employees.

Other salary and fringe benefits: Impact of employee changes that impact pay and/or fringe costs. For example, employees who change from single to family medical insurance or new employees with higher fringe benefit costs. Other examples include employee pay increases not related to pay plan or market adjustments, for new positions, or eliminated positions.

Documented contractual changes: Impact of changes for contracted services like municipal services or other third-party contracts.

Proposed student-initiated programming: Includes programming initiated and approved by the student body, or it's elected representatives, along with any programming that has been presented to and approved by the elected student representatives (i.e. SUFAC). These increases should be limited to things that are ongoing in nature and not for one-time initiatives that should be covered by reserves or other balances.

Student Safety: Includes items that impact student safety, like increased mental and/or physical health support. These increases should be limited to things that are ongoing in nature and not for one-time costs that should be covered by reserves or other balances. Examples include things like mental health services, safe walk programs, athletic trainers, ADA accommodations, etc.

Capital Improvement Fund: Includes changes related to specific capital/maintenance projects that are not part of debt service. These increases should be limited to specific projects planned for the following year and the near future, and *not* used to accumulate balances for unknown projects. Any increase in rates in this category requires a detailed project plan including project details, rate increase and timing of project completion and when the rate will be decreased. If the project was submitted for approval to Capital Planning & Budget but isn't at the level of major project that would be bonded, the Capital Project Request form that was submitted ***must*** have included the information regarding the fee impacts of the project.

Change in revenue/reserves: This category should be used to show decreases in rates when you are using reserves or anticipated additional revenues to fund something. Likewise, use

this category to show you have reserves in an operation and those reserves will be used to fund the operations or specific projects for the next year or more, so you can reduce the rate for the time being. In this case, once the reserves are spent, if there is a proposal to increase the rate, which doesn't fit into any of the other categories, please use change in reserves. Please include in your narrative the information related to the timing of the previous decrease and reason for the current increase.

Base expense reductions: Impacts of base expense reductions. This category should only be used for reductions related to base expense reductions. There should be no fee *increases* in this category.

Reallocations: Includes any reallocation of fees specifically related to a programmatic area between operations. For example, if a specific program is moving from Organized Activities to Student Life, use this category to report the amount of the fee being reallocated from Organized Activities to Student Life for the shift in the program. This row should net to $0. This category is **not** to be used for taking a fee decrease in one area when a project or initiative ends and moving that fee to another operation.

Major Projects: Impacts of increases or decreases to debt service, impact of enrollment on debt service, enumerated capital projects that will be bonded, and proposed capital projects for the 2025-27 Capital Plan, including design funds. Rates increases for enumerated capital projects can only be increased by the amount approved by the Board of Regents. This includes all-agency and minor projects.

Rate increases for projects proposed in the 2025-27 Capital Plan, including design funds for those projects, should be itemized in the preliminary auxiliary rate submission, and included in the fee/rate section of the completed Capital Project Request form with your submission to Capital Planning and Budget. The requests will be reviewed with Capital Planning and Budget along with the President to evaluate their likelihood of moving forward prior to being recommended to the Board in April. If a fee increase is approved in April but ultimately not included in the 2025-27 Capital Budget Request, the fee will be removed from the rates at a subsequent Board meeting.