**UW-River Falls - Budget in Brief – June 2019**

Budget decisions must support the university’s strategic plan. Pathway to Distinction serves as our road map as we navigate challenges such as declining state support, increased reliance on student tuition and fees, a highly competitive marketplace, and transformational and global changes in technology, demography, and the environment. Having a strategic plan allows us to make hard choices, allocate scarce resources, continually measure and assess our progress, and celebrate our success.

As the University strives to achieve the goals of its strategic plan, the annual budget process is an integral part of identifying the best use of limited resources. UWRF uses incremental base budgeting for general purpose revenue (GPR) accounts. The new year’s budget starts with last year’s budget allocation for supplies and expense, capital, limited term employees, student assistance, and salary for continuing permanent employees. The semi-annual budget process distributes funding identified through the central pool process and, as appropriate, new funding.

Starting with Round 1 for FY 2019-20, there are separate pools for tenure track positions and for the campus. For the tenure track positions, faculty may request GPR funded positions twice a year, spring and fall. Chairs gather the faculty requests and present their recommendations to the Department Chair who present their recommendations to the Provost. The Provost, Academic Deans, Assistant Chancellor for Business and Finance (ex-officio), Faculty Senate Chair (ex-officio) and Chancellor (ex-officio) review requests in a meeting open to campus. The Provost and Academic Deans will make recommendations to the Chancellor. The Chancellor will make final budgetary decisions and communicate the decisions to campus.

For the campus pool, campus may submit requests for general purpose funding twice a year, spring and fall. The process for submission of requests is outlined on the budget website. Completed budget requests are available for review by all students and employees through a university shared drive. The Budget Review and Recommendation Committee will review requests in a meeting open to campus. The recommending members of the Committee will make recommendations to the Chancellor. The recommending members will be the Provost, Assistant Chancellor for Student Affairs, Assistant Chancellor for Advancement, Assistant Chancellor for Business and Finance, and the Executive Assistant to the Chancellor. The Chancellor and shared governance leaders are ex-officio, non-recommending members of the committee. The Chancellor will make final budgetary decisions and communicate the decisions to campus.

**Areas of consideration for funding decisions:**

1) Impact on strategic plan, 2) Assessment of student learning, 3) Impact on students/faculty/staff. 4) Impact on teaching, learning and research, 5) Impact on operational improvements, 6) Impact on enrollment, graduation, post-graduation outcomes, 7) Impact on accreditation, and 8) Compliance with state and federal regulations

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| ***BUDGETED*** REVENUE SOURCES IN FY 2018-19 UW-River Falls receives revenue from three main sources for its $139 million annual budget. The university is supported by state and federal government investments, tuition, and auxiliaries. The largest amount, $37.4 million, or 27 percent is from auxiliary enterprises such as University Housing, University Dining, University Center, and Parking.  The second-largest portion of the university’s budget, approximately $35.6 million, or 26 percent, is from student tuition and fees. An additional $3 million is budgeted from tuition balances.  Revenue from the state government for the 2018-19 fiscal year totaled $24.6 million, or 18 percent of the overall budget. State revenue includes general program revenue ($14.1 million), over which the university has some discretion, and specific-purpose revenue ($10.5 million), which goes to predetermine programs and services such as debt service and utilities.  Source: Redbook |

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| *BUDGETED* REVENUE SOURCES (***excluding*** financial aid received by students) IN FY 2018-19 UW-River Falls’ funding sources have shifted over the decades. As the chart 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 tuition and other payments from students.   * When reviewing the budget *with federal financial aid excluded*: In fiscal year 2000-01, state support was 48 percent of the budget. In fiscal year 201-19, the level of state support had declined to 23 percent of the university’s budget. * During the same time frame, reliance on tuition increase from 22 percent in fiscal year 2000-01 to 36 percent of the budget. * Revenue paid by students for auxiliary and other services increased from 25 percent to 39 percent in the same time period.   Source: Redbook   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | TUITION AND FEES Tuition and Fees are part of the overall cost of attending UW-River Falls. Tuition for in-state undergraduates enrolled at UW System campuses has been frozen since 2013.  FY 2017-18 Academic Year Tuition & Required Fees (source: 2017-18 UW System Fact Book)   |  |  |  | | --- | --- | --- | | **UW Campus** | **Amount** | **Rank** | | Madison | $10,533 | 1 | | Milwaukee | $9,565 | 2 | | La Crosse | $9,096 | 3 | | Eau Claire | $8,816 | 4 | | Stevens Point | $8,209 | 5 | | Superior | $8,109 | 6 | | **River Falls** | **$8,013** | **7** | | Green Bay | $7,878 | 8 | | Whitewater | $7,662 | 9 | | Oshkosh | $7,587 | 10 | | Platteville | $7,536 | 11 | | Parkside | $7,389 | 12 |   **Student Debt:**  The 2016-2017 average debt of all graduates from UWRF for resident undergraduates completing a bachelor’s degree is $26,469. 73 percent of graduates received a loan during their college career. Source: 2017-18 UW System Fact Book | |

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| *ACTUAL* EXPENDITURES IN FY 2017-18 (in millions) Expenditures at UW-River Falls reflect our mission and strategic goals.   * In the 2017-18 academic year, $35.8 million or 24% was allocated  to our academic units. $37.6 million or 25% was allocated to support units. * $37 million, or 25% was provided to the students as  financial aid or scholarships. * Source: WISDM  |  |  |  | | --- | --- | --- | | **Academic Units** | All Funds | % of Total | | College of Agriculture and Food Sciences | $9.7 | 6% | | College of Arts and Sciences | $14.8 | 10% | | College of Business and Economics | $5.8 | 4% | | College of Education & Professional Studies | $5.5 | 4% | | **Subtotal** | **$35.8** | **24%** | |  |  |  | | **Auxiliary Units** |  |  | | Athletics & Recreational Sports | $4.9 | 3% | | University Housing & Dining | $17.3 | 12% | | University Center | $4.1 | 3% | | Other Student Affairs Units | $3.5 | 2% | | **Subtotal** | **$29.8** | **20%** | |  |  |  | | **Support Units** |  |  | | Facilities | $8.3 | 5% | | Information Technology | $6.2 | 4% | | Academic Affairs | $7.6 | 5% | | International Programs | $2.7 | 2% | | Library | $2.4 | 1% | | Business Services | $7.0 | 5% | | General Administration | $2.6 | 2% | | University Advancement | $0.8 | 1% | | **Subtotal** | **$37.6** | **25%** | |  |  |  | | Student Financial Aid & Scholarships | $37.0 | **25%** | | Debt Service | $8.1 | **6%** | | **Total** | **$148.3** |  | |

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| *ACTUAL* EXPENDITURES BY FUNCTIONAL CLASSIFICATION FY 2017-18 The five largest classifications of expenditures at UW-River Falls are financial aid, instruction, student services, auxiliary enterprises, and operations/maintenance. These five functions account for 84 percent of our total budget. Source: WISDM |

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| YEAR-END FUND BALANCES - FY 2017-18 Fund balances are a necessary component of a well-functioning university system. Each year, using definitions developed by the Legislative Audit Bureau, UW-RF provides information on program revenue fund balances by level of commitment. Balances reflect the various intentions and plans and are held for numerous purposes including, but not limited to, saving for large future purchases, new initiatives or programs, smoothing the effects of unexpected budgetary changes, and providing emergency reserves.  More than 94 percent of the total fund balance is already committed to various university programs. Committed balances are either obligated (held for a purpose that would be difficult to use for another purpose) or planned (held for purposes as indicated by a campus director or higher authority).  Approximately 6.5 percent of our tuition balance is held in a reserve. The reserve funds are used as a safeguard against revenue fluctuations caused by enrollment shifts, state budget cuts or to assist in the event of a disaster. |

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| FINANCIAL MANAGEMENT Financial management measures overall financial health, core expenditures per degree, and instructional margin ratio.  **Composite Financial Index - 2018 CFI for UWRF: 2.47**  The Higher Learning Commission considers a total Composite Financial Index (CFI) of 1.1 or higher as indicative of good financial health. The CFI is a measure of overall financial performance based on four core financial ratios, each representing an area of financial operations: (1) the primary reserve ratio, indicating resource sufficiency; (2) the viability ratio as a gauge of debt management; (3) the return on net assets ratio to track financial asset performance; and (4) the net operating revenues ratio measuring operating results.  **Core expenditures per degree** - Core expenditures include spending on instruction, student service, academic support, and institutional support.  ***FY 2016-17***  Core expenditures: $73 million  Total degrees: 1,398  Core expenditures per degree: $52,000  **Instructional margin ratio** – The instructional margin ratio is a measure of overall financial health related to an institution’s instructional mission. It compares the revenue of an institution to its expenses. A ratio greater than 1.0 indicates revenue exceeding expenses, while a ratio of less than 1.0 indicates deficit spending.  ***FY 2016-17***  Tuition margin ratio: 1.0  Tuition Revenue: $52,805,401  Tuition Expenses: $52,752,272  Source: UW System Accountability Dashboard and UW System CFI Crosswalk and Calculation |

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| FACULTY AND STAFF - FALL 2018 Each employee at UW-River Falls has a role in supporting our mission. In addition to the 646 FTE for faculty and staff, the university also employs more than 1,000 undergraduate students who gain valuable experience that will help them after graduation in their future careers.  Faculty assigned to each college (FTE):  College of Agriculture, Food and Environmental Sciences – 44.06  College of Arts and Sciences – 89.42  College of Education and Professional Studies – 28.19  College of Business and Economics – 27.00  Continuing Education – 3.40  Source: October 2018 payroll |

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| FACULTY SALARIES COMPARISON WITH UW SYSTEM COMPREHENSIVE CAMPUSES – 2017-18 Source: 2017-18 UW System Fact Book  Starting with the 2010-2011 academic year, $100,000 has been approved annually for faculty salary adjustments to ensure our faculty salaries are competitive with other UW System Comprehensive Campuses. However, UW faculty salaries are significantly below that of peer institutions nationally.   |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | |  | *Professor* |  |  | *Associate Professor* |  |  | *Assistant Professor* | | Oshkosh | $81,200 |  | Whitewater | $69,300 |  | Whitewater | $71,700 | | La Crosse | 80,900 |  | La Crosse | 67,100 |  | Eau Claire | 65,900 | | Eau Claire | 79,200 |  | **River Falls** | **66,200** |  | Oshkosh | 65,800 | | Whitewater | 78,800 |  | Eau Claire | 65,700 |  | **River Falls** | **63,900** | | **River Falls** | **74,500** |  | Parkside | 65,100 |  | La Crosse | 62,900 | | Parkside | 73,600 |  | Oshkosh | 64,700 |  | Green Bay | 62,400 | | Stout | 73,500 |  | Stout | 63,800 |  | Stout | 61,000 | | Platteville | 73,400 |  | Platteville | 62,800 |  | Platteville | 58,800 | | Stevens Point | 70,900 |  | Green Bay | 61,900 |  | Superior | 56,900 | | Green Bay | 69,300 |  | Stevens Point | 57,800 |  | Parkside | 56,600 | | Superior | 67,500 |  | Superior | 56,100 |  | Stevens Point | 56,000 | |