WISCONSIN
UNIVERSITY OF WISCONSIN–MADISON

MEMORANDUM

Date: January 26, 2024

To: Nancy Lynch, Vice Chancellor for Legal Affairs
LaVar Charleston, Deputy VC for Diversity & Inclusion, Vice Provost & Chief Diversity Officer
Charlie Hoslet, Vice Chancellor for University Relations
Diana Harvey, Vice Chancellor for Strategic Communications
Lori Reesor, Vice Chancellor for Student Affairs
Cynthia Czajkowski, Interim Vice Chancellor for Research

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

Re: FY24-25 Budget Process

The following provides information on the upcoming FY25 budget process. As context for the FY25 budget, UW Madison is transitioning from several years of budgetary growth to a more constrained fiscal future.

First, the $7 million base reduction in our state appropriation that we incurred at the beginning of FY24 will be distributed to divisions. Second, undergraduate enrollment will flatten after FY25 based on planned enrollment targets. Undergraduate tuition is the largest source of unrestricted revenue and as enrollments flatten, emphasis will be placed on ensuring resources are available to support our core teaching and research missions. Third, there will be greater scrutiny on administrative staffing and position growth. Fourth, we anticipate additional spending pressures including operational adjustments following implementation of investments in sustainability initiatives, addressing the deferred maintenance backlog, and continuing to prioritize competitive compensation.

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The following is an outline of the FY24 budget planning process:

- **January - February:**
  - Each Vice Chancellor works with internal units to develop budget priorities and address specific guidance from the MBO.
    - Late-January: additional unit-specific guidance will be distributed.
  - Vice Chancellors hold meetings with internal units and prepare 4-page narratives outlining FY25 budget actions.
    - The 4-page narrative should discuss strategic plans and budgetary pressures.
    - The MBO will distribute a template for base or one-time funding adjustments. Requests should be for $50,000 or more. Since we do anticipate providing DCF funds again next budget cycle please do not request funding adjustments for particular employees.
  - In late February, the VCFA will meet with each Vice Chancellor to review their plans.
    - MBO will update the budget slides that have been used in recent years for each unit and review them with your financial team prior to the meeting.
- **Early April:** Vice Chancellors meet with the Chancellor. The provost will present recommendations for the academic units and other Vice Chancellor will present their plans.
- **Late April:** Final budget decisions will be announced.

Thank you for your assistance in this process. Please reach out to David Murphy or Natalie Feggestad if you have any questions.