

**To:** Division Leaders, Deans & Directors **Initial**

**From:** Sharon Radtke  
Assistant Vice Chancellor for Budget & Finance

**Date:** October 26, 2009

**Subject:** FY 2010-11 Auxiliary and Program Revenue Operations Cost and Budget Building Factors

UW System Budget & Planning have provided the primary cost factors and rate building guidelines for the FY2010-2011 budget development process. In addition, UW-La Crosse will be assessing a fair share of the PeopleSoft Student Information System costs and an Administrative Overhead Assessment as part of the FY2010-2011 budget.

Auxiliary & Other Program Revenue Operations.

Auxiliary and Program Revenue budgets include traditional auxiliary operations like Housing and Food Service, but also include academic initiatives, service based pricing programs like SAA and Dosimetry, special course fees, transcript fees, laundry operations, and copy center. Budgeting cost factors for funding sources 128, 131,136, and 150 are included.

Budgets should not automatically increase by applying cost factors to every budget category. Departments should review the budget to actual experience over the past several years and apply percentages that reflect those experiences, wherever possible. We continue to place emphasis on better aligning our budgets with actual expenditures, minimizing special course fee and segregated fee increases whenever possible by taking into consideration reserve balances, and staying within the auxiliary rate increase threshold to the extent possible.

The threshold for 2010-11 auxiliary rate increases will be 1.9%. This is a 3-year rolling average of Wisconsin disposable income per capita.

The Budget Timeline is enclosed with due dates reflected for both UW-La Crosse and System Administration.

The Board of Regents will meet in July 2009 to act on the FY 2010-11 Annual Operating Budget.

Supplemental data and information will be forthcoming to aid departments in developing the FY 2010-11 Redbook budget. Please call me with any questions about the cost factors at (608) 785-8598.

cc: Chancellor Joe Gow  
Provost Kathleen Enz Finken  
Vice Chancellor Robert J. Hetzel  
Assistant Chancellor Paula Knudson

**University of Wisconsin System  
Auxiliary and Program Revenue Operations  
FY 2010-11 Cost and Budget Building Factors  
October 26, 2009**

**Cost factors that can apply to both Auxiliary Operations and Program Revenue Operations**

1) Pay Plan Increase

Assume the following pay plan increase for Fiscal Year 2009-10:

	<u>Unclassified</u>	<u>Classified</u>
July 1, 2010	0%	0%

2) Supplies & Expense Budgets

The Department of Revenue estimates a 2.2 %<sup>1</sup> increase in inflation for FY 2009-10. This is given as a guideline. Please limit inflation applications to supplies and services and exclude equipment, due to the one-time nature of capital equipment purchases. In addition, historical expenditure data is preferred to using inflation estimates whenever possible.

3) Fringe Benefits

The fringe benefit rates are:

Unclassified	44.50%
GA	34.40%
Classified	57.00%
LTE	46.00%
Student	2.50%

Please note that beginning July 1, 2008 the employer-required health insurance contribution will begin on the first day of the third month of employment, rather than the first day of the sixth month. Please recall that the UW System will pay the first two months of health insurance costs for new faculty and academic staff. In addition, note that the 2009-11 biennial budget extends benefits offered by the Group Insurance Board and the Wisconsin Retirement System to the domestic partners of all state employees. Health Insurance premiums are projected to increase approximately 9% effective January 1, 2010 (Department of Employee Trust Funds).

4) State Accounting System (WISMART) & State Use Board

DOA is projecting that the total billing will be \$20,000.

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<sup>1</sup> September 2008 Department of Revenue Estimate

5) Enrollments

Please use UW-La Crosse's Fiscal Year 2010-11 approved enrollment plan.

6) PeopleSoft Student Information System Assessment

Auxiliary and program revenue operations share will be adjusted as needed for increases as a result of the PeopleSoft SIS implementation.

7) General Administrative Overhead Assessment on non-instructional PR operations

8.5% paid monthly on actual revenues generated in Fiscal Year 2009-10.

8) Travel Budgets

All travel budgets should be remain at FY2009-10 existing levels.

## **Cost factors that apply to only Auxiliary Operations**

### 1) Payments for Municipal Services & Solid Waste

Municipal Services	\$190,925
County Solid Waste	\$ 50,000

### 2) Property, Liability, and Worker's Compensation Program Cost Adjustments

Property	\$120,000
Worker's Comp	\$113,000
Liability	\$ 57,500

### 3) Central Utility Systems

Auxiliary operations will be charged for their fair share of the central utility costs and will be included in the auxiliary budgets. At this time the estimated assessment amount for Fiscal Year 2010-11 is undetermined.

### 4) WIAC

WIAC support to UW System Administration is \$30,000.

### 5) UW System Common Systems Assessment

Auxiliary operations will be charged for their fair share of the Common System Allocations charges. The charge represents each campus' fair share of the costs and is estimated at \$302,602.

### 6) Auxiliary Chargeback Assessment

To be determined.

### 7) UW System Office of Safety & Loss Prevention

Risk Management support to UW System Administration is \$25,000.

### 8) Campus Police Services

Res Life	\$50,000
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## **Fiscal Year 2010-11 Budget Timeline**

<b>October 8, 2009</b>	UW System Budget Office sends out the FY2010-11 auxiliary cost factors.
<b>November 2009</b>	<p>FY 2010-11 auxiliary and program revenue budget instructions and spreadsheets are available from UW System Budget Office.</p> <p>Budget and Finance planners meet with Auxiliary Directors and major program revenue operations Directors to assess actual expenditures and revenues against the FY 2010 Redbook Plan. Recommended adjustments are identified and agreement is reached about the impact of those adjustments on the FY 2011 Redbook Budget development plan.</p>
<b>January 8, 2010</b>	UW System Budget Office sends out the updated FY2010-11 cost factors.
<b>January 15, 2010</b>	Estimated segregated fee and room/board increases are due at UW System Budget Office.
<b>March 1, 2010</b>	Final budget documents are due to the Office of Budget & Finance.
<b>March 2010</b>	University Budgets are presented to Joint Planning & Budget Committee.
<b>March 15, 2010</b>	Annual Budget submissions are due to the System Budget Office for Comprehensive Institutions.
<b>April/May 2010</b>	UW System Budget Office checks out budget submissions.
<b>May/June 2010</b>	UW System Budget Office completes the Regent Budget Book and sends auxiliary budget tables to Institutions for their review.
<b>June 10 &amp; 11, 2009</b>	UW Board of Regents act on the FY 2010-11 Annual Operating Budget.
<b>August 2010</b>	Institutions submit FY 2008-09 auxiliary reserve report to UW System Financial Administration.