

Ad Hoc Budget Group Meeting

Date / Time:	Oct. 24, 2025, 10:30 AM to 12:00 PM
Location / Dial In:	Bascom 260 (in-person preferred)
Attendees:	Rob Cramer, John Zumbrunnen, Devesh Ranjan, Audrey Gasch, Jon Audhya, Phil Jochimsen, Jenny Dahlberg, Christa Olson, Cassidy Gindt, Elmo Rawling, Eric Wilcots, Tracy Greer, Hanna Blazel, Steve Deller, Jennifer Koehler, Emily Beach, John Horn, Eden Inoway-Ronnie

AGENDA

Topic	Time	Lead
Committee charge		
<ul style="list-style-type: none"> • Introductions 	10 mins	Rob Cramer/John Zumbrunnen
Budget background topics		
<ul style="list-style-type: none"> • FY25 Budget to Actuals (Pre-Read) • FY26 Budget (Pre-Read) • Research Award Summary <ul style="list-style-type: none"> ○ Stop work orders (Pre-Read) ○ YoY Award activity (Pre-Read) • Federal Shutdown <ul style="list-style-type: none"> ○ Research and Sponsored Programs (Pre-Read) ○ Federal Relations (Pre-Read) 	45 mins	Rob Cramer
Discussion		
<ul style="list-style-type: none"> • Federal shutdown • State topics 	30 mins	Rob Cramer/John Zumbrunnen

UWMSN
2025

Select Business Unit
Fiscal Year

UW-Madison
Fiscal Year 2025 - through June 2025

	Board Approved		Budget		Revised Budget/ Forecast*	Actual	A/R & Inventory Adjustment	Actual ** (To Date)	Board Approved to Actual		Revised Budget to Actual	
	Budget	Adjustments	Forecast Adj						Variance (To Date)	% of Revised Budget	Variance (To Date)	% of Revised Budget
Revenue												
GPR: General Program Operations	\$ 492,891,305	\$ 3,893,420	\$ -	\$ 496,784,725	\$ 512,079,961	\$ -	\$ 512,079,961	\$ 19,188,656		15,295,236	103.1%	
Tuition and Fees	963,318,473	-	155,593,111	1,118,911,584	1,087,967,212	(23,437,458)	1,064,529,754	101,211,281		(54,381,830)	95.1%	
GPR/Tuition and Fees	\$ 1,456,209,778	\$ 3,893,420	\$ 155,593,111	\$ 1,615,696,309	\$ 1,600,047,173	\$ (23,437,458)	\$ 1,576,609,715	\$ 120,399,937		(39,086,594)	97.6%	
Auxiliary Enterprises	559,284,427	-	-	559,284,427	544,291,648	(3,452,651)	540,838,997	(18,445,430)		(18,445,430)	96.7%	
General Operations	529,657,620	-	-	529,657,620	465,629,708	5,315,936	470,945,644	(58,711,976)		(58,711,976)	88.9%	
Other Unrestricted Program Revenue	119,516,835	-	-	119,516,835	145,677,901	(6,646,739)	139,031,162	19,514,327		19,514,327	116.3%	
Federal Indirect Cost Reimbursement	241,374,372	-	(70,332,233)	171,042,139	244,286,858	-	244,286,858	2,912,486		73,244,719	142.8%	
Total Unrestricted	2,906,043,032	3,893,420	85,260,878	2,995,197,330	2,999,933,288	(28,220,912)	2,971,712,376	65,669,344		(23,484,954)	99.2%	
Gifts	755,011,404	-	-	755,011,404	914,500,816	-	914,500,816	159,489,413		159,489,413	121.1%	
Nonfederal Grants and Contracts	152,541,333	-	-	152,541,333	169,692,755	-	169,692,755	17,151,422		17,151,422	111.2%	
Gifts and Nonfederal Grants and Contracts	907,552,737	-	-	907,552,737	1,084,193,572	-	1,084,193,572	176,640,835		176,640,835	119.5%	
Federal Grants and Contracts	766,041,644	-	71,600,355	837,641,999	736,044,465	-	736,044,465	(29,997,179)		(101,597,534)	87.9%	
Other Restricted Program Revenue	230,921,344	-	-	230,921,344	225,324,760	(2,753)	225,322,007	(5,599,337)		(5,599,337)	97.6%	
Trust Funds	36,284,508	-	-	36,284,508	42,962,601	-	42,962,601	6,678,093		6,678,093	118.4%	
Other Appropriated Funds	1,590,000	-	-	1,590,000	9,512,423	-	9,512,423	7,922,423		7,922,423	598.3%	
GPR: Miscellaneous	24,168,125	-	-	24,168,125	23,470,717	-	23,470,717	(697,408)		(697,408)	97.1%	
GPR: Debt Service	105,102,800	-	-	105,102,800	73,817,516	-	73,817,516	(31,285,284)		(31,285,284)	70.2%	
Total Restricted	2,071,661,158	-	71,600,355	2,143,261,513	2,195,326,054	(2,753)	2,195,323,301	123,662,143		52,061,788	102.4%	
Total Revenue	\$ 4,977,704,190	\$ 3,893,420	\$ 156,861,233	\$ 5,138,458,843	\$ 5,195,259,343	\$ (28,223,665)	\$ 5,167,035,677	\$ 189,331,487		\$ 28,576,834	100.6%	
Total Expenses	\$ 4,953,399,670	\$ 6,814,784	\$ 191,891,296	\$ 5,152,105,750	\$ 5,081,427,978	\$ 28,040,774	\$ 5,109,468,752	\$ 156,069,082		\$ (42,636,999)	99.2%	
Revenue less Expense	\$ 24,304,520	\$ (2,921,364)	\$ (35,030,063)	\$ (13,646,907)	\$ 113,831,364	\$ (56,264,439)	\$ 57,566,926	\$ 33,262,405		\$ 71,213,833		

*Revised budget/forecast typically reflects amounts initially held within UW Administration but transferred to UW universities throughout the year (e.g., Workforce Development funding). Revised budget/forecast also includes updated forecasts presented to the Business and Finance Committee in December 2024.

**Similar to the State of Wisconsin, the FY25 budget is on a cash basis. As a result, encumbrances and accruals, such as for accounts receivable, are not included.

Encumbrances are not included.

380,964,122

412,708,871

Revenue Categories	Fund
GPR: General Program Operations	101, 102, 103, 104, 106, 109, 171, 402, 403, 406, 601
Tuition and Fees	131, 189
Auxiliary Enterprises	123, 128, 228
General Operations	136, 236
Other Unrestricted Program Revenue	127, 130, 132, 137, 138, 156, 157, 159, 165, 166, 181, 183, 184, 185, 187, 195, 620
Federal Indirect Cost Reimbursement	150
Gifts	134, 135, 233, 333, 533
Nonfederal Grants and Contracts	133
Federal Grants and Contracts	144
Other Restricted Program Revenue	140, 141, 142, 143, 145, 146, 147, 148, 149, 151, 152, 199
Trust Funds	161
Other Appropriated Funds	163, 169, 170, 172, 174, 188, 191, 902, 966, 990, 993, 999
GPR: Miscellaneous	100, 112, 113, 116, 117, 118, 119, 126
GPR: Debt Service	110



UW-Madison Mission Statement

The primary purpose of the University of Wisconsin-Madison is to provide a learning environment in which faculty, staff and students can discover, examine critically, preserve and transmit the knowledge, wisdom and values that will help ensure the survival of this and future generations and improve the quality of life for all. The university seeks to help students to develop an understanding and appreciation for the complex cultural and physical worlds in which they live and to realize their highest potential of intellectual, physical and human development.

It also seeks to attract and serve students from diverse social, economic and ethnic backgrounds and to be sensitive and responsive to those groups which have been underserved by higher education.

Key Drivers in the 2025-26 Annual Budget:

- FTE enrollments have increased 14.7% from 2019-20 to 2024-25. They are projected to remain flat in 2025-26 at 47,589. These estimates may be impacted by federal policies and procedures regarding international student visas, particularly students from China who account for approximately 2,200 of the fall 2025 enrollment estimates.
 - Undergraduate FTE enrollment is estimated to be 35,838.
 - Graduate FTE enrollment is estimated to be 11,751.
- In 2025-26, **revenues are projected to decrease by 11.8%**, or \$578.3 million from the prior year. Key drivers in revenues are:
 - The GPR/tuition revenue budget increased by \$147.3 million due primarily to student tuition and fee revenues, which are budgeted to increase by \$131.8 million due to the 2024-25 tuition rate increase that was not included in the 2024-25 budget, retention of Minnesota reciprocity tuition, professional masters program and summer session enrollment and tuition increases, and investment income generated by tuition and fees.
 - The gifts, grants, and contracts budget decreased by \$287.7 million, of which a majority is due to ongoing uncertainty regarding federal research funding. Federal indirect cost reimbursement (FICR) revenue is budgeted to decrease by \$121.4 million. The decrease in FICR revenue also accounts for potential reductions in indirect cost reimbursement rates.
 - Federal financial aid revenue decreased by \$162.7 million due to a change in budgeting and accounting that requires pass-through financial aid revenue to be recorded as a balance sheet transaction that will not impact the income statement.
 - General program operations revenue decreased by \$153.6 million due primarily to an accounting change resulting from the implementation of Workday. Currently, UW-Madison demonstrates available funding for UW managed capital projects by recording all transactions to a separate fund that is different from the original funding source. In Workday, the revenue and expenses in the separate fund will be

cleared out at year-end to avoid duplication of budgeted revenue and expenses.

- In 2025-26, **expenses are estimated to decrease by 11.6%**, or \$576.3 million from the prior year. Key drivers in expenses are:
 - GPR/Tuition expenses are \$146.3 million higher, due to a \$29.0 million increase in institutional financial aid, \$48.0 million in salary and fringe benefit expenses for estimated pay plan, and approximately \$69.0 million of other expenses such as salaries for campus-wide facilities and maintenance operations and information technology operations, most of which were previously budgeted on federal indirect cost reimbursement revenue, which is projected to decrease.
 - The decrease of \$161.5 million in general program operations expenditure budget is due primarily to the accounting change for UW managed capital project activity noted above.
 - The federal financial aid budget decrease of \$164.2 million is due primarily to the change in budgeting and accounting that requires pass-through financial aid expenses to be recorded as a balance sheet transaction that will not impact the income statement.
 - Estimated decreases in federal grant funding account for \$264.0 million of the decrease in budgeted expenses in gifts, grants, and contracts, as well as the \$119.7 million decrease in federal indirect cost reimbursement (FICR) expenses due to decreased FICR revenue
 - In anticipation of decreased FICR revenue, UW-Madison is currently undergoing a budget reduction exercise that will include decreasing base budget funding, use of one-time balances where appropriate, and long-term scenario planning to maintain a balanced, sustainable budget.
- Key drivers in the projected \$58.8 million decrease in 2024-25 fund balances include:
 - UW-Madison share of Administrative Transformation Program expenses projected to total \$41.0 million.
 - The remaining use of fund balance is due primarily to campus contributions to capital projects, some of which will be repaid with future gift revenue.

Key Campus Actions Related to the Universities of Wisconsin 2023-28 Strategic Plan:

We will focus on being a global leader in research, scholarship, and creative activity, as well as knowledge dissemination that benefits society.

- Wisconsin RISE, Research, Innovation and Scholarly Excellence is designed to help address significant, complex challenges of particular importance to Wisconsin and the world, through accelerated and strategic faculty hiring, research infrastructure enhancement, interdisciplinary collaboration and increased student and educational opportunities. Two initiatives are being implemented.
 - The first initiative is Rise AI. AI has transformative potential, with high stakes, great possibilities and significant risks.
 - Rise-EARTH is the second initiative with the goal of making UW-Madison well positioned to make even greater contributions to sustainability research, education and problem-solving in the world.

- Investments in Labs:
 - 10 large lab projects were completed in calendar year 2024 and 18 are underway.
 - 150 smaller lab projects were underway in calendar year 2024 with 91 reaching substantial completion.
- In 2024, the university released a special report on entrepreneurship titled, 'Empowering the Wisconsin Idea: The Future of Entrepreneurship at the University of Wisconsin–Madison.' The report delineates recommendations in four key areas:
 - Commit to excellence in entrepreneurship with a focus on founders.
 - Establish campus leadership and structure to bolster entrepreneurship.
 - Create a culture to promote and celebrate entrepreneurship.
 - Expand access to capital.

We will increase access to higher education and improve rates of success for historically underserved students.

- In its inaugural year, 22 freshmen, 9 new transfer students and 42 continuing undergraduates were covered by the Wisconsin Tribal Education Promise (WTEP), for a total of 73 undergraduates.
- With WTEP, Bucky's Pell Pathway, and Bucky's Tuition Promise, more than 1,200 freshmen and new transfer students were covered by one of these three initiatives last fall. Bucky's Tuition Promise has helped more than 6,500 students attend UW–Madison since its inception in 2018. Bucky's Pell Pathway, in its second year, was awarded to about 3,750 students.
- Institutional Aid – over the last five academic years, UW-Madison's financial aid budget on all funds basis has increased by nearly \$50 million from \$337.7 million in 2018-19 to \$408.2 million in 2024-25. The 2025-26 budget includes an additional \$29.0 million for institutional financial aid.

We will promote excellence in teaching and prioritize the recruitment, development, and retention of high-quality, diverse faculty and staff.

- The Center for Teaching, Learning & Mentoring brings together about 50 professional staff members with extensive and wide-ranging expertise. The center serves instructors at all career stages, including teaching assistants, by offering campus-level professional development, course design and instructional consulting programs and services.
- Investing in upgrading classrooms to support active learning provide high-quality environments for students and faculty.
- Prioritizing the retention of faculty and staff through competitive compensation and benefits, such as paid parental leave, makes UW-Madison an attractive career choice.

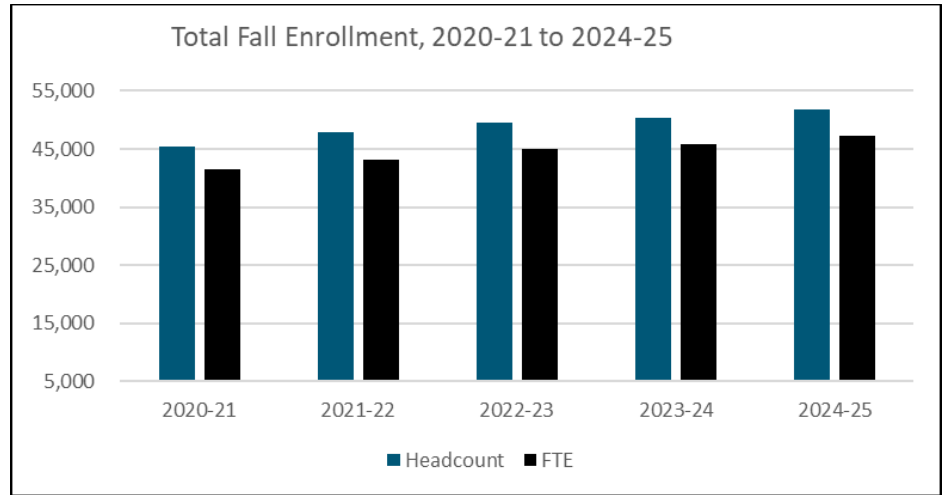
We will ensure our universities are financially and environmentally sustainable so that they are positioned to fulfill their strategic missions.

- The university has launched a Sustainability Research Hub, a new service to campus that aims to bring significant interdisciplinary sustainability research funding to campus by connecting researchers across departments and targeting major federal research grants.
- As part of a new sustainability initiative, UW-Madison has committed to the following goals:
 - Procuring 100% renewable electricity on campus by 2030 and achieving net-zero emissions by 2048 or sooner to drastically reduce UW–Madison's carbon footprint, improve public health and address global climate change.

- Meeting prospective and current student demand by ensuring all interested students have access to sustainability educational experiences by 2030.
- Achieving a Zero Waste campus by 2040 by sustainably managing materials and related emissions from procurement and use to reuse or disposal.
- Achieving STARS (Sustainability Tracking, Assessment & Rating System) Gold by 2025 to align UW–Madison performance with peer institutions and foster campuswide participation in sustainability efforts.

Philanthropy and Foundations:

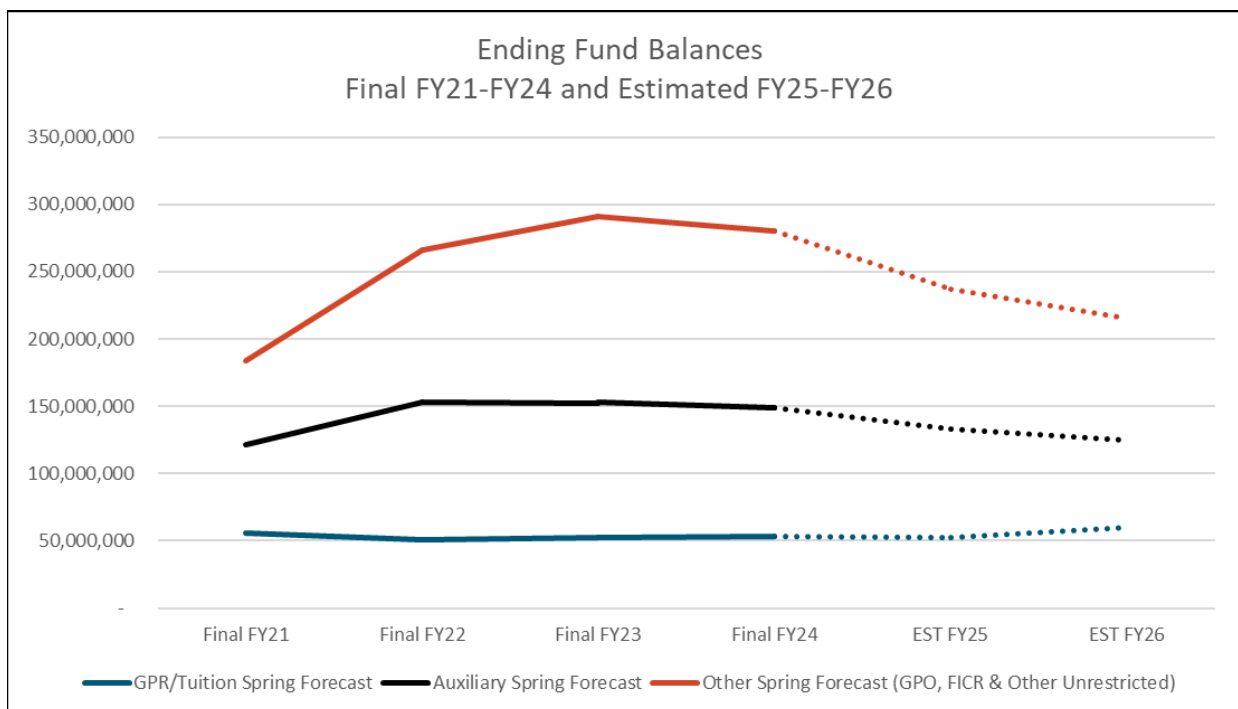
- **Primary Fundraising Foundation:** Wisconsin Foundation & Alumni Association (established in 1945)
- **Total Assets (as of June 30, 2024):** \$5.8 billion
- **2024-25 and 2025-26 Highlights:**
 - The Wisconsin Foundation & Alumni Association transferred \$48.0 million to UW-Madison to be awarded for scholarships/fellowships and transferred \$54.0 million in program support to the university in 2024-25.
 - Held gift announcement and groundbreaking events for the Philip A. Levy Engineering Center with lead gift of \$75.0 million from Marvin Levy '68 and Jeffrey Levy '72.
 - Eclipsed Wisconsin Medicine campaign goal of \$500 Million ahead of scheduled completion date of 12/31/2025.
 - Outstanding endowment investment performance (14.7%) in 2023-24.



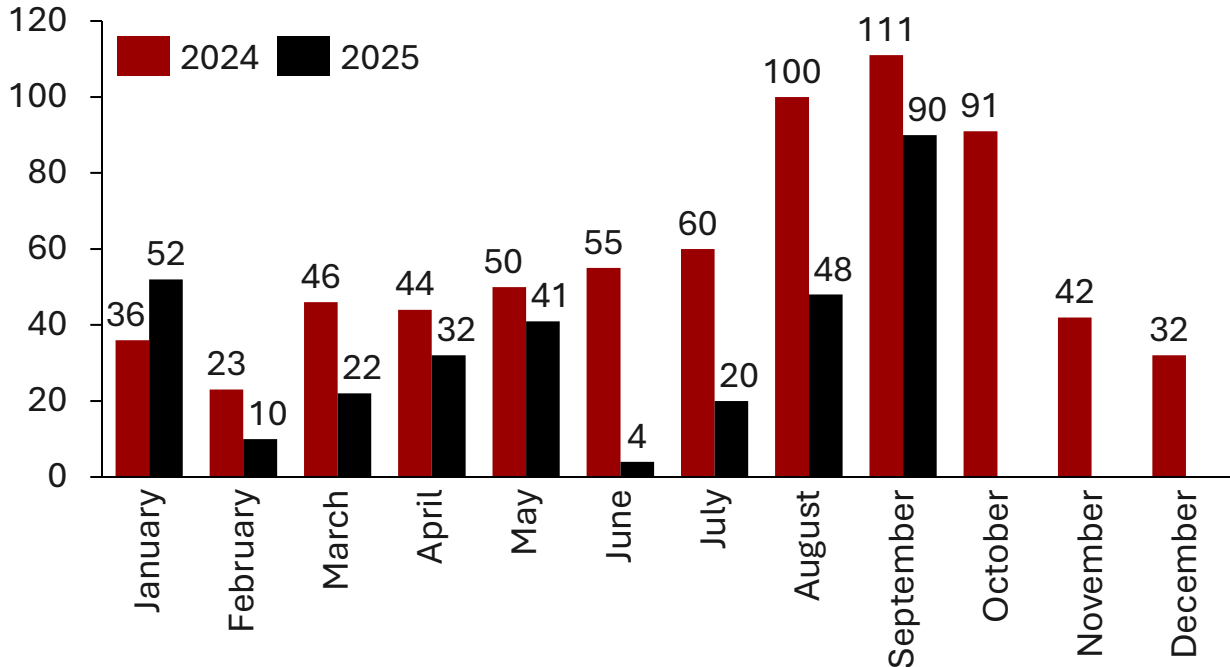
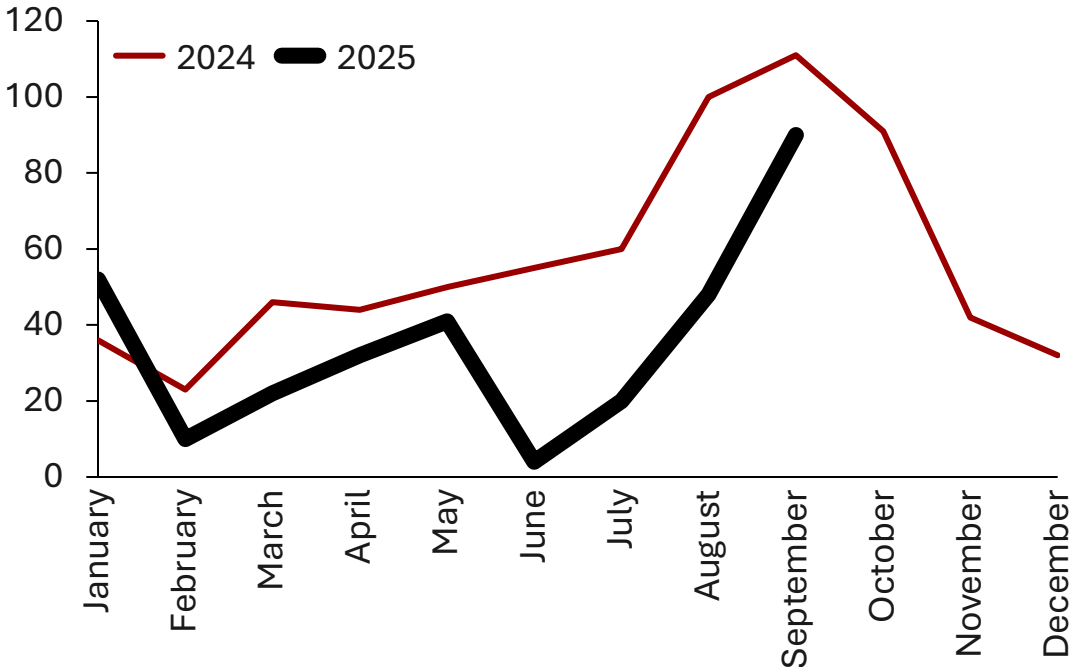
2025-26 Budget and Fund Balance Summary

	Revenue		Expenses		Revenue Less Expense *	Unrestricted Fund Balances		
	2025 - 2026 Budget	\$ Change FY25 to FY26	2025 - 2026 Budget	\$ Change FY25 to FY26		Final FY24 Balance	Projected FY25 Balance	Projected FY26 Balance
GPR/Tuition	\$1,732,758,289	\$147,277,586	\$1,725,077,749	\$146,337,446	\$7,680,540	\$53,100,521	\$52,586,622	\$60,267,162
Auxiliaries	\$559,151,712	(\$132,715)	\$567,829,733	(\$4,601,047)	(\$8,678,021)	\$148,651,076	\$133,321,401	\$124,643,380
General Program Operations	\$313,771,496	(\$153,590,589)	\$317,727,380	(\$161,485,730)	(\$3,955,884)	\$36,792,467	\$37,166,806	\$33,210,922
Fed Indirect Cost Reimb.	\$120,000,000	(\$121,374,372)	\$137,564,277	(\$119,708,818)	(\$17,564,277)	\$229,083,118	\$189,709,997	\$172,145,720
Gifts, Grants, Contracts	\$1,446,925,645	(\$287,706,015)	\$1,463,800,626	(\$272,681,341)	(\$16,874,981)			
Federal Financial Aid / Other	\$164,528,162	(\$162,747,246)	\$165,073,662	(\$164,186,752)	(\$545,500)	\$14,170,648	\$10,204,694	\$9,659,194
Total Base	4,337,135,304	(\$578,273,351)	4,377,073,427	(\$576,326,242)	(\$39,938,123)	\$481,797,830	\$422,989,520	\$399,926,378
One-Time Use of Tuition Balances			\$0	\$0				
Total Including Use of Balances	\$4,337,135,304	(\$578,273,351)	\$4,377,073,427	(\$576,326,242)	(\$39,938,123)			

*GPR/Tuition includes One-Time Use of Tuition Balances



Comparison of number of awards by month (2024 vs. 2025)



Month	January	February	March	April	May	June	July	August	September
FY25 % change from average	44.4%	-56.5%	-52.2%	-27.3%	-18.0%	-92.7%	-66.7%	-52.0%	-18.9%

Drop in June and July is due in large part to the transition to Workday