

UNIVERSITY OF  
WISCONSIN


OSHKOSH

Budget Model Presentation

UBDC

14 February 2017

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- Guiding Questions for Today
  - Status Checklist
  - A Tale of Three Pictures...
  - Revenue Assignment Examples
  - Cost Assignment Examples
  - Financial Statements
    - Key
    - Examples
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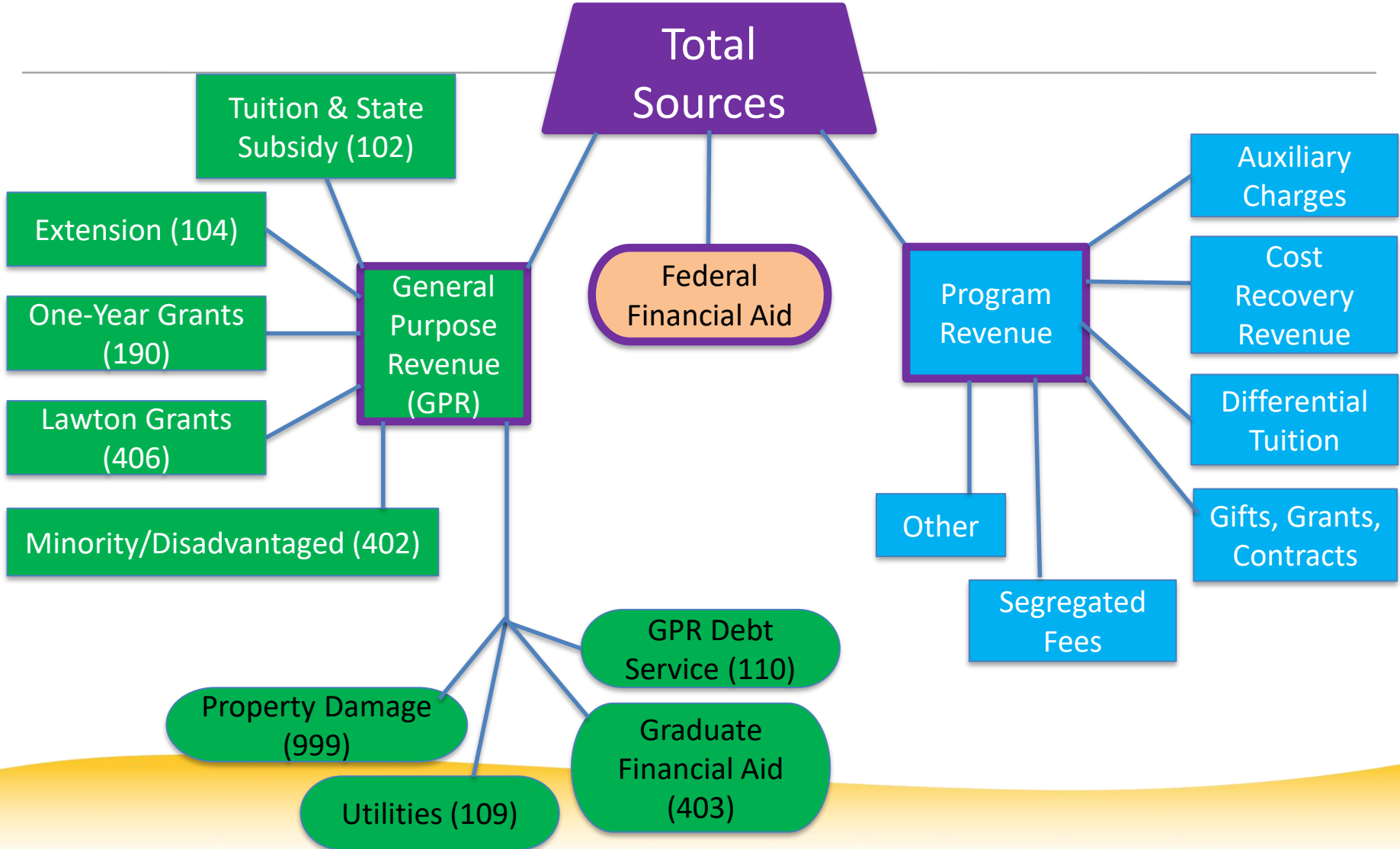
- Does the new model make sense to you?
  - Rational/Logical/Reasonable?
  - Transparent?
- Is the model workable for UW Oshkosh?
  - Pros/Cons?
- Is the model workable for your area/unit?
  - Pros/Cons? (individual meetings)

# OSHKOSH Status Checklist

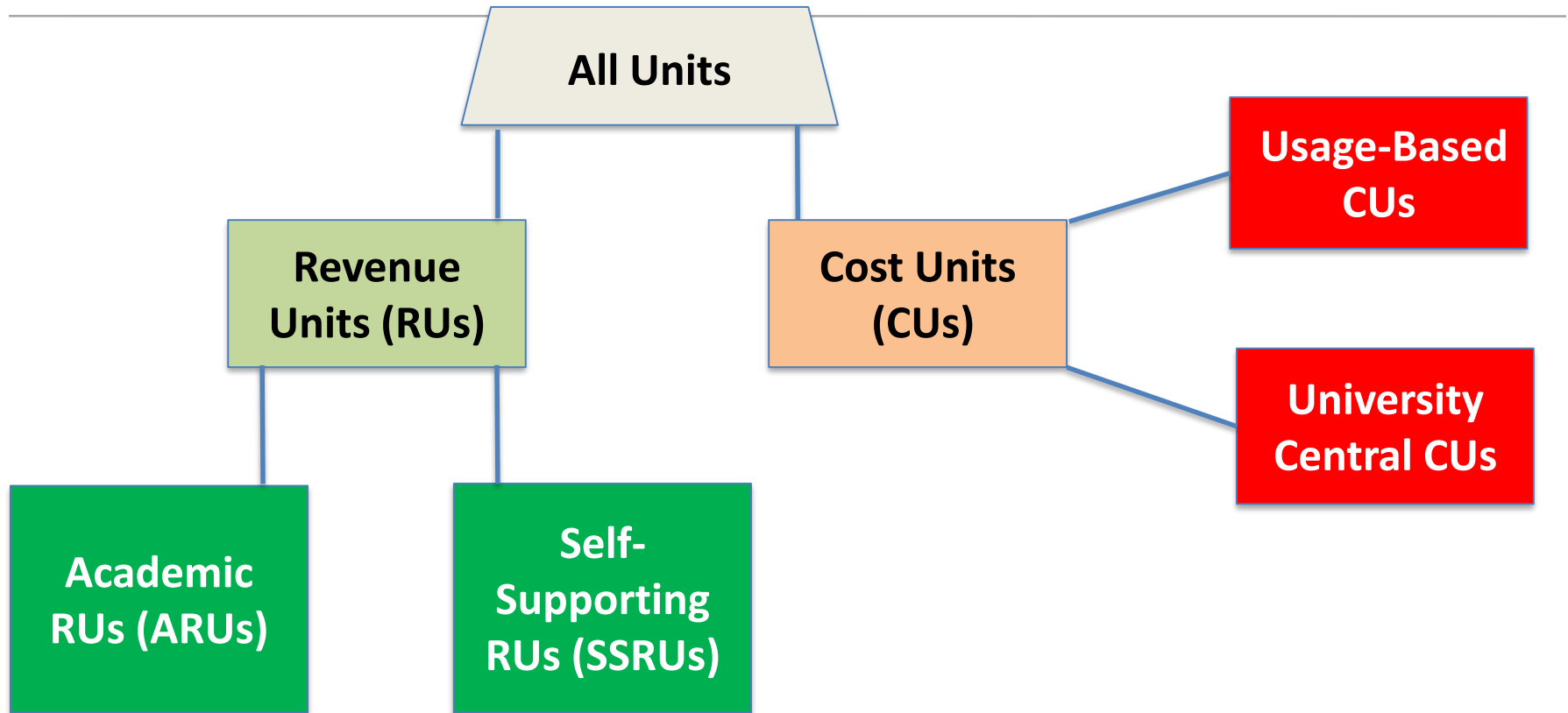
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- Governance phalanx:
  - Task: Oversight committee and bylaws
    - **Status: Drafted**
- Revenue phalanx
  - Task: Revenue assignment metrics
    - **Status: Drafted**
- Cost phalanx
  - Task: Cost assignment metrics
    - **Status: Drafted**
- Operating manual
  - **Status: Drafted**
- Letter of transmittal
  - **Status: In progress**

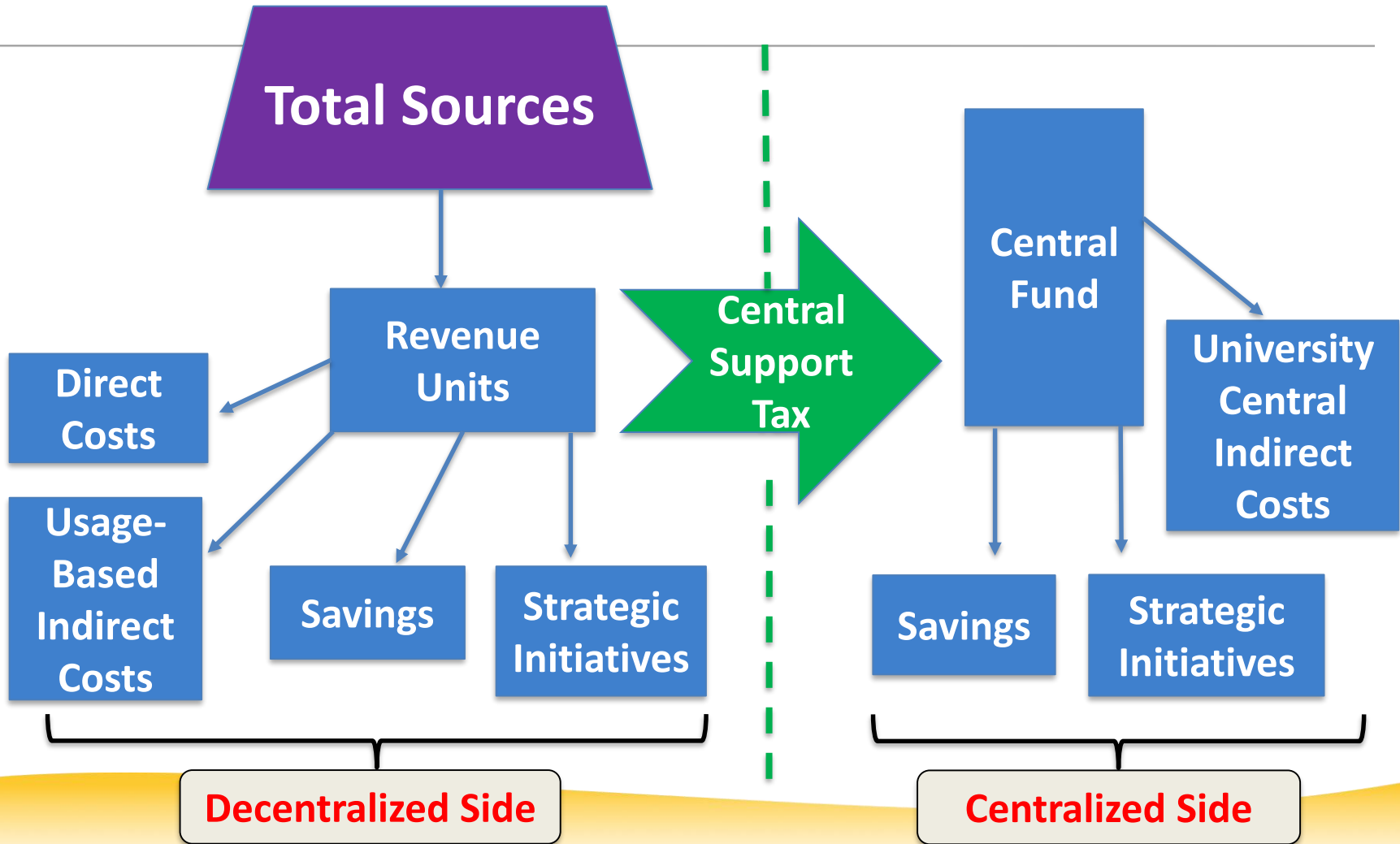
# Sources Overview



## Unit Taxonomy Schematic



Model Schematic



- GPR-102 is assigned to the Academic Revenue Units (Colleges) as follows:
  - $\beta\%$  share of SCH
  - $(1-\beta)\%$  share of graduate headcount



- 50/50 Split of GPR-102 = \$100 Million

<u>College</u>	<u>SCH % Share</u>	<u>Graduate % Share</u>	<u>GPR-102 Allocation</u>
<b>A*</b>	<b>15%</b>	<b>21%</b>	<b>\$18 million</b>
<b>B</b>	<b>12%</b>	<b>22%</b>	<b>\$17 million</b>
<b>C</b>	<b>66%</b>	<b>43%</b>	<b>\$54.5 million</b>
<b>D</b>	<b>7%</b>	<b>14%</b>	<b>\$10.5 million</b>

**\*e.g.,  $\$50(0.15) + \$50(0.21) = \$18$  million**

- Program Revenue; e.g.,
  - Segregated Fees
  - Differential Tuition
  - Housing
  - Bookstore Proceeds
  - Gifts/Grants/Contracts
- Assigned to unit where it is generated or for which it is ear-marked

- Examples:
  - salaries
  - fringe
  - travel
  - supplies & expenses
  - capital expenditures
- Assign to unit where they are incurred

## OSHKOSH Usage-Based Indirect Costs

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- (Indirect Costs = Overhead Costs)
- Assign to Revenue Units (RUs) based on logical usage-based metrics; e.g.,
  - Facilities -- Assign cost by ft<sup>2</sup>% share
  - Human Resources -- Assign cost by FTE % share
  - Library -- Assign cost by SCH % share
- Selected Cost Units (CUs) are assigned only to Academic RUs

- (Indirect Costs = Overhead Costs)
- All cost areas (CUs) that cannot be assigned via usage-based metric; e.g.,
  - Business Success Center
  - Chancellor's Office

- Assume Budget = \$1.5 Million

<u>Academic RU</u>	<u>SCH % Share</u>	<u>Cost Assignment</u>
A*	15%	\$225,000
B	12%	\$180,000
C	66%	\$990,000
D	7%	\$105,000

**\*e.g.,  $(0.15) * \$1.5 \text{ million} = \$225,000$**

Assume Budget = \$1 Million

<u>RU</u>	<u>FTE % Share</u>	<u>Cost Assignment</u>
A*	15%	\$150,000
B	12%	\$120,000
C	50%	\$500,000
D	7%	\$70,000
E (SSRU)	10%	\$100,000
F (SSRU)	6%	\$60,000

**\*e.g.,  $(0.15) * \$1 \text{ million} = \$150,000$**

Assume Budget = \$5 Million

<u>RU</u>	<u>Sq.Ft. % Share</u>	<u>Cost Assignment</u>
A*	15%	\$750,000
B	14%	\$700,000
C	48%	\$2,400,000
D	7%	\$350,000
E (SSRU)	12%	\$600,000
F (SSRU)	4%	\$200,000

**\*e.g.,  $(0.15) * \$5 \text{ million} = \$750,000$**



- e.g., Chancellor's Office
  - Assume budget = \$900k
  - Assume tax base = gross GPR-102
  - Assume GPR-102 = \$150 million
- Tax = 0.6% on gross GPR-102
  - i.e.,  $0.006 * (\$150 \text{ million}) = \$900\text{k}$

- Financial Statements
  - Standard across all 50  $\pm$  units
  - Publicly available under new model
- Budget Request Process:
  - Timeline – when, who, and to whom
- Budget Oversight/Advisory Committee
  - Mission Quality Indicators (MQIs)
  - Benchmarking service/funding levels
  - Service level agreements