

UW

2024

**FACTS &
TRENDS**

UW

Universities of Wisconsin Facts & Trends

August 2024

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STRATEGIC PLAN

The Universities of Wisconsin are intentional in planning for the future

In December 2022, the Board of Regents approved a **five-year Strategic Plan** for the Universities of Wisconsin for 2023-28. The broad objectives of the plan include **enhancing the student experience and social mobility; fostering civic engagement and serving the public good; creating and disseminating knowledge that contributes to innovation and a better understanding of the human condition; and advancing economic prosperity.**

- Link: wisconsin.edu/president/strategic-plan/

The Strategic Plan informs and guides the priorities and actions of the Universities of Wisconsin.

Among its goals, the plan aims:

- To graduate nearly 41,000 students annually across our universities by 2028, or a 10% increase
- To close the opportunity gap between historically underserved students (including first-generation students and those from lower socio-economic populations) and other students
- To recruit, develop, and retain a diverse, high-quality faculty and staff
- To enhance the position of our two Research I (R1) universities – UW-Madison and UW-Milwaukee – by increasing UW-Madison’s position in research dollars and its national ranking and to maintain UW-Milwaukee’s R1 status and increase its research dollars
- To serve as national leaders in teaching critical thinking and the principles of civil discourse, as well as the preservation of academic freedom
- To meet pressing workforce talent needs, serving as the educational provider of choice to employers, and driving the economic vibrancy of Wisconsin through innovation and entrepreneurial activity

As a university system, we have identified three core values to guide us:

1. We are purpose-driven
2. We are people-focused
3. We are stewards of our resources, including those allocated to us by the State of Wisconsin

UP TO THE MIDDLE

Investing in public higher education benefits Wisconsin – but investments in the Universities of Wisconsin have declined

As a public entity, the central mission of the Universities of Wisconsin is to serve the needs of the people of Wisconsin. Awarding nearly 37,000 degrees annually, the universities are Wisconsin’s talent pipeline, putting graduates in position to increase their earning power, contribute to their communities, and make Wisconsin a better place to live. The Universities of Wisconsin also contribute to the richness of Wisconsin’s culture and economy with cutting-edge research, support of new and existing companies, and boundless creative intellectual energy.

To meet the mission fully – and enable Wisconsin to win the ongoing and critical war for talent – requires investment. Unfortunately, that investment is lagging.

Wisconsin currently ranks **43rd out of 50** states in public funding support for its four-year universities according to the latest State Higher Education Executive Officers Association (SHEEO) study of public higher education financing.

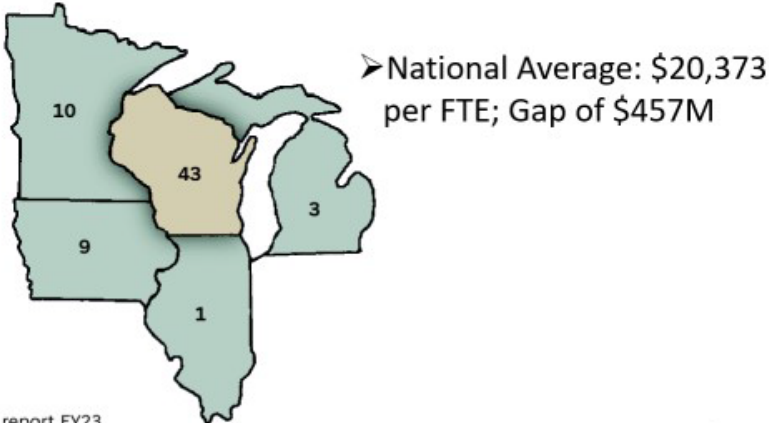
Neighboring states Illinois, Michigan, Iowa, and Minnesota all rank in the top 10.

This is not the Wisconsin we know. We can and should do better.

It is estimated that \$457 million is needed annually to bring Wisconsin spending on public higher education **up to the middle**.

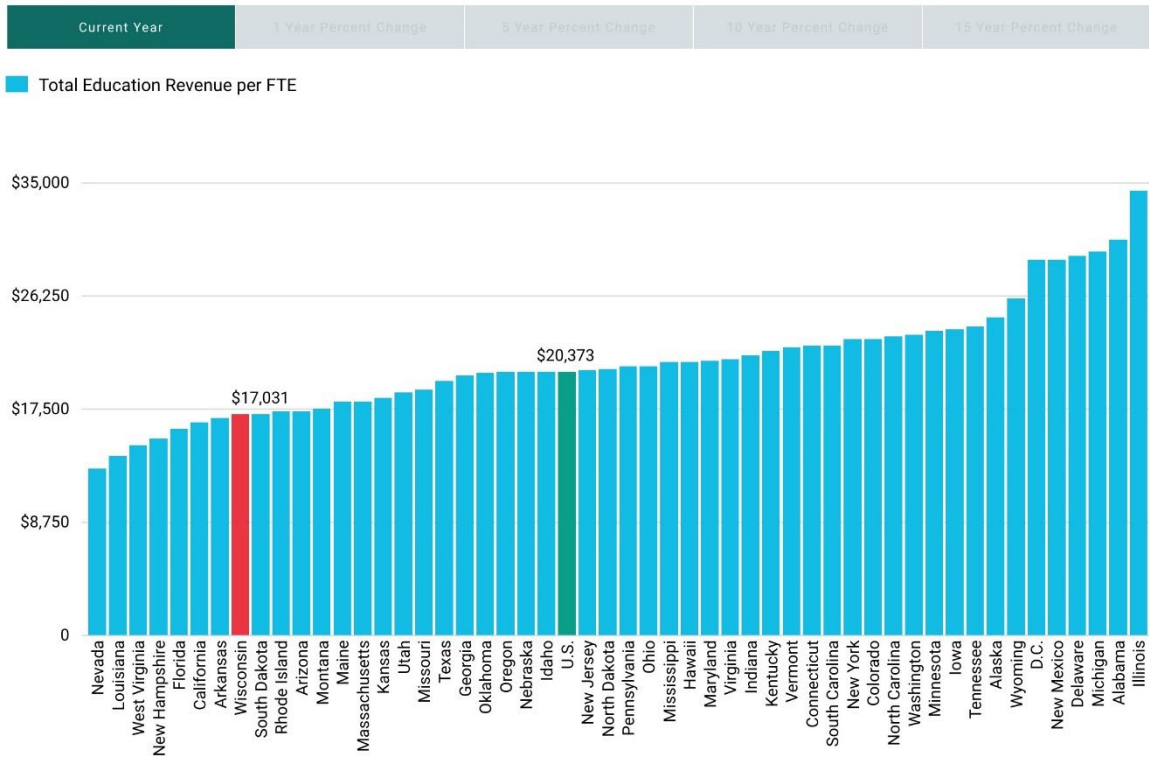
The Universities of Wisconsin remain nationally and internationally respected, but a lack of adequate resources will eventually undermine our well-deserved reputation for academic excellence.

TUITION AND STATE SUPPORT IN MIDWEST



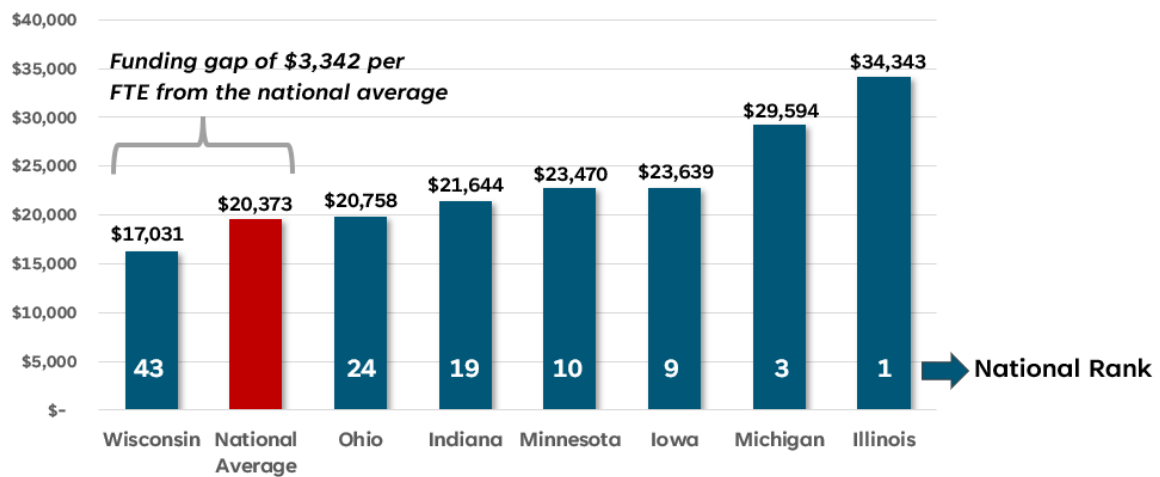
Source: SHEEO, SHEF report FY23

Public Higher Education Total Education Revenue per FTE at Four-Year Institutions



Source: *State Higher Education Finance (SHEF) Report*, State Higher Education Executive Officers (SHEEO) 2023

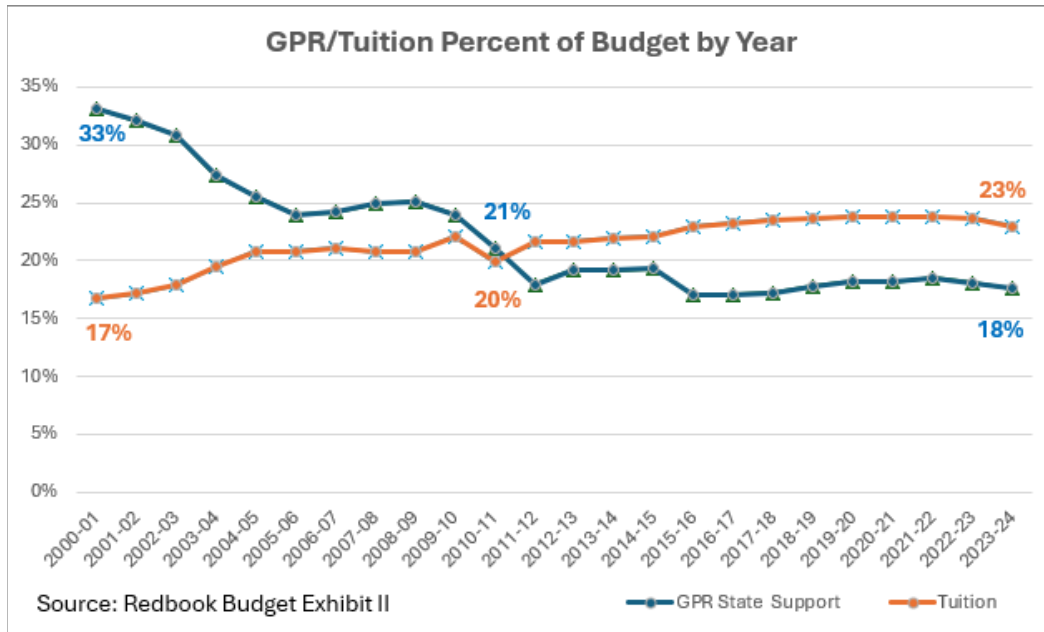
TOTAL TUITION AND STATE SUPPORT PER FTE



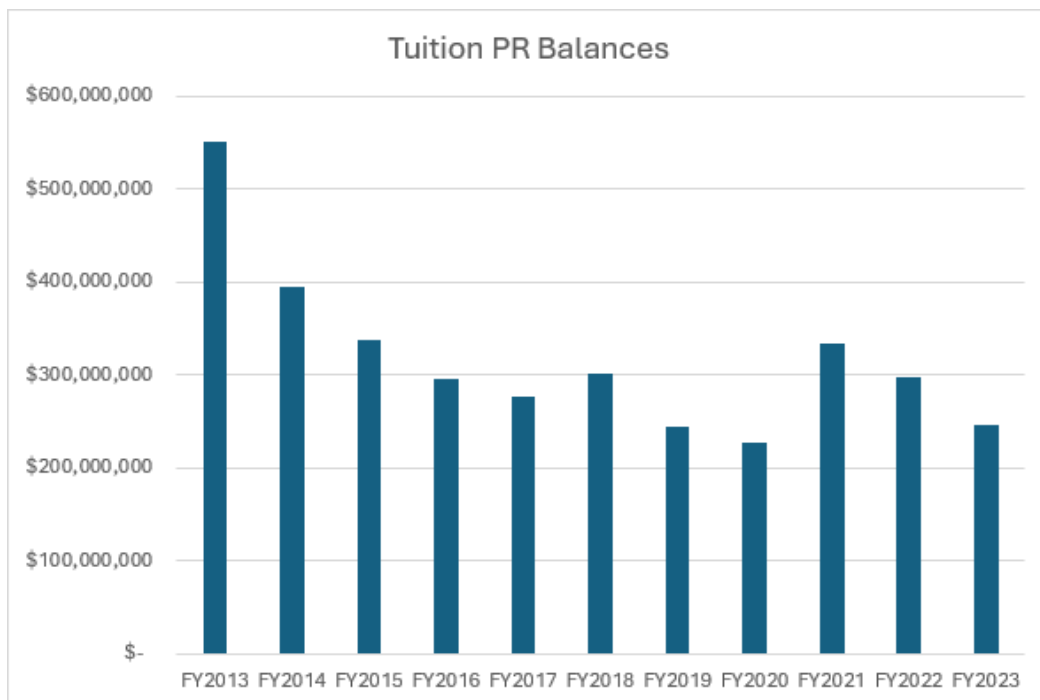
Source: "Educational Revenue" metric in SHEF Report, State Higher Education Executive Officers (SHEEO)

GPR/Tuition as a Percent of Budget, from FY2001 through FY2024

State investment in the Universities of Wisconsin has declined over the last two decades, forcing universities to become more reliant on tuition to cover costs.

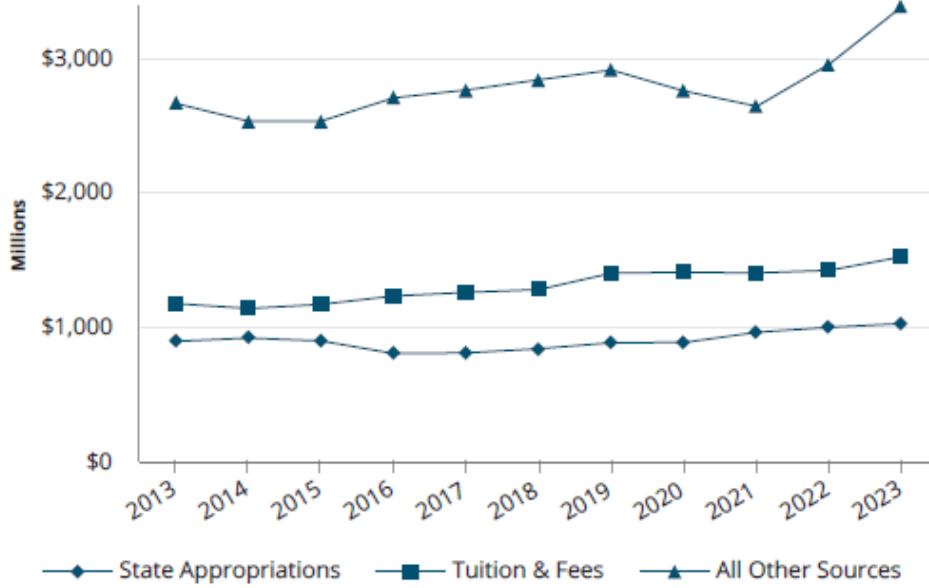


At the same time, tuition program revenue (PR) balances have substantially decreased.

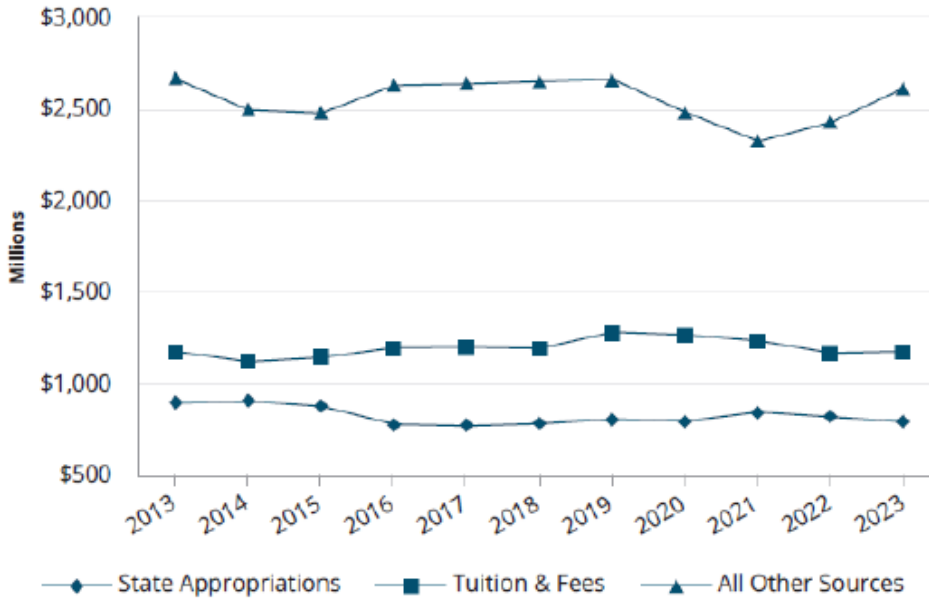


Source: Universities of Wisconsin

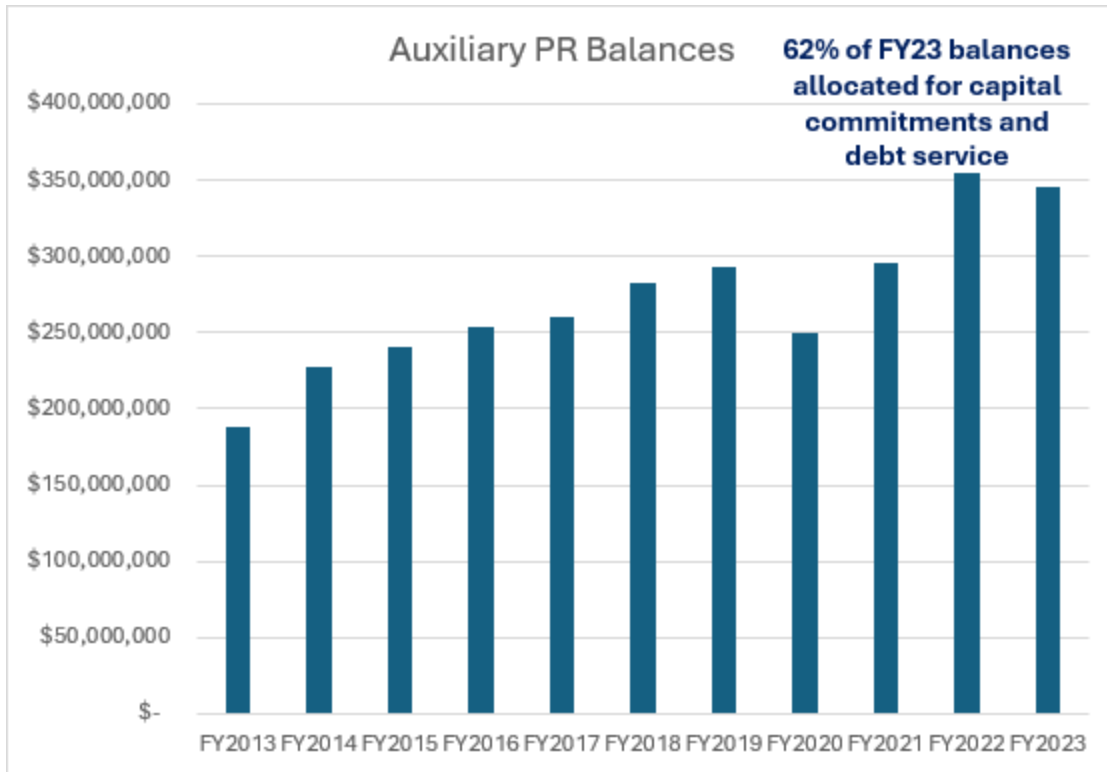
**COMPARISON OF CURRENT FUNDS REVENUES
2013 - 2023**



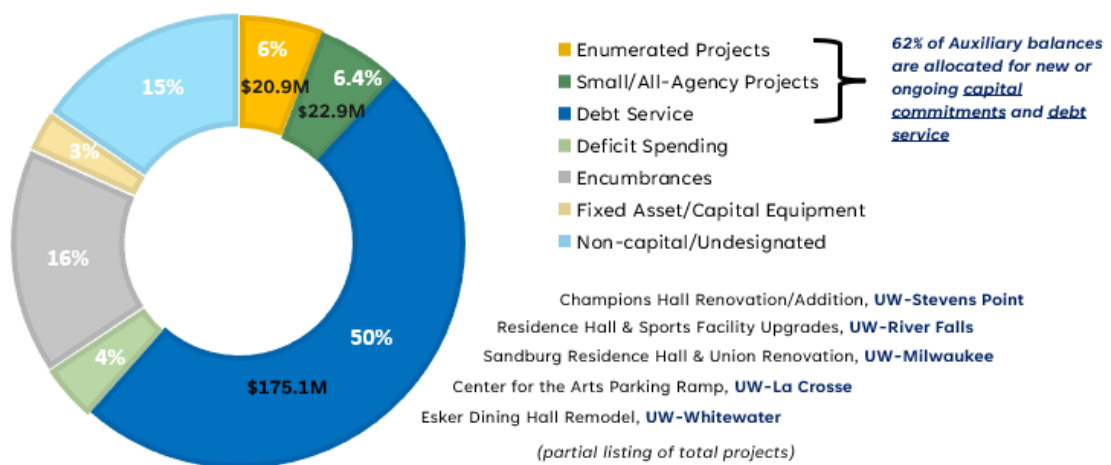
**COMPARISON OF CURRENT FUNDS REVENUES
ADJUSTED FOR INFLATION
2013 - 2023**



Source: Universities of Wisconsin



AUXILIARY BALANCES: A CLOSER LOOK AT COMMITMENTS



Source: Universities of Wisconsin FY23 Program Revenue Balances Report

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DEVELOPING TALENT

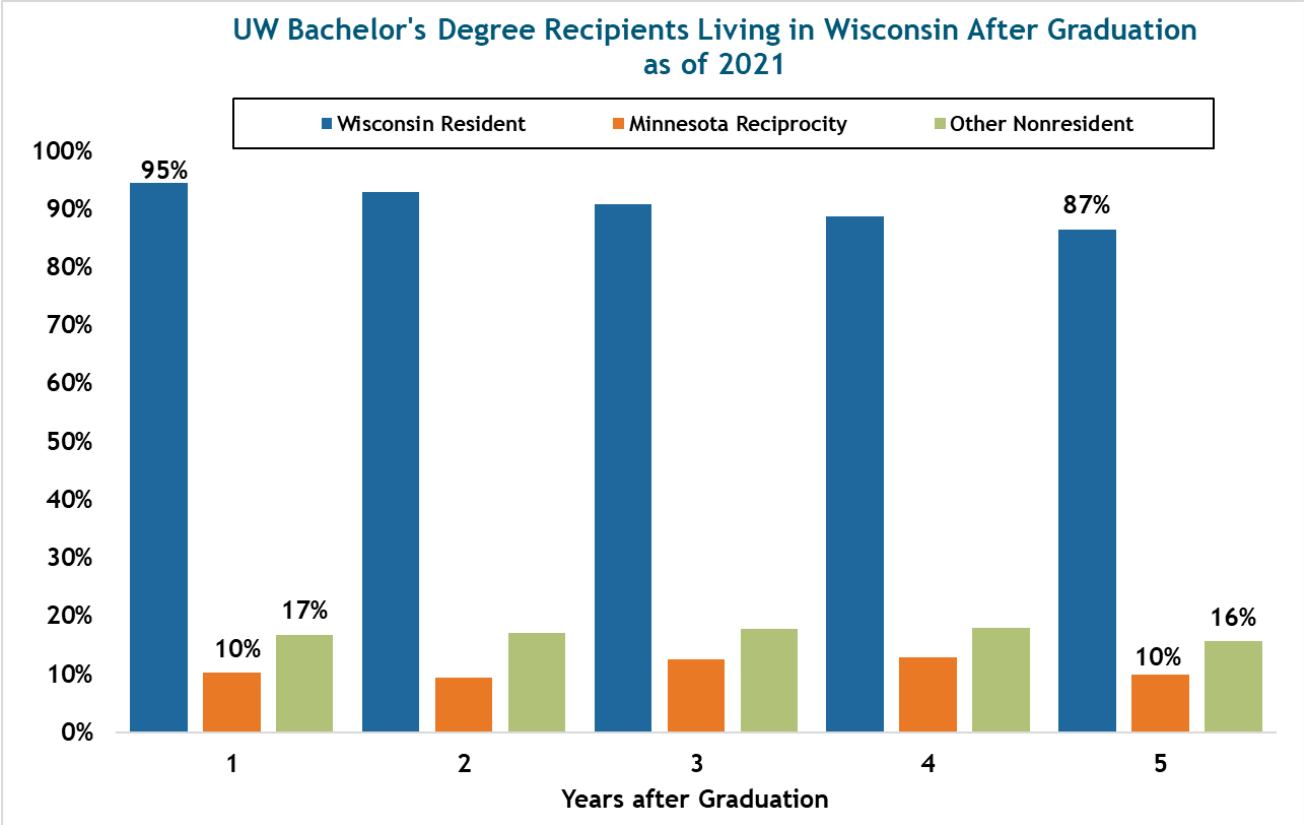
More Graduates Are Needed to Meet Workforce Demand

A top priority of the Universities of Wisconsin Strategic Plan is to increase the number of graduates to help meet workforce demand. **Our goal is to increase by 2028 the annual number of graduates from the Universities of Wisconsin to 41,000 – an increase of 10 percent.**

The Universities of Wisconsin are the best developer of talent in the state and are positioned – with the appropriate level of investment – to continue to serve as a magnet to attract, develop, and retain talent.

Key Takeaway:

- Wisconsin residents tend to stay in Wisconsin after getting their UW degree, fueling our economy.



Source: OPAR data in combination with campus alumni data (collected every 3 years)

Challenges: Aging Population and Lower Birth Rates

At the same time the population is aging, the birth rate in Wisconsin and nationwide has been declining, contributing to a reduced available workforce.

Aging: The challenge is particularly acute in Wisconsin. Wisconsin’s population age 60 and older totaled 1.45 million in 2020 comprising 25 percent of the state’s total. Wisconsin ranked 16th nationally in this share of population and ranked second among contiguous states. The ranking is considerably higher than in 2010 (25th, at 19 percent of population). The 60-plus population increased by 356,000 since 2010, a growth rate of 32 percent. For comparison, total population grew 142,000 or 2.5 percent. The decade between 2010 and 2020 was projected to measure the fastest and largest growth of 60 and older population due to the largest portion of the baby boomer generation aging into this cohort.

Source: [Wisconsin State Aging Plan](#), FFY 2023-2025, Wisconsin Department of Health Services

Birth Rate (Births per 1,000 Population) Wisconsin and the United States

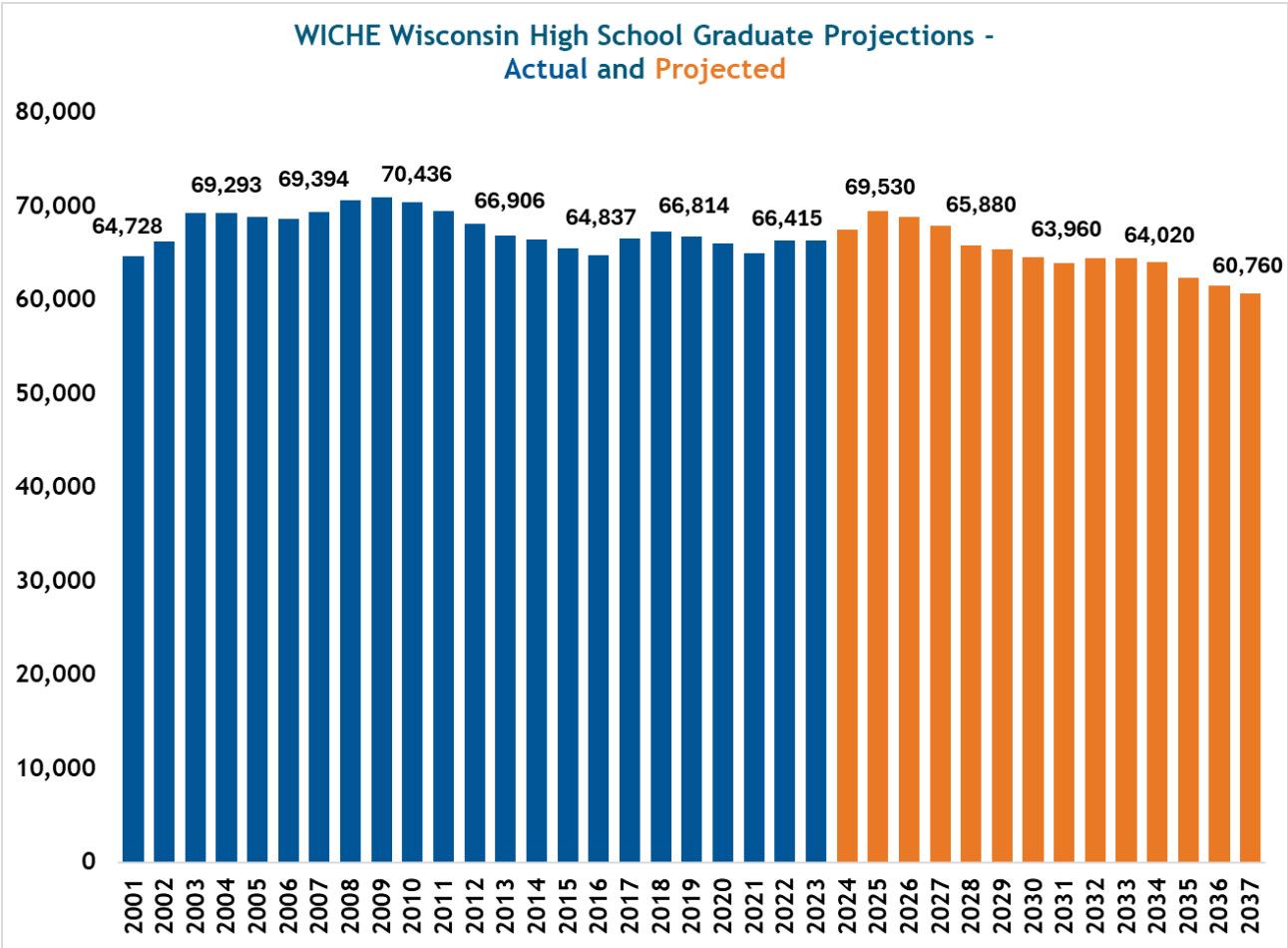
Year	Wisconsin	U.S.
2022	10.2	N/A
2021	10.5	N/A
2020	10.3	N/A
2019	10.9	11.4
2018	11.0	11.6
2017	11.2	11.8
2016	11.5	12.2
2015	11.6	12.4
2010	12.0	13.0
2005	12.7	14.0
2000	12.9	14.4
1995	13.2	14.6
1990	14.8	16.7
1985	15.4	15.8
1980	15.9	15.9
1975	14.3	14.6
1970	17.5	18.4
1965	20.0	19.4
1960	25.4	23.7
1955	25.0	25.0
1950	23.9	24.1

Source: [WISH – Birth Rate](#) (Births per 1,000 Population) Wisconsin and the United States, Selected Years 1950-2022, Wisconsin Department of Health Services

Declining Number of High School Graduates

Key Takeaway:

- Absent net migration into the state, the number of high school graduates is expected to steadily decline after 2025. This challenge is further compounded by declines in the participation rate (that is, the percentage of high school students who pursue higher education).

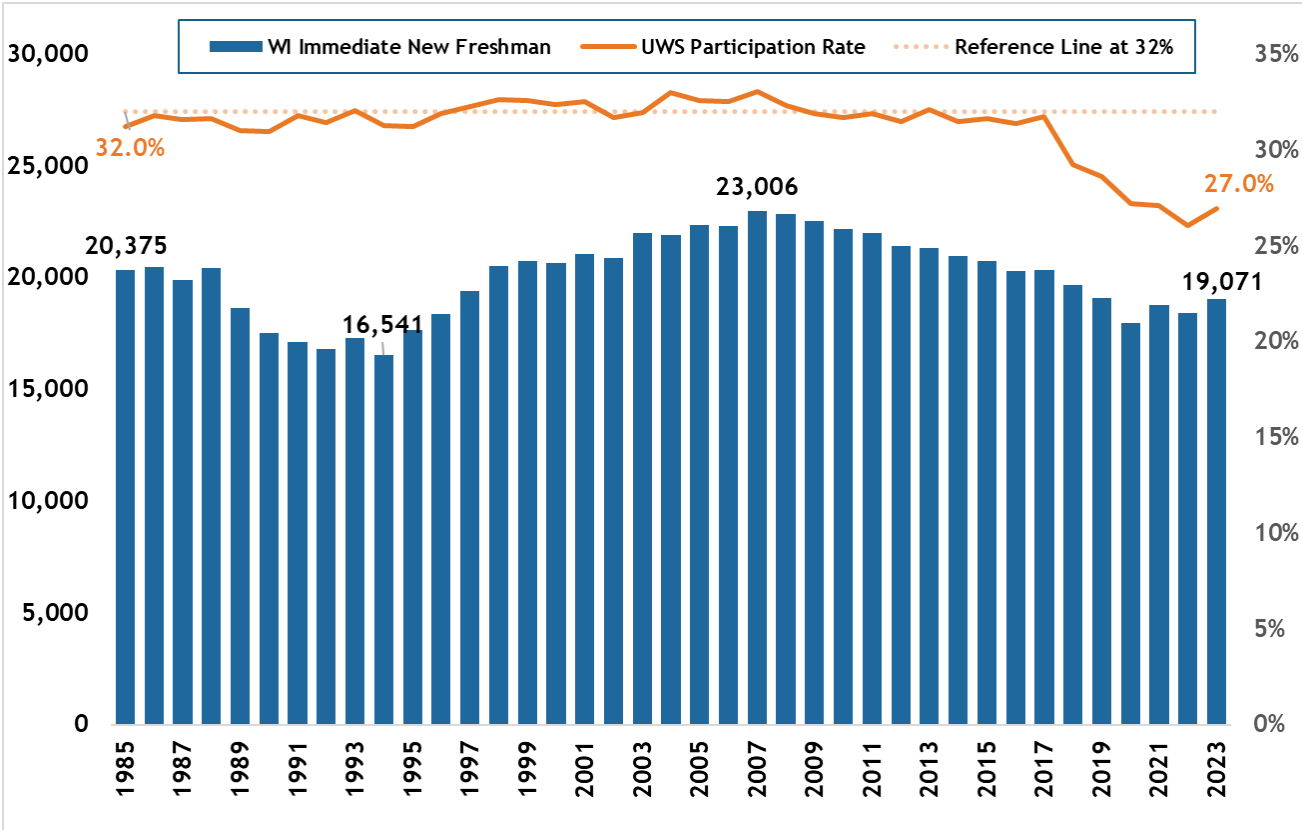


Source: WICHE (Western Interstate Commission for Higher Education)

Wisconsin's Participation Rates

Key Takeaways:

- After longstanding stability, Wisconsin's participation rates have notably declined since 2017.
- While both the number and percentage of high school participation increased for the Universities of Wisconsin in 2023, we believe this is the result of the one-time Wisconsin Tuition Promise that covered the 2023 cohort. Failure to fund this going forward, however, is likely to result in a return to declining participation rates.

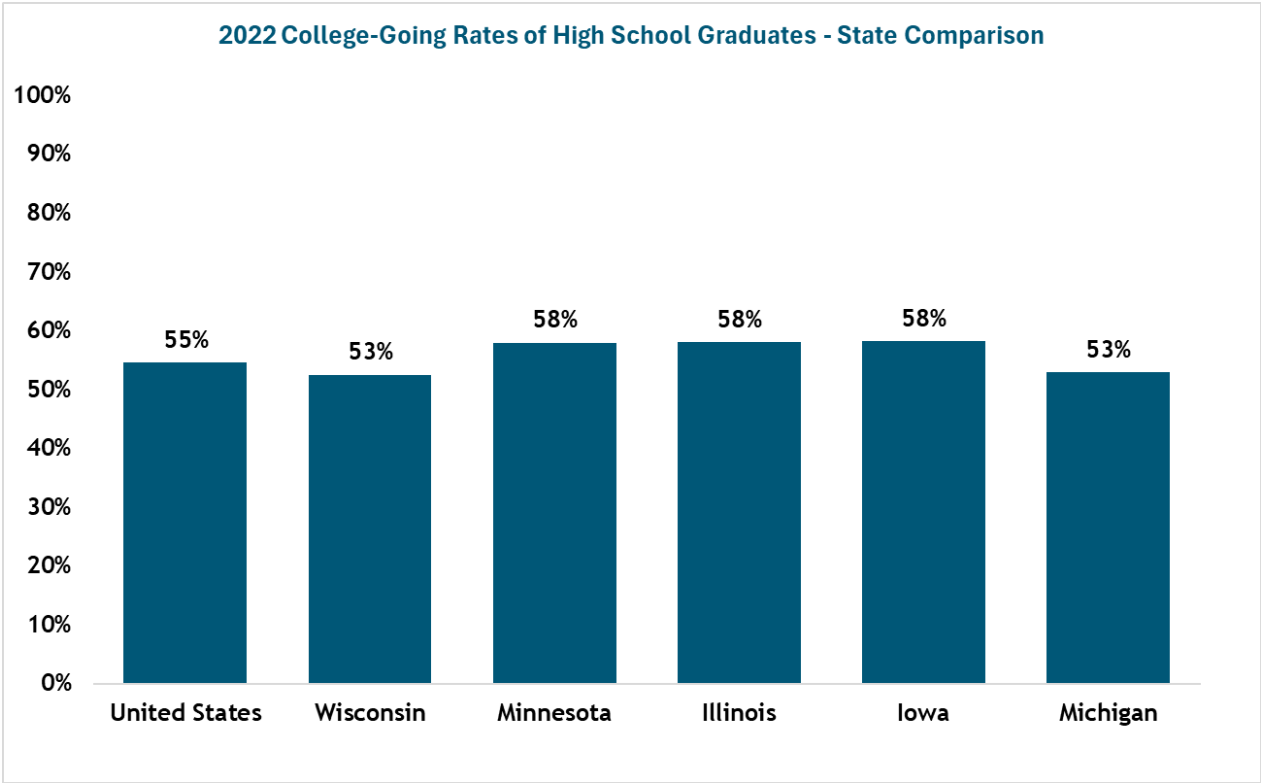


Source: OPAR and DPI data

Wisconsin College-Going Rate Compared to Neighboring States

Key Takeaways:

- Wisconsin’s college-going rate (including students attending technical colleges and private institutions) is generally lower compared to surrounding states.
- At its peak through 2016, Wisconsin’s participation rate was about 60%.
- The declining participation rate is a trend that is seen in most upper Midwest states as well as nationally.



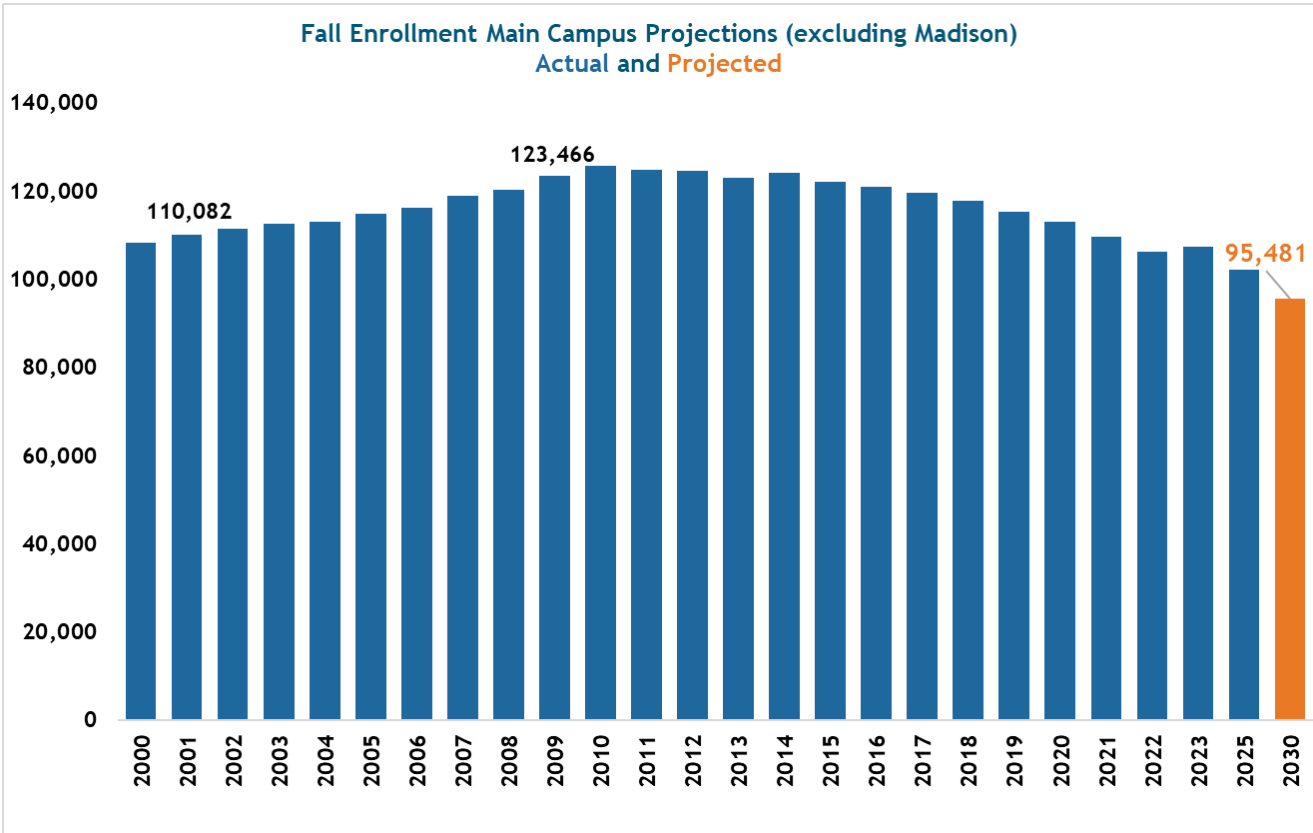
Source: OPAR and WICHE data

Projected Enrollments

While enrollment increased slightly in 2023, enrollment numbers for the Universities of Wisconsin (excluding UW-Madison) have generally been in a steady decline since a peak in 2010, reflecting both lower birth rates and overall declining participation rates.

Key Takeaway:

- Assuming participation rates at their current trajectories implies substantial enrollment decline by 2030, which would have a direct effect on Wisconsin’s global competitiveness and economic viability. Work/investment is necessary to avoid this result.



Source: OPAR

Growing Enrollment: Areas of Opportunity

In the face of demographic and participation rate challenges, growing enrollment efforts have identified several target areas of opportunity.

Some College, No Credential

The National Student Clearinghouse Research Center reports that the number of Americans aged 18 to 64 who have some college experience but no credential (did not graduate) rose 2.9% between July 2021 and July 2022 and now stands at 36.8 million.

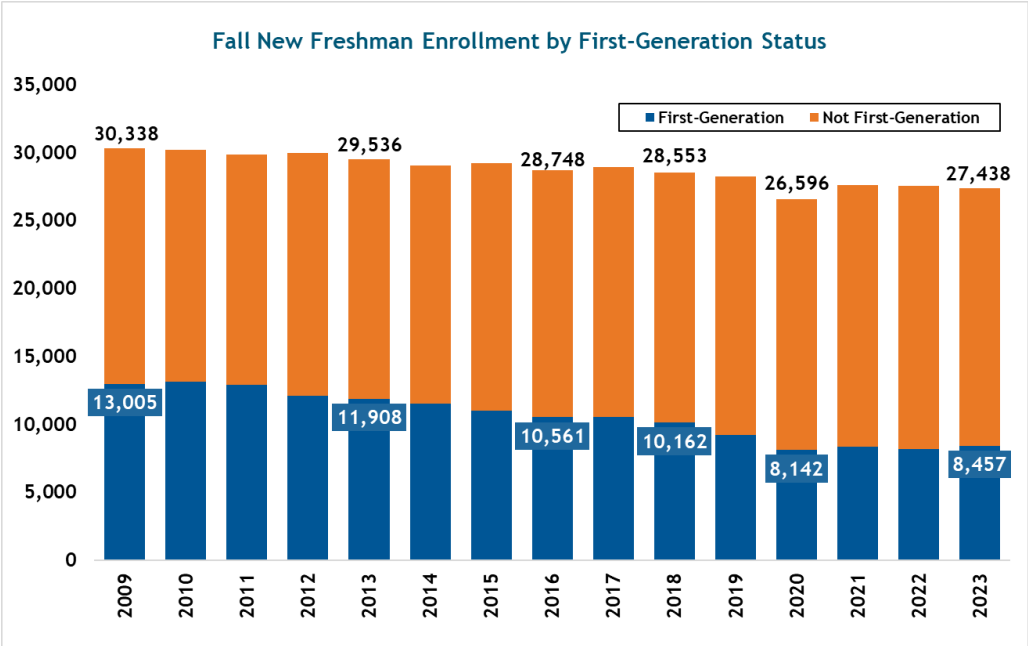
In Wisconsin, the Some College, No Credential (SCNC) population under age 65 was estimated at 622,790 during that same period.

Source: "Some College, No Credential Student Outcomes, 2024 Report for the Nation and the States," National Student Clearinghouse Research Center, June 2024

First-Generation Students

Students are considered first-generation if their parents did not graduate from college. At the Universities of Wisconsin, the number and percentage of first-generation new freshmen has notably fallen over the last 15 years.

Fall 2023 saw improvement in the percentage of first-generation students for the first time since 2010. One likely explanation for this bump is one-time Wisconsin Tuition Promise funding.



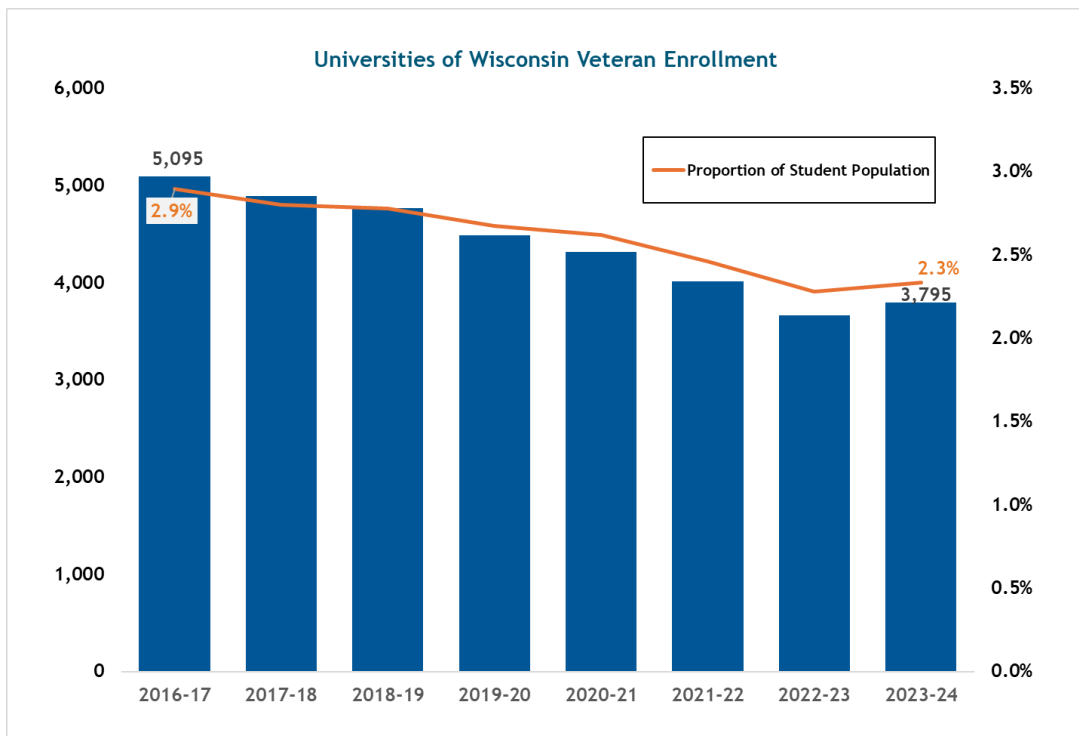
Source: OPAR

Veterans (wisconsin.edu/veterans/)

The Universities of Wisconsin are committed to providing comprehensive support and resources tailored to the needs of military service members, veterans, and their families. Veteran services coordinators at each university stand ready to assist in maximizing educational benefits and navigating the complexities of the process. Beyond financial assistance, a range of services are provided to foster success and well-being.

Key Takeaways:

- Veteran enrollment has been decreasing across the system, from 5,100 veterans in 2016-17 to 3,800 in 2023-24.
- Veteran students comprise about 2.3% of the overall student population.



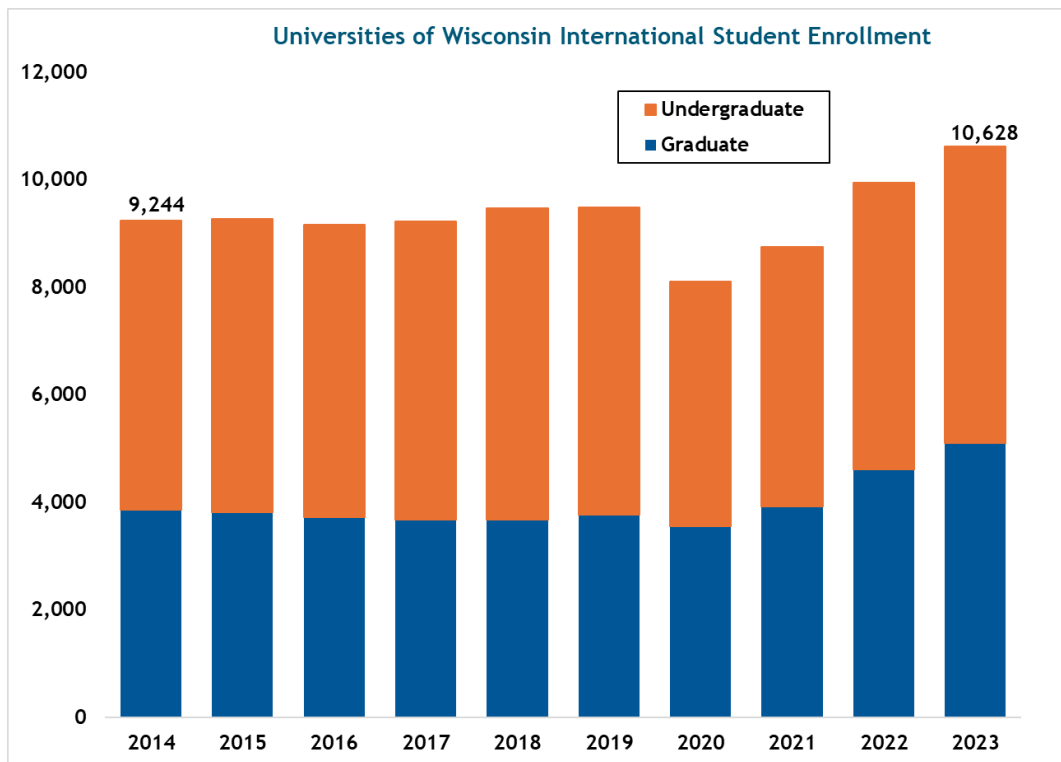
Source: OPAR

International Students ([wisconsin.edu/students/international/](https://www.wisconsin.edu/students/international/))

More than 10,000 international undergraduate and graduate students from more than 100 countries are part of the Universities of Wisconsin experience. All 13 UW universities welcome applications from international students. Students are considered international if they require any type of visa to attend a UW university.

Key Takeaways:

- International student enrollment has been increasing across the Universities of Wisconsin from 9,200 in 2014-15 to 10,600 in 2023-24, mainly due to growing numbers of graduate students.
- International students comprise about 6.5% of the overall student population in 2023-24.
- The COVID-19 pandemic caused a significant drop of 1,300 international students in 2020-21.



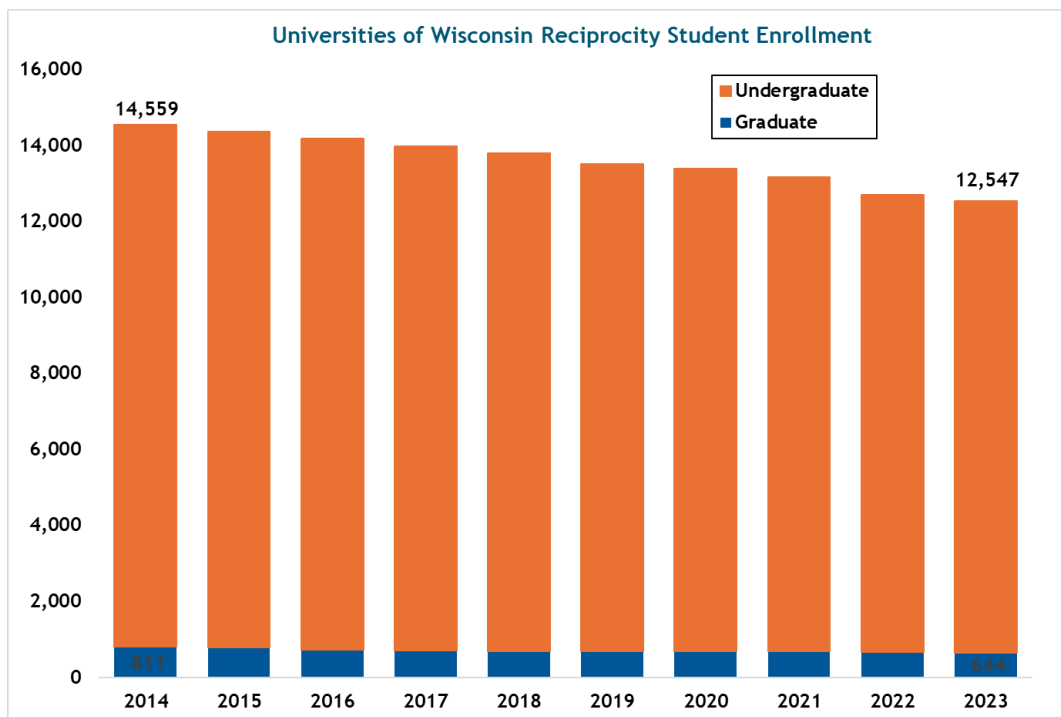
Source: OPAR

Minnesota Reciprocity Students

Under the Minnesota/Wisconsin Tuition Reciprocity Program (Section 39.47-Minnesota-Wisconsin Student Reciprocity [Agreement](#)), Minnesota residents may be eligible to pay Minnesota resident tuition rates to attend public Wisconsin universities.

Key Takeaways:

- Reciprocity student enrollment has been slowly decreasing across the Universities of Wisconsin from 14,500 in 2014-15 to 12,500 in 2023-24.
- Reciprocity students have comprised about 8% of the overall student enrollment for the past decade.



Source: OPAR

Continuing Education

Whether people are looking for professional development, to enhance their skills, or to pursue a new passion, the Universities of Wisconsin offer a wide range of Continuing Education opportunities designed for working adults and professionals to upskill, reskill, and gain new skills.

2022-23 Systemwide Total Offerings and Enrollments

Year	Total Offerings	Number of Uniquely Titled Offerings	Enrollments
2016-17	5,786	5,786	253,683
2017-18	4,847	4,237	257,569
2018-19	5,924	5,176	292,554
2019-20	4,509	4,017	285,337
2020-21	4,542	3,977	239,524
2021-22	4,959	4,491	229,253
2022-23	5,250	4,832	265,063
<i>2021-22 to 2022-23 Difference</i>	291	341	35,810

Source: Continuing Education Executive Council

Key Takeaway:

- Between this year and last, the total number of offerings increased by 6%, and total enrollments increased by 8%.

UWs Initiatives to Expand Access

Wisconsin believes education unlocks opportunity. To extend those opportunities to a broader range of the population, the Universities of Wisconsin have engaged in a number of initiatives to ensure and promote access.

Direct Admit ([wisconsin.edu/direct-admissions](https://www.wisconsin.edu/direct-admissions))

- Direct Admit Wisconsin is an initiative by the Universities of Wisconsin to offer proactive admission to qualifying high school students in between their junior and senior years of high school. Direct admission removes the traditional application process and instead uses data provided by the high school to admit students to universities.
- The first Direct Admit class will be in Fall 2025.

Wisconsin Online Portal (online.wisconsin.edu)

- One-stop shop for existing online efforts at all 13 UW universities.
- Gathers all 200+ fully online programs offered at the UWs in one location.
 - 10 associate, 99 bachelor's, and 95 master's degree programs
- Students can search for programs by program level, area of interest, or campus.
- Specific information for international students, military members, transfer students, and prospective graduate and undergraduate students.

The Wisconsin Guarantee ([wisconsin.edu/wisconsin-guarantee/](https://www.wisconsin.edu/wisconsin-guarantee/))

- In March 2024, the Universities of Wisconsin announced The Wisconsin Guarantee, which automatically admits the state's top-performing students to the state's 13 public universities in accordance with a new law approved by the legislature and signed by Gov. Evers.
- Under The Wisconsin Guarantee, students who rank in the top 5 percent of their class at the end of 11th grade will be eligible for automatic admission to UW-Madison while students who rank in the top 10 percent of their class at the end of 11th grade will be eligible for automatic admission to the other 12 UW universities.

Transfers ([wisconsin.edu/transfer/](https://www.wisconsin.edu/transfer/))

- Credit transfer tool: [Transferology](#)
- **Guaranteed Transfer Admission Program** provides "guaranteed" admission to qualified students who start at any UW university or branch campus and directly transfer to another UW university.
- Transfer agreements signed with all members of **Wisconsin Technical College System** (WTCS).

Maintaining Affordability

To meet the Strategic Plan goal of growing the number of graduates, keeping a Universities of Wisconsin education affordable is a vital part of maintaining access. In the face of declining state support on an inflation-adjusted basis and a decade-long tuition freeze, modest tuition increases were approved for the 2023-24 and 2024-25 academic years.

In March 2024, the Board of Regents [approved](#) a proposal to increase tuition for resident undergraduates by 3.75 percent during the 2024-25 academic year, a rate similar to recent inflation.

The total average cost of attendance for resident undergraduates in the 2024-25 academic year will increase approximately 3.8 percent when room and board costs are considered.

CHANGE IN PRIMARY COST OF ATTENDANCE FOR RESIDENT UNDERGRADUATES

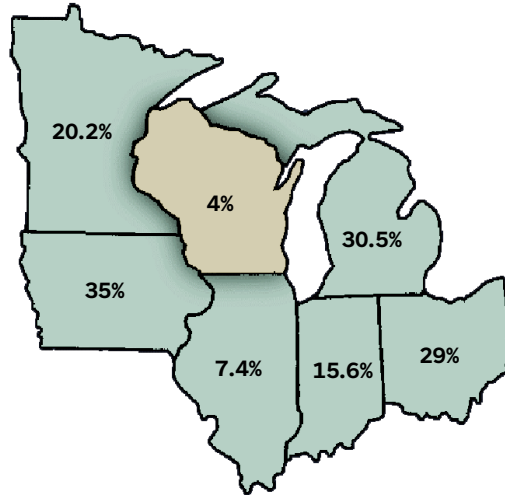
UW University	Tuition	Segregated Fees	Room & Board	FY25 Total	Total \$ Increase	Total % Increase
Madison	\$ 10,006	\$ 1,597	\$ 12,133	\$ 23,736	\$ 747	3.2%
Milwaukee	\$ 8,772	\$ 1,626	\$ 11,225	\$ 21,623	\$ 873	4.2%
Eau Claire	\$ 7,931	\$ 1,711	\$ 9,111	\$ 18,754	\$ 773	4.3%
Green Bay	\$ 7,125	\$ 1,575	\$ 8,213	\$ 16,913	\$ 546	3.3%
La Crosse	\$ 8,333	\$ 1,563	\$ 7,610	\$ 17,506	\$ 684	4.1%
Oshkosh	\$ 7,061	\$ 1,471	\$ 9,069	\$ 17,601	\$ 450	2.6%
Parkside	\$ 6,978	\$ 1,292	\$ 8,413	\$ 16,683	\$ 738	4.6%
Platteville	\$ 7,126	\$ 1,299	\$ 8,530	\$ 16,955	\$ 329	2.0%
River Falls	\$ 7,121	\$ 1,703	\$ 7,942	\$ 16,766	\$ 717	4.5%
Stevens Point	\$ 7,378	\$ 1,670	\$ 8,800	\$ 17,849	\$ 675	3.9%
Stout	\$ 7,715	\$ 1,671	\$ 8,808	\$ 18,194	\$ 788	4.5%
Superior	\$ 7,082	\$ 1,731	\$ 7,897	\$ 16,710	\$ 569	3.5%
Whitewater	\$ 7,119	\$ 1,287	\$ 7,991	\$ 16,397	\$ 655	4.2%
Average: \$					658	3.8%

Numbers may not add due to rounding

Previously, the Universities of Wisconsin had raised resident undergraduate tuition and segregated fees at the four-year campuses by an average of 4.2% (or \$706) for 2023-24.

Even with recent increases in tuition, the Universities of Wisconsin remain the most affordable university system in the upper Midwest.

CHANGE IN RESIDENT UNDERGRADUATE TUITION AT MIDWEST FLAGSHIPS, 2014 THROUGH 2024

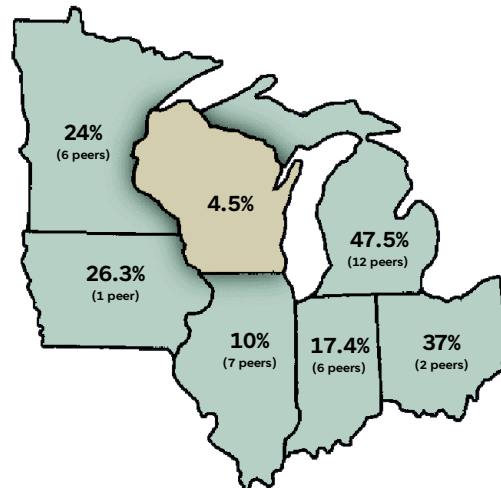


Current Tuition (no fees):

- University of Michigan: \$16,896
- University of Minnesota-Twin Cities: \$14,496
- University of Illinois-Urbana-Champaign: \$12,712
- The Ohio State University: \$11,826
- Indiana University-Bloomington: \$10,312
- University of Wisconsin-Madison: \$9,644**
- University of Iowa: \$9,016

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CHANGE IN RESIDENT UNDERGRADUATE TUITION AT UW COMPREHENSIVE PEERS, 2014 THROUGH 2024*



➤ **Resident Undergraduate Tuition Only**

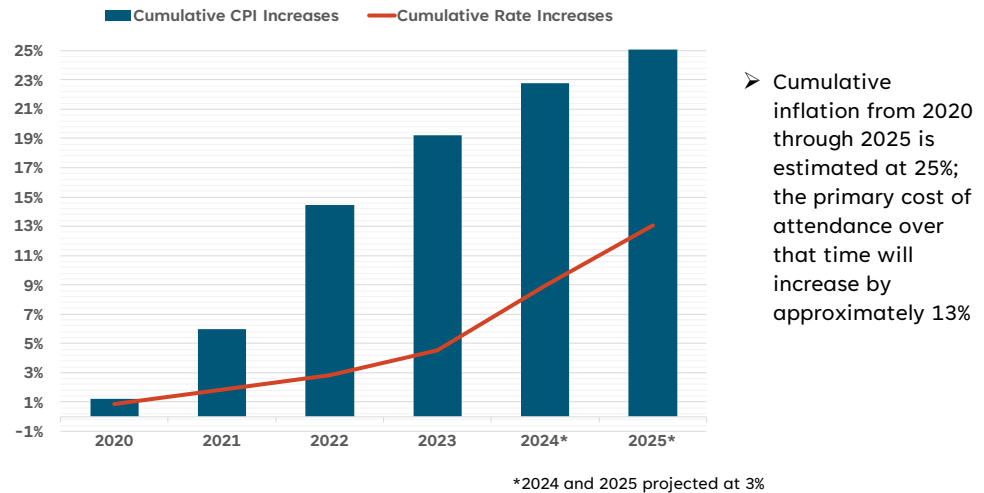
**During this period, several universities in Michigan moved to a block tuition model that combines tuition and fees into a flat rate*

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Source: SHEEO, SHEF report, FY23

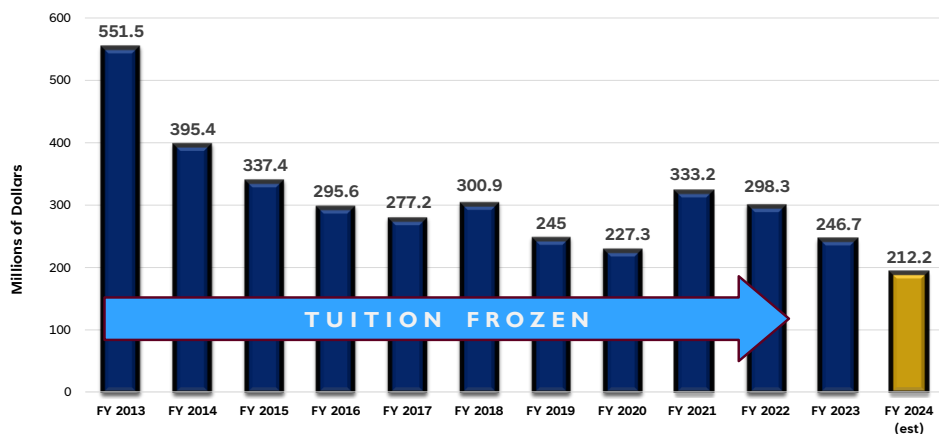
Despite the current increases, tuition and costs at the Universities of Wisconsin continue to be below the rate of inflation. It should be noted that the cumulative impact of that inflation – taken together with a full decade of frozen tuition – has significantly reduced the buying power of the Universities of Wisconsin.

CPI VS. AVERAGE TUITION, SEGREGATED FEE, ROOM AND BOARD INCREASES FOR RESIDENT UNDERGRADUATE



Our General Purpose Revenue (GPR)/tuition balances have significantly decreased, as those reserves have been employed to address declining resources on an inflation-adjusted basis.

GPR/TUITION BALANCES FY13 THROUGH FY24 (ESTIMATED)



Source: Universities of Wisconsin

Financial Aid

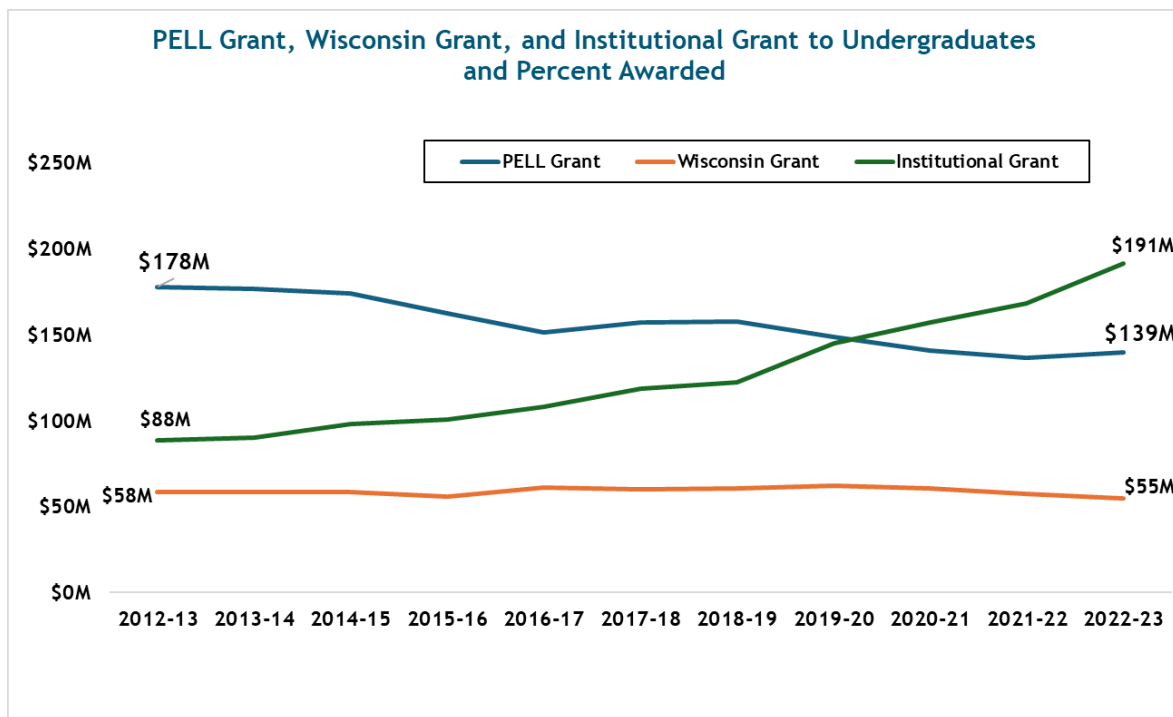
As UW universities have become increasingly tuition-dependent with the decline of state aid, Wisconsin students and families are paying a larger share of higher education costs. In this environment, financial aid funding is critical to student success – playing an integral role in student access, retention, graduation, and ultimately employment.

In 2022-23, about 60% of students overall attending the Universities of Wisconsin received financial aid. That's about 90,000 undergraduates and 18,000 graduate students.

These students received nearly \$1.4 billion in financial aid from all sources (including \$571 million in grants, \$656 million in loans, and \$11 million in work-study funding).

Key Takeaways:

- Approximately 20% of UW undergraduates received Pell Grants in the aggregate amount of \$139 million, a 7% decrease over the past decade from a high of 27% in 2012-13 with \$178 million total awarded.
- The number of Wisconsin Grant recipients and the total amount distributed have remained stable over the last decade.
- The percentage of Institutional Grant recipients has increased from 15% to 25%, more than double the total amount distributed over the last decade. Institutional Grants are funds sourced by a university, including foundation-coordinated aid.

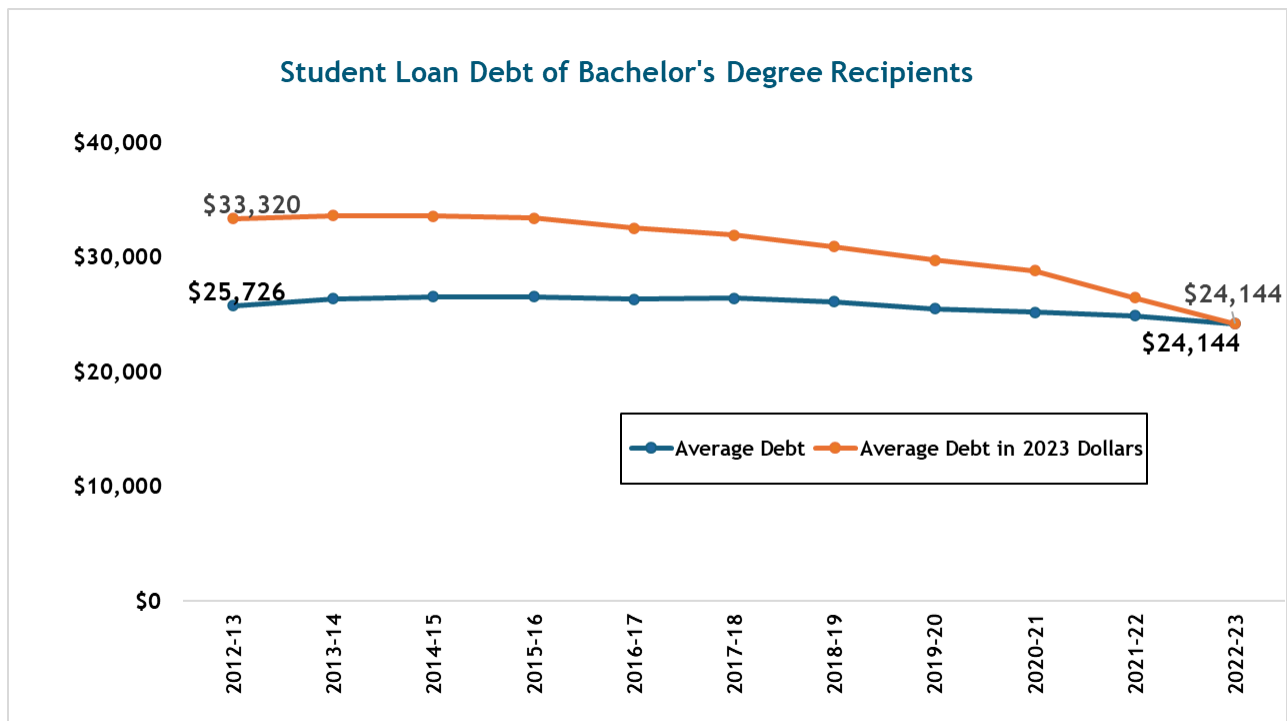


Source: OPAR

Student Loan Debt of UWs Bachelor's Degree Recipients Is Down

Key Takeaways:

- Average student loan debt of bachelor's degree recipients at the Universities of Wisconsin has declined over the last 10 years on both an actual and inflation-adjusted basis.
- A smaller percentage of students are carrying debt: 59% in 2022-23, compared to 70% five years earlier.
- UW graduates are far less likely to default on student loans within three years compared to students nationally.
- Impacted by the pause on federal student loan payments, no borrowers with loans entered default in 2020-21.



Source: OPAR

Wisconsin Tuition Promise

Keeping a Universities of Wisconsin education affordable is vital to growing the number of students going to college and ultimately graduating to enter the workforce. Extending a Tuition Promise program would create more opportunities for middle-class Wisconsin families to have the benefits of a UW's education.

- **UW-Madison: [Bucky's Tuition Promise](#)**, which launched in 2018, guarantees scholarships and grants to pay for tuition and segregated fees for students whose household adjusted gross income (AGI) is \$65,000 or less. Incoming first-year students will receive eight consecutive semesters (four years) of covered tuition and segregated fees, and new transfer students will receive four semesters (two years).
- **UW-Madison: [Bucky's Pell Pathway](#)**, which started in fall 2023, is an expansion of Bucky's Tuition Promise, designed to help students from low-income Wisconsin households pay for college through a combination of grants, scholarships, and work-study. It includes a commitment to meeting full financial need without loans for incoming first-year students for four consecutive years and transfer students for two consecutive years. Bucky's Pell Pathway is open to Wisconsin residents and students who are federal Pell Grant-eligible and/or certain independents.
- **UW-Milwaukee: [Milwaukee Tuition Promise](#)**, which launches in fall 2025, provides up to four years of tuition and segregated fees for Wisconsin resident students coming from families earning less than \$62,000 annually. It is structured to provide "last dollar" financial aid after federal and state grants for first-time bachelor- or associate-degree students and first-time transfers.
- **Universities of Wisconsin: [Wisconsin Tuition Promise \(WTP\)](#)**
 - **2023 WTP Cohort:** On a one-time basis, the Universities of Wisconsin funded a tuition promise program for its 2023 cohort, delivering "last dollar" financial assistance to 1,700 students coming from families with an AGI of \$62,000 or less at a cost of \$7.3 million for Fiscal Year (FY) 2024.
 - WTP had an immediate positive impact on enrollment. Wisconsin new freshman enrollment at non-UW-Madison universities increased by 5.3 percent overall in Fall 2023. This returned Wisconsin's resident new freshman enrollment to pre-pandemic levels. It was the first increase in this incoming class at the participating universities since 2017.

- This increase is predominantly due to increases in Pell enrollment, which rose by 15.4 percent or 570 enrollments. This represents the first increase in these low-income students since 2016 and only the second such year-over-year increase since 2011.
- In addition to low-income students, the number of first-generation students increased to pre-pandemic levels and the percentage of first-generation students in the entering class rose for the first time since 2010.
- Most critically, the participation rate of immediate high school graduates at the Universities of Wisconsin rose for the first time since 2017, halting what had been a rapid downward trend.
 - Funding requests for the state to continue this program were not approved in the 2023-24 budget.
- **2025 WTP Cohort:** In absence of state funding, the Universities of Wisconsin have announced that, on a smaller scale, it will fund a “last dollar” aid program for the 2025 cohort for households up to \$55,000 in annual income.
 - An estimated 1,300 students starting in fall 2025 are expected to qualify for the program. The amount of “last dollar” financial aid provided will depend upon the exact number of students who are assisted.
 - A \$5-million grant from [Ascendium Education Group](#) (a Madison-based nonprofit organization) will fund the new cohort. Universities of Wisconsin Administration will match Ascendium’s \$5-million grant. Additional support will come from the 11 participating universities, which will work closely with students as they progress toward graduation.

UWs Are Implementing Changes to Drive Down Expenses

The Universities of Wisconsin are making changes to drive down expenses, to help keep a UWs education affordable.

Fewer Employees

- The UWs have nearly 1,000 fewer full-time equivalent (FTE) employees than in 2018 at non-UW-Madison universities.

Eliminating Structural Deficits

In FY 2023, 10 of 13 UW universities (all except UW-Madison, UW-Stevens Point, and UW-Stout) reported structural deficits. A structural deficit exists when ongoing expenses exceed recurring revenue. In the event of a deficit, a budget may remain in balance at the end of the fiscal year only through allocation of reserve dollars. With reserve dollars, universities can have a balanced budget every year and still have an ongoing structural deficit; however, this is not sustainable over the long term.

The Strategic Plan called for universities to eliminate their structural deficits by 2028, and chancellors were charged with undertaking a review of their circumstances and, where appropriate, developing plans to deal with budget deficits.

As of June 2024, it was announced that six of the 13 UW universities now project a structural deficit for 2024-25, down from the 10 reported in the 2023-24 annual budget.

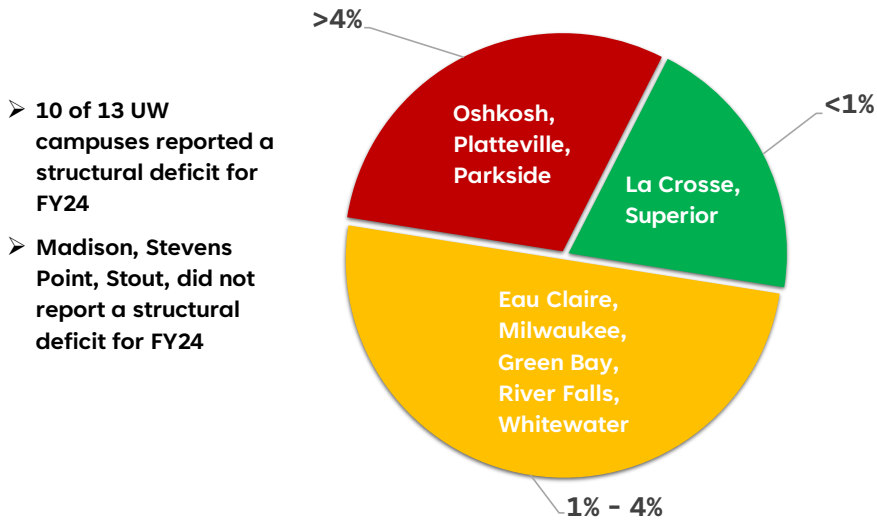
STRUCTURAL DEFICIT PROJECTIONS

➤ Deficit as a percent of expenses is denoted*

	FY24	FY25 proj.
Key:		
Structural deficit		
No structural deficit		
Madison		
Milwaukee	1.5%	
Eau Claire	2.9%	<1%
Green Bay	2.0%	
La Crosse	<1%	
Oshkosh	8.0%	4.5%
Parkside	6.9%	1.2%
Platteville	7.6%	
River Falls	2.0%	3.0%
Stevens Point		
Stout		
Superior	<1%	2.3%
Whitewater	3.3%	<1%
# structural deficits:	10	6

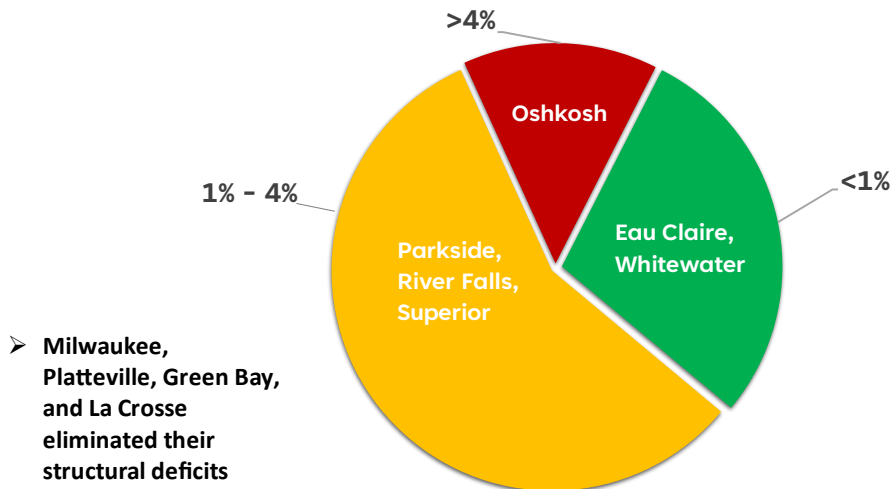
*FY24 expressed as a percent of FY23 actuals; FY25 is projected as a percent of FY25 budgeted expense

FY24 STRUCTURAL DEFICIT AS A PERCENT OF FY23 ACTUAL EXPENSES



29

FY25 STRUCTURAL DEFICIT AS A PERCENT OF FY25 BUDGETED EXPENSES



30

Source: Universities of Wisconsin

Expanding Shared Services Across All Universities

The Strategic Plan provides that shared services should be implemented in a cost-effective manner that preserves benefits for the universities – and helps to keep a UW's education more affordable.

UW-Shared Services (UWSS) is an administrative service organization providing consolidated and scalable operational services to UW universities and employees. UWSS provides services in the functional areas of human resources, purchasing, and business services. In addition, the Universities of Wisconsin have been collaborating for more than 20 years through the Enterprise Directions Council (EDC), which maintains a portfolio of shared IT systems including administrative, academic, and IT infrastructure platforms, and more recently through IT as a Service within the Office of Learning and Information Technology Services (OLITS).

UWSS exists to standardize processes, consolidate operations, and streamline administrative practices to provide high-quality services while improving administrative efficiency and effectiveness. In addition to providing high-quality services, UWSS brings value to UW universities by reducing administrative burden and cost, thereby allowing them to invest time and resources into activities more central to their mission.

EDC exists to address IT needs and ensure commonality among systems thereby increasing purchasing power and operational efficiency while reducing university-specific effort and investment. This strategy generally creates an ability for all universities to obtain modern infrastructure and software at a much better price point, scaled for their utilization. The ability to scale beyond a single university is an asset, not a liability. Therefore, the goal of IT as a Service is to leverage this scale to reduce costs, improve quality, and increase resilience for the commodity services that do not differentiate the participating universities.

Both shared service functions work toward the same goals:

Cost Reduction: A primary goal of shared services is to reduce the redundant investment in administrative costs among all campuses. This occurs through standardization of processes and centralizing functions that can be scaled to deliver the same function more efficiently and at a lower overall cost. In turn, this reduces administrative costs to the campuses and permits an ability to redirect resources in support of the university's core mission.

Improved Service and Resilience: When services are siloed or distributed within business units, it can be difficult to track progress and identify areas for improvement. Additionally, due to years of reduction, the remaining services are often so leanly staffed that any turnover creates risk to the ability to deliver or maintain a necessary function.

Consolidating certain services into a single provider, the Universities of Wisconsin, reduces

duplication of effort, enhances internal controls, and creates a nimble and responsive workforce without a single point of failure.

Performance: Centralizing certain functions allows the Universities of Wisconsin to closely monitor and manage performance. Standardized business processes and the use of Service Level Agreements (SLAs) will improve both accountability and the delivery of services.

Improved Communication: Shared services can improve communication and collaboration among the 13 UW campuses by breaking down silos and allowing input through a participatory governance structure that emphasizes customer feedback.

Greater Flexibility: A versatile shared services team will provide the flexibility to scale up or down as needed, without having to make significant changes to the organizational structure and avoid periods of nonservice or “outage.”

Workday: The transition to the Workday platform in July 2025 will further accelerate the maturity and growth of UW-Shared Services by enabling UWSS to partner with Finance and Human Resources leaders to aggressively standardize and streamline business processes while shifting those functions that can be delivered more efficiently centrally and retaining more strategic and unique functions at the campus level.

MEETING WORKFORCE DEMANDS

Wisconsin employers are explicit about their growing needs for more highly skilled and trained workers. Unless action is taken to address the issue, businesses will be forced to move operations elsewhere – or not come to Wisconsin in the first place – to have access to the necessary talent. These actions would have the direct result of reducing the economic prosperity of the state.

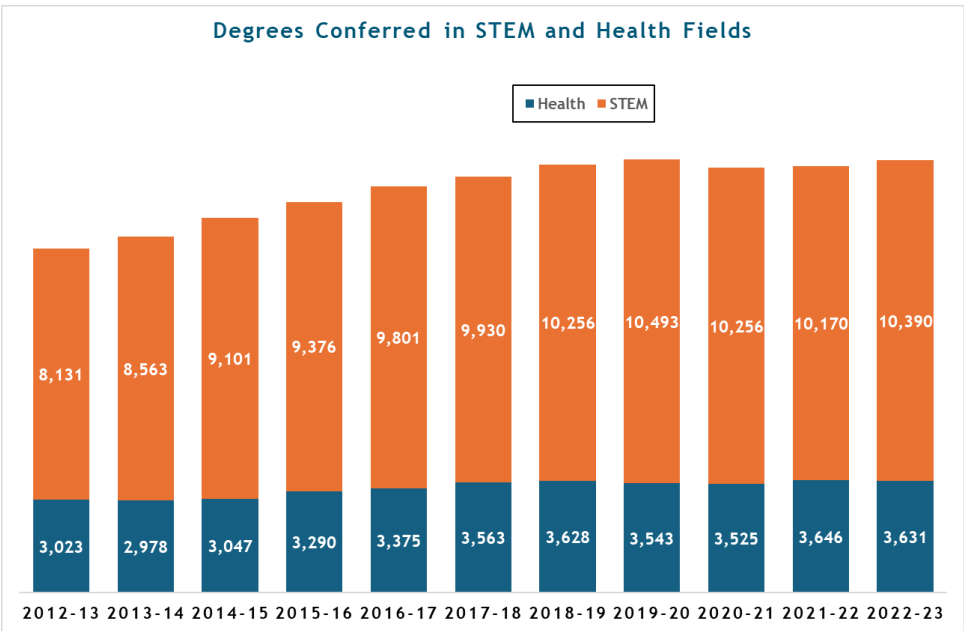
- Even as the Universities of Wisconsin are responding to workforce needs and producing more graduates in high-demand fields, there are continued shortfalls – in some cases significant shortfalls – in meeting those demands.
- Nursing and Computer and Information Science remain the areas with the greatest shortfalls in supply when compared to market demand.
- In many Business and Management fields, demand also exceeds supply.
- Teachers remain a high-need area driven largely by high turnover in the profession.

Source: OPAR

Number of STEM and Health-Related Degrees Continues to Rise

Key Takeaways:

- In 2022-23, the percentage of the total degrees conferred by the Universities of Wisconsin in STEM fields was 29.3%, with a steady increase over the last decade.
- In the same year, about 10% of total degrees conferred are in Health fields.



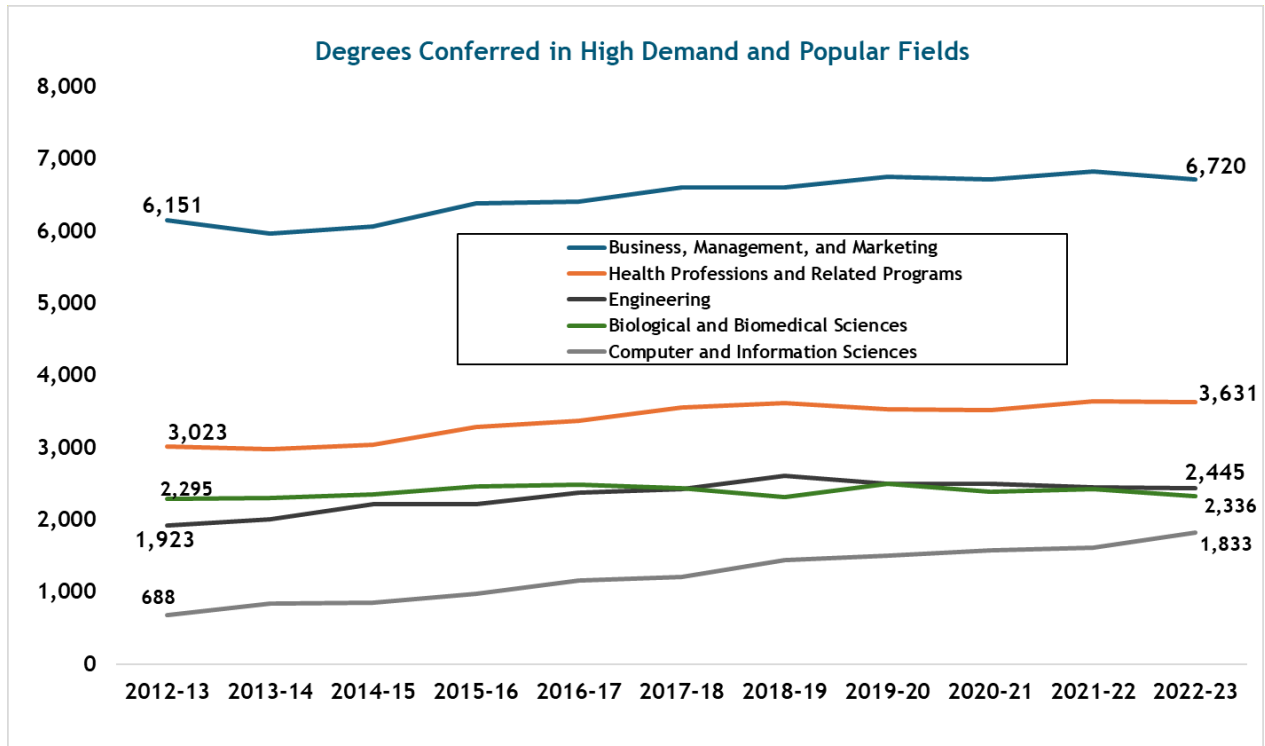
Source: OPAR

More Degrees in High-Demand Fields

The Universities of Wisconsin help to meet workforce needs as more students earn degrees in high-demand and popular fields.

Key Takeaway:

- Total bachelor and graduate/professional degrees conferred in high-demand and most popular fields have increased steadily over the last decade.



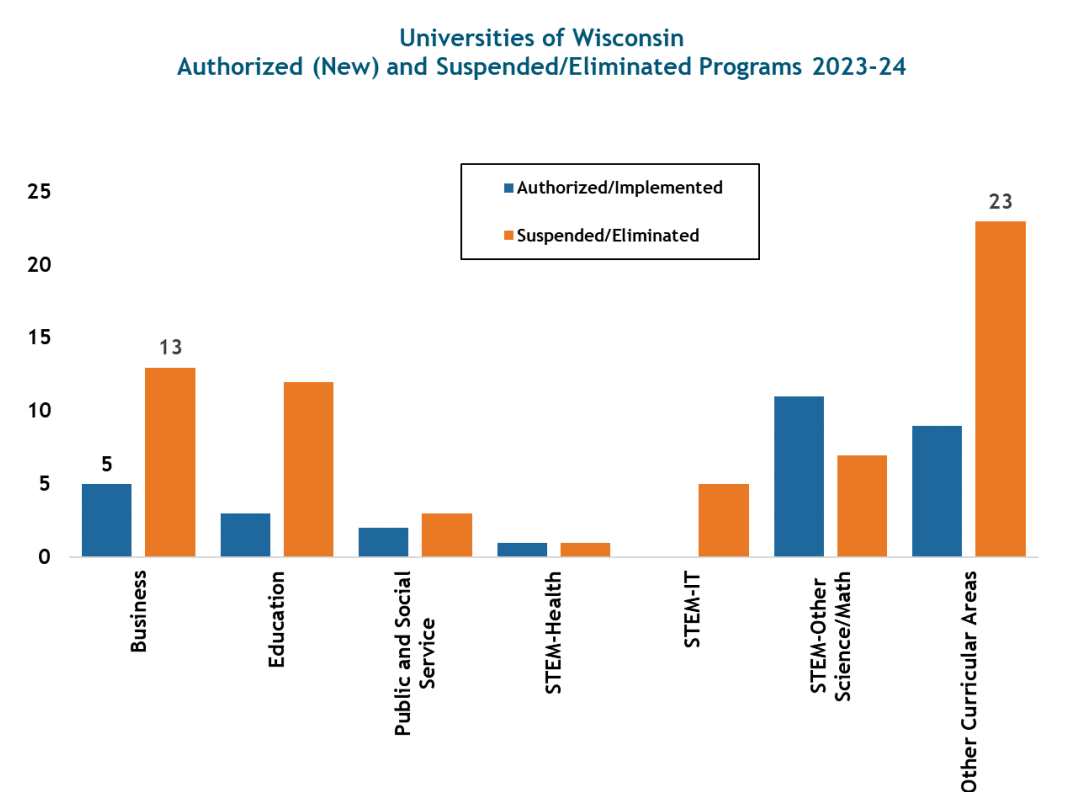
Source: OPAR

UW Curricula Are Adaptable

Curricula at the Universities of Wisconsin continually adapt to market demand and workforce needs.

Key Takeaways:

- As of July 1, 2024, 26 new program proposals have been submitted to the Office of Academic Affairs and are in the pipeline. Almost 70% (18) of these programs are in STEM areas.
- Sixteen collaborative programs are offered across the Universities of Wisconsin.
 - A collaborative program is one in which the program's curriculum is collaboratively developed and subsequently delivered by multiple universities. Generally, universities involved in the collaboration are responsible for delivery of a specific subset of courses required for the program. Examples of current Universities of Wisconsin collaborative programs include an M.S. in Cybersecurity, an M.S. in Applied Biotechnology, and an M.S. in Healthcare Administration.
- Work is being done to suspend or eliminate programs based on lack of student demand.



Source: Universities of Wisconsin Office of Academic Affairs

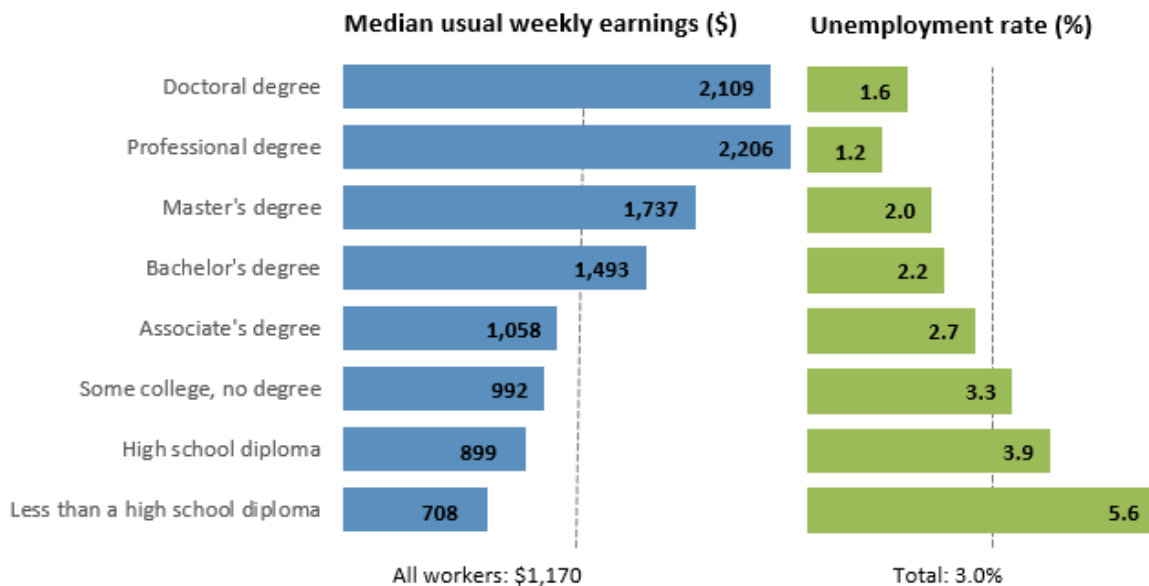
Education Pays

The Universities of Wisconsin are committed to helping more people earn a college degree. This benefits individuals, their communities, and the state.

According to data from the U.S. Bureau of Labor Statistics (BLS), as workers' educational attainment rises, their unemployment rates decrease and earnings increase.

As the chart shows, workers aged 25 and over who have less education than a high school diploma had the highest unemployment rate (5.6 percent) and lowest median weekly earnings (\$708) in 2023 among those at all education levels. Workers with graduate degrees had the lowest unemployment rates and highest earnings.

Earnings and unemployment rates by educational attainment, 2023



Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.
Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Source: "[Education pays, 2023](#)," U.S. Bureau of Labor Statistics, April 2024

More than half of future jobs paying \$50,000 a year will require a bachelor's degree, according to a [recent study](#) from the **Wisconsin Policy Forum**. The study also noted that 25,000 (7%) of Wisconsin's projected annual openings will be in occupations that pay a median wage of \$75,000 or more annually. Raising the bar further, 91% of those jobs will require a bachelor's or advanced degree.

ENSURING QUALITY

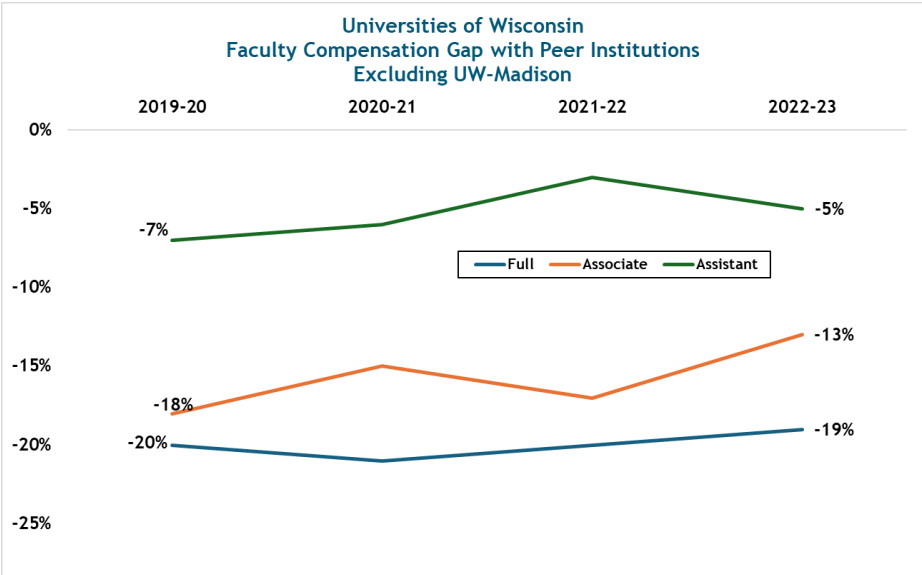
Faculty and Staff Compensation Lags Peers

Our students deserve and parents expect a top-quality education at the Universities of Wisconsin – and that relies in large part upon top-notch faculty and staff. A major goal of the Strategic Plan is to meet this priority by recruiting, developing, and retaining a diverse, high-quality faculty and staff.

However, faculty and staff salaries at the Universities of Wisconsin have fallen behind relative to peers, negatively impacting our ability to attract and retain top talent.

Key Takeaways:

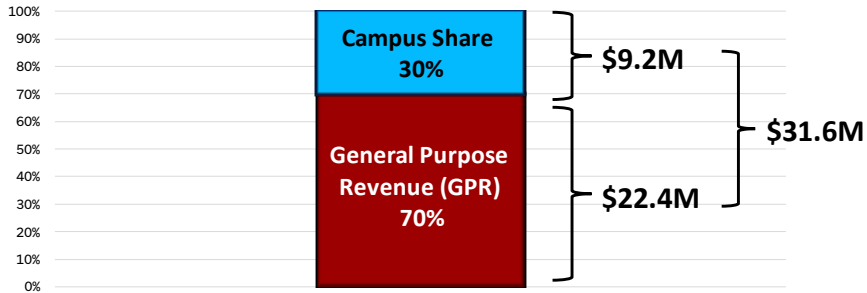
- As of Fall 2023, the Universities of Wisconsin had a headcount of approximately 40,000 employees. This includes a headcount of approximately 11,000 faculty and instructional academic staff.
- Overall, since FY18, the number of Full-Time Equivalent (FTE) positions is down at the non-UW-Madison campuses by nearly 1,000 FTEs.
- The faculty salary gap for the Universities of Wisconsin (excluding UW-Madison) and peers remains persistent although UW-Madison has made efforts in the last few years in closing the gap with their peers.
- Noticeable differences exist in the faculty salary gap with peer institutions by rank with more newly hired Assistant Professors compensated more closely to peers.
- The salary gaps by rank range from 7% (\$3,900) for Assistant Professors to 13% (\$10,600) for Associate Professors to 19% (\$18,200) for Full Professors.



Source: OPAR

HOW IS PAY PLAN FUNDED?

- Historically, employee salary increases (“pay plan”) are split between the state (70%) and the campus (30%)

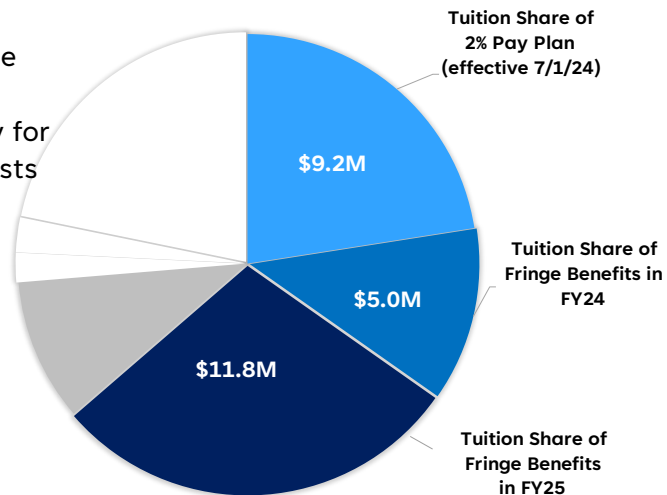


➤ Example illustrates a 2% Pay Plan increase

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BREAKDOWN OF TUITION REVENUE INCREASE

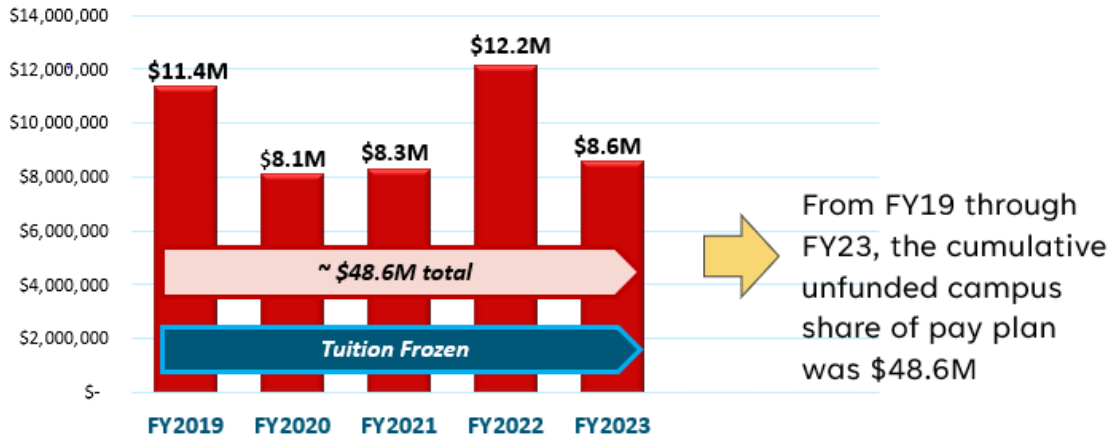
- Three quarters of the total 3.75% tuition increase is primarily for Pay Plan-related costs



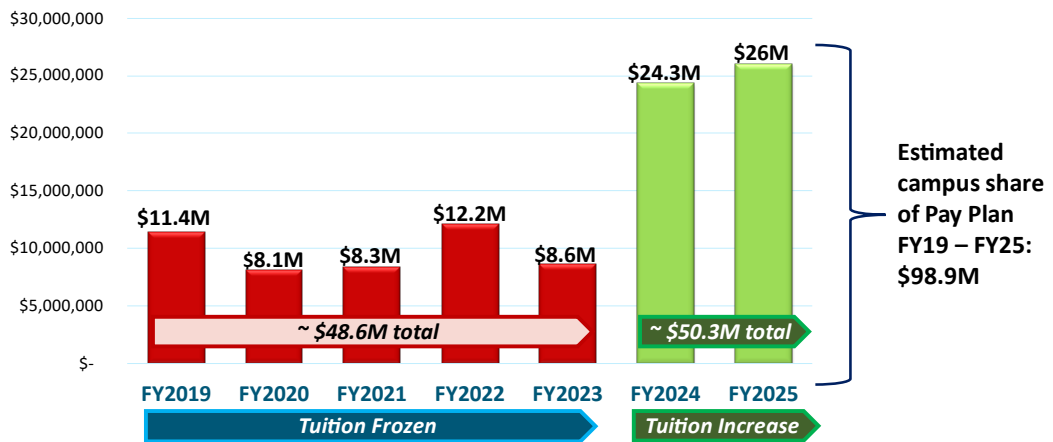
24

Source: Universities of Wisconsin

CUMULATIVE IMPACT OF THE CAMPUS SHARE OF PAY PLAN FY19 - FY23



CUMULATIVE IMPACT OF THE CAMPUS SHARE OF PAY PLAN FY19 - FY23



Source: Universities of Wisconsin

Aging Infrastructure, New Needs

To ensure students get the quality education we promise, the Strategic Plan highlights the need for the Universities of Wisconsin to provide state-of-the-art facilities for student learning and academic excellence.

Higher education, both nationally and in Wisconsin, is facing unprecedented challenges due to declining student enrollment, dynamically changing space needs, a portfolio of buildings with rapidly increasing deferred maintenance requirements, workforce shortages across the board, and an uncertain future in utilities.

The COVID-19 pandemic changed the academic and office landscape into a more hybrid environment. Fewer staff need dedicated office space and universities are migrating away from large undergraduate courses taught in lecture halls.

Facilities resiliency is increasingly challenging due to the lack of available and affordable facilities labor, inadequate data management systems, aging infrastructure, and changes in traditional weather patterns.

Operating budgets are under pressure due to lower enrollments, rising utility costs, and facilities with deferred maintenance needs that are not being met. Chief Business Officers are directing facilities staff to reduce operating budgets, provide KPIs (Key Performance Indicators) and demonstrate ROI (Return on Investment) for development projects. This leads to data collection, assessment, and management being even more relevant than before.

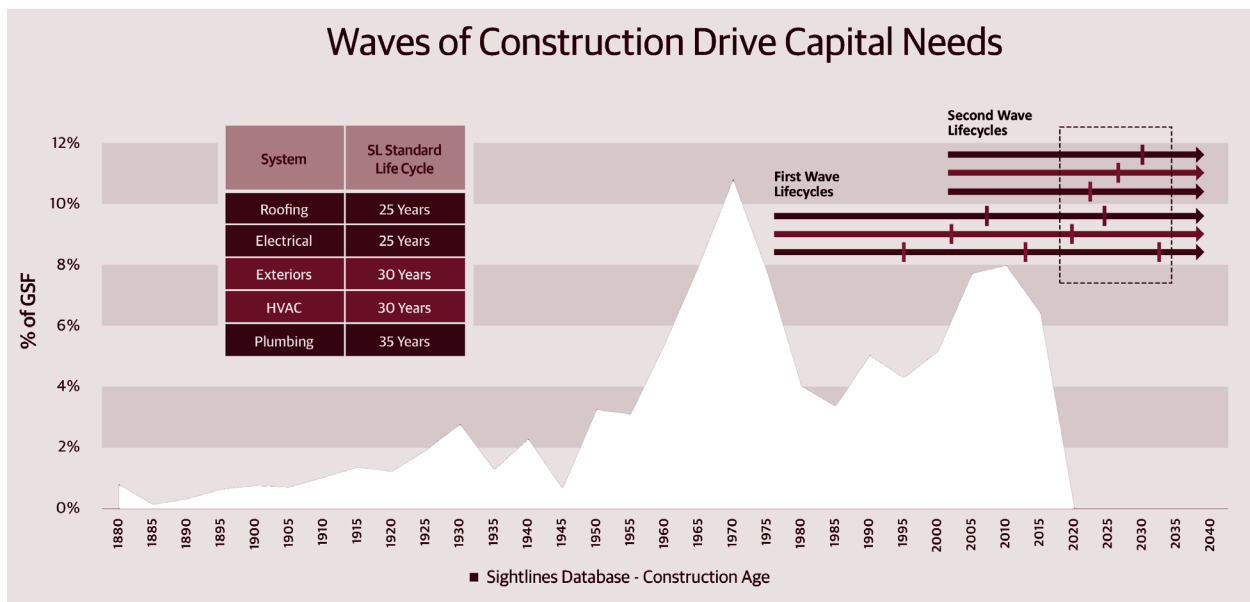
Responding to these and other challenges provides opportunities for the Universities of Wisconsin to develop flexible, adaptable, state-of-the-art interdisciplinary facilities, provide more nontraditional learning settings, evaluate the need for and utilization of existing space, and to actively collaborate and integrate with local communities to share resources. Assessment of space utilization can lead to consolidating program uses, reducing square footage through the sale or demolition of buildings, and reevaluating the need for off-campus leases.

As Artificial Intelligence (AI) continues to expand into all sectors of the academy, universities will need to be positioned to embrace its possibilities without yet knowing the physical impacts.

Aging Infrastructure Presents Ongoing Challenges

The Universities of Wisconsin, like many of their peers, saw an unprecedented spike in construction following the return of GIs from war. Facilities went up fast to keep pace with the increased enrollment many institutions faced at the time. Energy conservation was not a factor in those years – oil was cheap and seemingly plentiful. These buildings weren't meant to last. Although the average percentage across higher education nationally is closer to 33% of the total inventory, the Universities of Wisconsin estimate that more than half of their facilities were built in this era.

Building systems don't last forever. They require cyclical maintenance and eventual replacement. Gordian (formerly Sightlines) recommends that electrical systems be replaced every 25 years, HVAC every 30, and plumbing every 35. Many of our buildings, constructed between 1950 and 1975 have never had their electrical, HVAC, plumbing, or exterior envelope replaced or repaired. One thing not factored into a typical capital renewal program is the probability that newer buildings, which have more computerized systems and controls, will require upgrade and replacement on a more frequent basis than older valve/dial systems.



The longer we wait to address deferred maintenance and other capital renewal needs, the more expensive the fixes become, and failure is more likely, which diverts existing resources, such as staff and funding, to resolve those “emergencies.”

Relationship Between Different Maintenance Activities*



*EAB – *Tackling the Deferred Maintenance Crisis – Executive Briefing*

While the Universities of Wisconsin do not have an estimate of the deferred maintenance costs associated with their physical inventory, as part of the FY23-25 Capital Budget cycle, the 13 universities submitted more than \$770M in requests for projects that address deferred maintenance.

ECONOMIC OPPORTUNITY & INNOVATION

As described in the Universities of Wisconsin mission and put into practice through the Strategic Plan, the Universities of Wisconsin exist to serve the people of Wisconsin – and beyond.

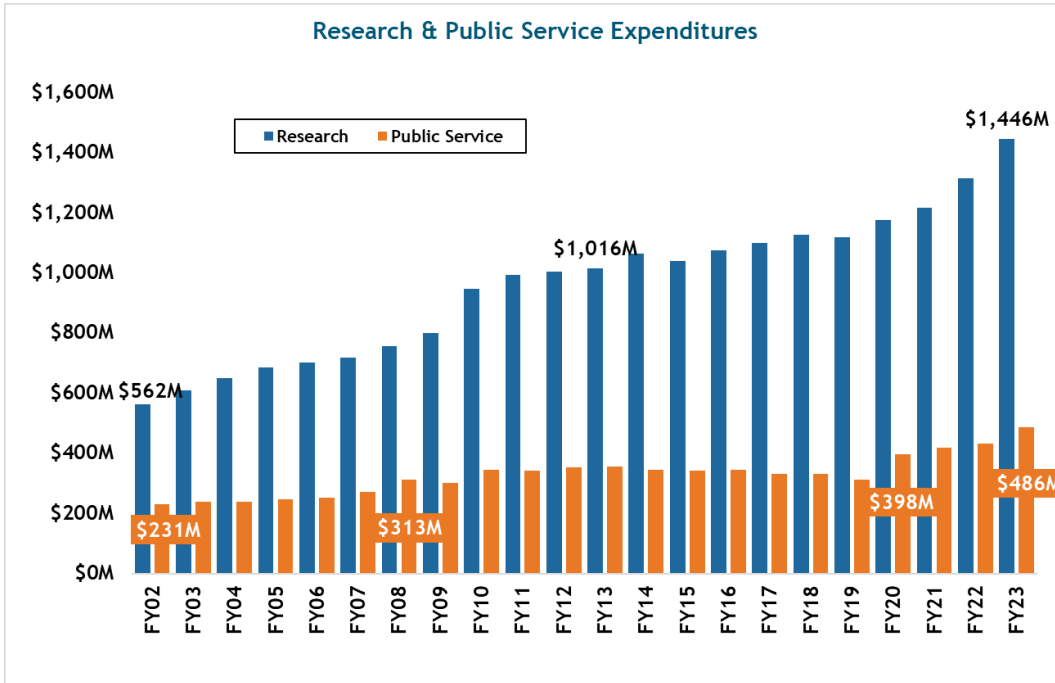
Our universities serve as centers for economic opportunity and innovation in every part of the state. Businesses bank on universities to help improve products, families benefit from life-changing research, and communities experience expanded opportunities with universities' support for entrepreneurial activity.

Examples:

- The [Freshwater Collaborative of Wisconsin](#) includes all 13 UWs universities, crosses multiple disciplines, and solidifies Wisconsin's world leadership in freshwater science, technology, entrepreneurship, and economic growth.
- The [Dairy Innovation Hub](#) harnesses research and development at UW-Madison, UW-Platteville, and UW-River Falls to keep Wisconsin's \$45.6 billion dairy community at the global forefront in producing nutritious dairy products in an economically, environmentally, and socially sustainable manner.
- The [Wisconsin Small Business Development Center](#) (SBDC), a unit of the Institute for Business & Entrepreneurship of the Universities of Wisconsin, is a statewide network supporting entrepreneurs and business owners through no-cost, confidential consulting and business education.
- The [Division of Extension](#), under the umbrella of UW-Madison, helps farmers, parents, youth leaders, neighbors, and businesses through its six program areas: Agriculture; Community Development; Human Development & Relationships; Health & Well-Being; Natural Resources; and Positive Youth Development:
 - 570,000 participants reached through direct engagement
 - 85,000 contacts with agricultural producers and farm technicians
 - 11,000 nonprofit workers and support agency advocates
 - 19,000 business professionals and entrepreneurs
 - 16,000 local and tribal government officials and staff
- The Universities of Wisconsin are a member of the [BioHealth Tech Hub](#) initiative, a consortium of 18 Wisconsin businesses, educational institutions, civic leaders, and entrepreneurs to leverage Wisconsin's cluster of biohealth assets and position the state as a global leader in personalized medicine.
- The Universities of Wisconsin also have unique opportunities to help Wisconsin be a hub for **Artificial Intelligence (AI)** excellence. By leveraging the capacity of the UWs to be a home for research and innovation in AI, Wisconsin can build a vibrant economic future for families and the next generation of workers.

World-Class Research

The Universities of Wisconsin are committed to research that helps promote economic, social, and cultural development on all our campuses. In [FY 2023](#), we had more than \$1.4 billion of sponsored research activity across our 13 universities.

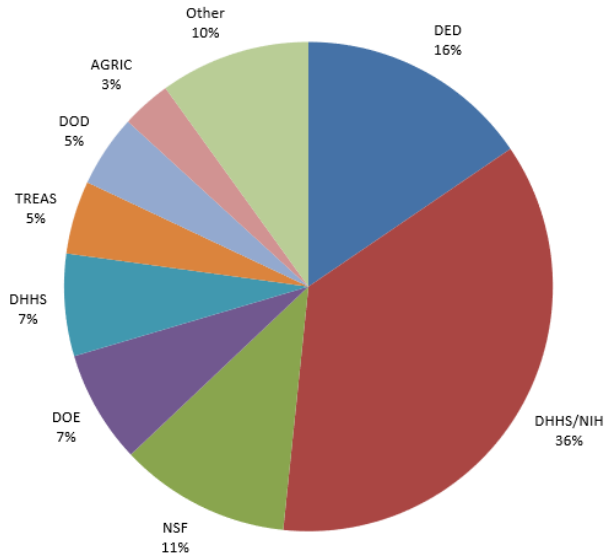


Source: OPAR, Accountability Dashboard

Federal Awards

The Universities of Wisconsin receive funding from a broad range of federal agencies.

FEDERAL AWARDS : \$1,409,326,611



FEDERAL AWARDS (without Madison): \$284,817,773

