WISCONSIN
UNIVERSITY OF WISCONSIN–MADISON

Date: December 4, 2023

To: Deans and Directors

From: Charles Lee Isbell, Jr., Provost and Vice Chancellor for Academic Affairs
Robert Cramer, Vice Chancellor for Finance and Administration

Subj: 2023-24 Fund 150 Overhead Allocations

This memorandum documents the amount of federal indirect cost reimbursement carryforward balance that will be released to your unit in FY24. The project number, the amount, and the percentage increase over the previous year's allocation are listed in the table attached to this memo.

The source of funding for this allocation is overhead generated by federal research grants and contracts. The revenue represents reimbursements 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 and the capital needs of organized research programs. Federal overheard is the primary source of support for the underlying infrastructure of UW-Madison's research enterprise. UW-Madison's state-funded budget is not sufficient to meet the infrastructure requirements of the overall research program.

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.

Federal indirect cost revenue rose by $29 million (15%) in FY23. As indicated last year, the intent for this year was to adjust the amount of the allocation by the growth (or decline) in IDC generated, using the same methodology as described above to distribute the expanded pool to individual schools and colleges. We will assess whether to continue this practice next year following the FY24 close.

Accordingly, the amount to be allocated for this coming year will **increase by $5.85 million (15%) to $44.85 million.** This is $15 million more than what was allocated to units just three years ago. We trust these additional funds will be helpful in achieving your research objectives including managing future increases in graduate assistant stipends, adding temporary resources to support the move to RAMP, and contributions towards faculty start-up funding.

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This allocation represents one use of federal indirect cost revenues. An additional $70 million is included in the Fund 101 pool in FY24 to support campus and divisional infrastructure that benefits the research mission. Investments to support our research mission comprise another significant use of these funds, including capital improvements, laboratory renovations and other research-based initiatives.

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.

The Budget Office will contact your financial staff regarding allocations for specific initiatives. If you have any questions, please contact Natalie Feggestad (feggestad@wisc.edu) in the Budget Office.

cc: Jennifer Mnookin, Chancellor
Cynthia Czajkowski, Interim Vice Chancellor for Research and Graduate Education
David Murphy, Associate Vice Chancellor for Finance
Natalie Feggestad, Budget Director
Jessica Hawkey, Budget Planner III

FY24 Fund 150 Overhead Allocation (Formula only)

Budget Unit	Addressee	Project Number	Amount	Change from Prior Year
College of Agricultural and Life Sciences	Glenda Gillaspy, Dean	1502931	$ 4,495,400	16.9%
Division of International Studies	Frances Vavrus, Dean and Vice Provost	1502921	$ 270,400	13.2%
School of Business	Vallabh Sambamurthy, Dean	1502934	$ 19,600	47.4%
School of Education	Diana Hess, Dean	1502935	$ 635,900	12.1%
College of Engineering	Ian Robertson, Dean	1502936	$ 5,174,700	14.0%
School of Human Ecology	Soyeon Shim, Dean	PRJ25XM	$ 259,200	-5.1%
Office of the Vice Chancellor for Research and Graduate Education	Cynthia Czajkowski, Interim Vice Chancellor for Research and Graduate Education	1502938	$ 6,676,200	15.3%
Division of Teaching and Learning	John Zumbrunnen, Vice Provost for Teaching and Learning	PRJ32DG	$ 6,800	-34.0%
Nelson Institute for Environmental Studies	Paul Robbins, Dean	1502939	$ 129,500	27.7%
Law School	Dan Tokaji, Dean	AAI3411	$ 14,700	-1.3%
College of Letters and Science	Eric Wilcots, Dean	1502941	$ 7,196,300	14.4%
Wisconsin Public Media	Heather Reese, Director	AAG5932	$ 4,700	-23.0%
Division of Extension	Karl Martin, Dean	AAG9814	$ 767,100	31.6%
General Library System	Käri Knutson, Vice Provost for University Libraries	1502942	$ 3,500	9.4%
School of Medicine and Public Health	Robert Golden, Dean	AAK1649	$ 16,301,800	15.6%
School of Nursing	Linda Scott, Dean	1502945	$ 93,400	6.9%
School of Pharmacy	Steven Swanson, Dean	1502946	$ 631,000	6.4%
School of Veterinary Medicine	Mark D. Markel, Dean	1502950	$ 1,201,600	13.0%
Division of Continuing Studies	Jeffrey Russell, Vice Provost for Lifelong Learning and Dean	1502951	$ 45,600	147.8%
Wisconsin State Laboratory of Hygiene	James Schauer, Director	1502947	$ 922,600	7.9%