



WISCONSIN
UNIVERSITY OF WISCONSIN-MADISON

“Resources for Excellence”

Financial Managers Meeting October 10, 2017

Laurent Heller, Vice Chancellor for Finance & Administration

Agenda

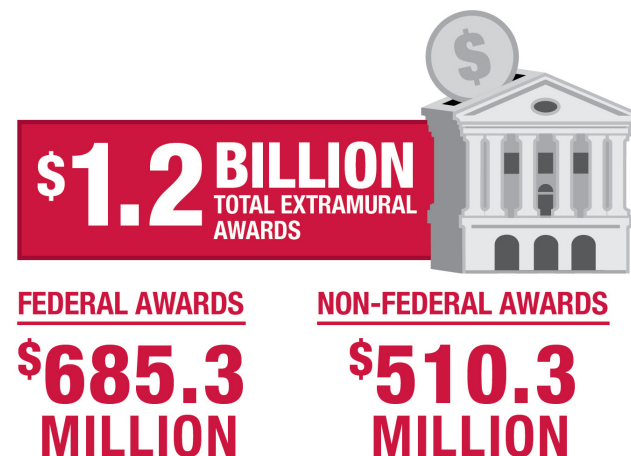
- Introduction and observations
- UW-Madison current state
- Strategic imperatives (Investment needs and funding mechanisms)

Reflections and highlights

- E.I.D. – campus conversations
- Title & Total Comp
- VCFA IT Study
- Business Services items that bolster work on internal controls (e.g. P&L report) or other related areas

UW–Madison remains a uniquely excellent university

- Record-setting applications
- Outstanding retention rate
- Tremendous economic impact on the state and beyond
- Graduation rates are up
- Time-to-degree is down
- Our research enterprise is thriving
- The Wisconsin Idea continues to inspire and connect us to the people of the state



However, we face multiple challenges

- Rankings (reputation and resources)
- Research investment
- Facilities upkeep and condition
- Financial performance

We know how to reverse these trends (and we've started taking action)

Investment Priorities

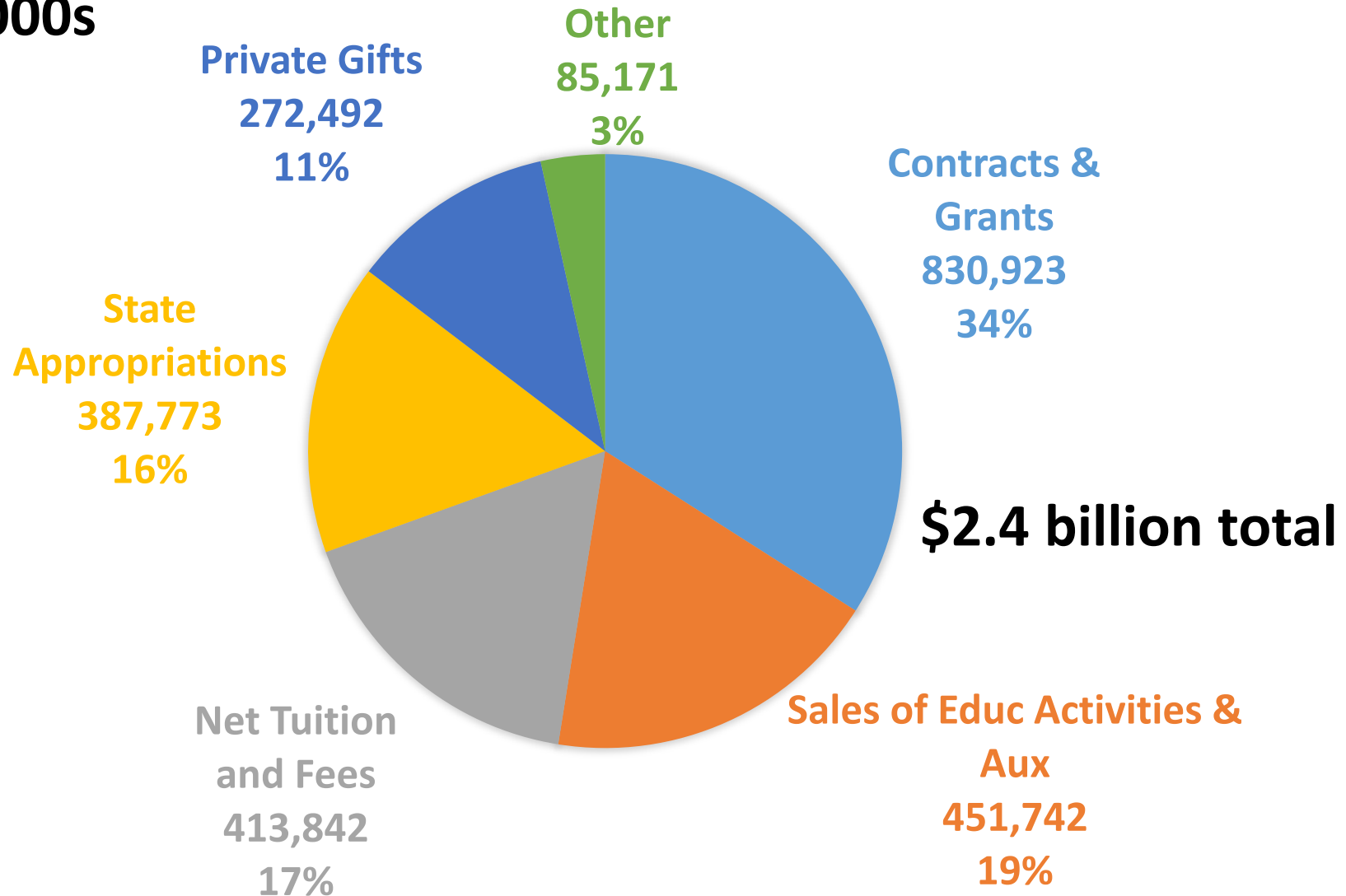
- Maintain and grow faculty excellence
- Expand and improve research
- Improve student access
- Enhance the educational experience

Recent Announcements

- Launch Badger Promise
- Expand UW 2020
- Restart cluster hire program
- Increased compensation programs (faculty & staff)
- Lots of other ideas ...

The investment priorities require broad strategic thinking, execution excellence, and substantial new revenue to ensure delivery

Sources of UW-Madison funds (excludes capital) in \$000s



To better understand our position, we launched the financial benchmarking project...



INDIANA UNIVERSITY



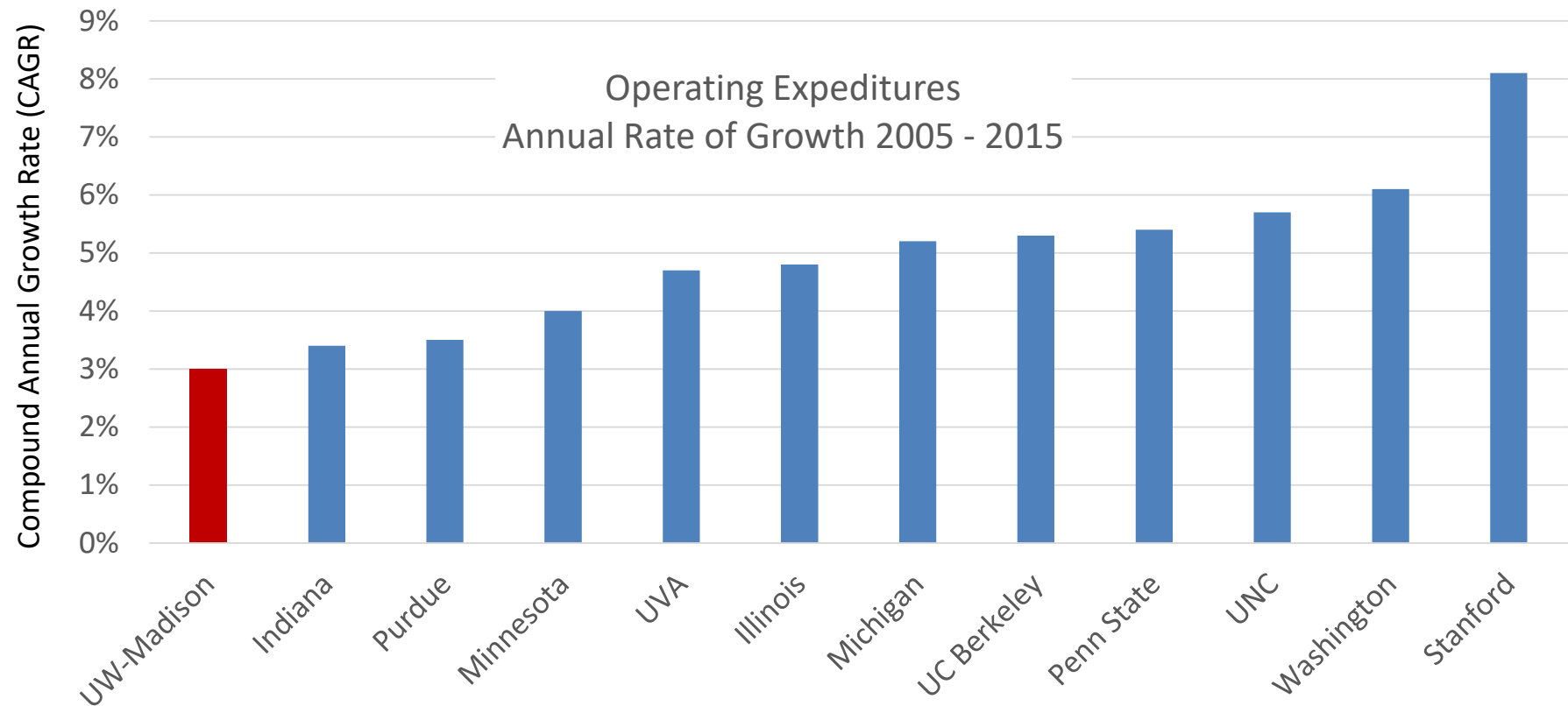
THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL



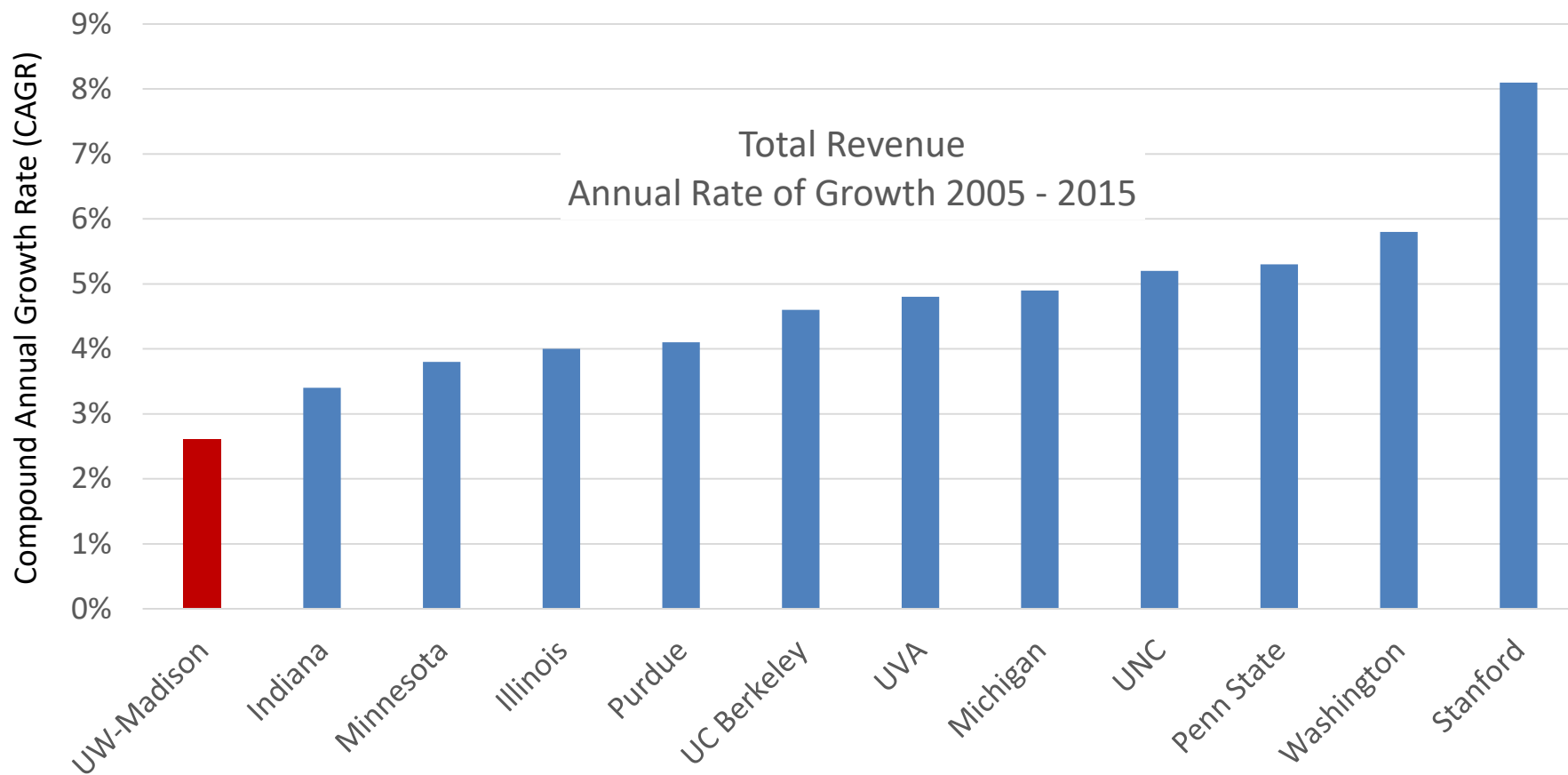
UNIVERSITY OF MINNESOTA
Driven to DiscoverSM

The universities used throughout this section are some of those UW-Madison competes with for top faculty and students.

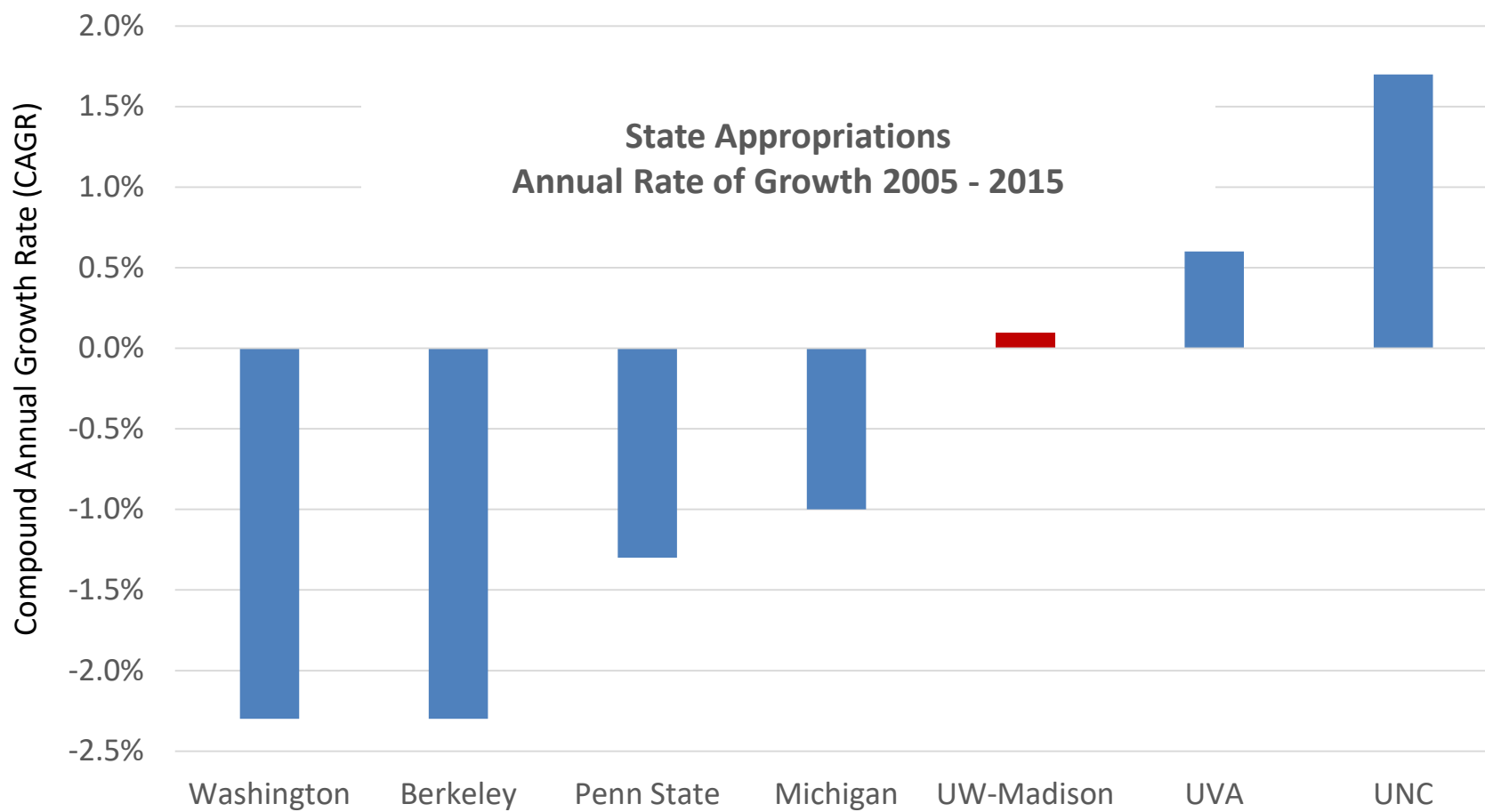
UW–Madison has shown fantastic expense discipline



UW-Madison's revenue growth lags peers

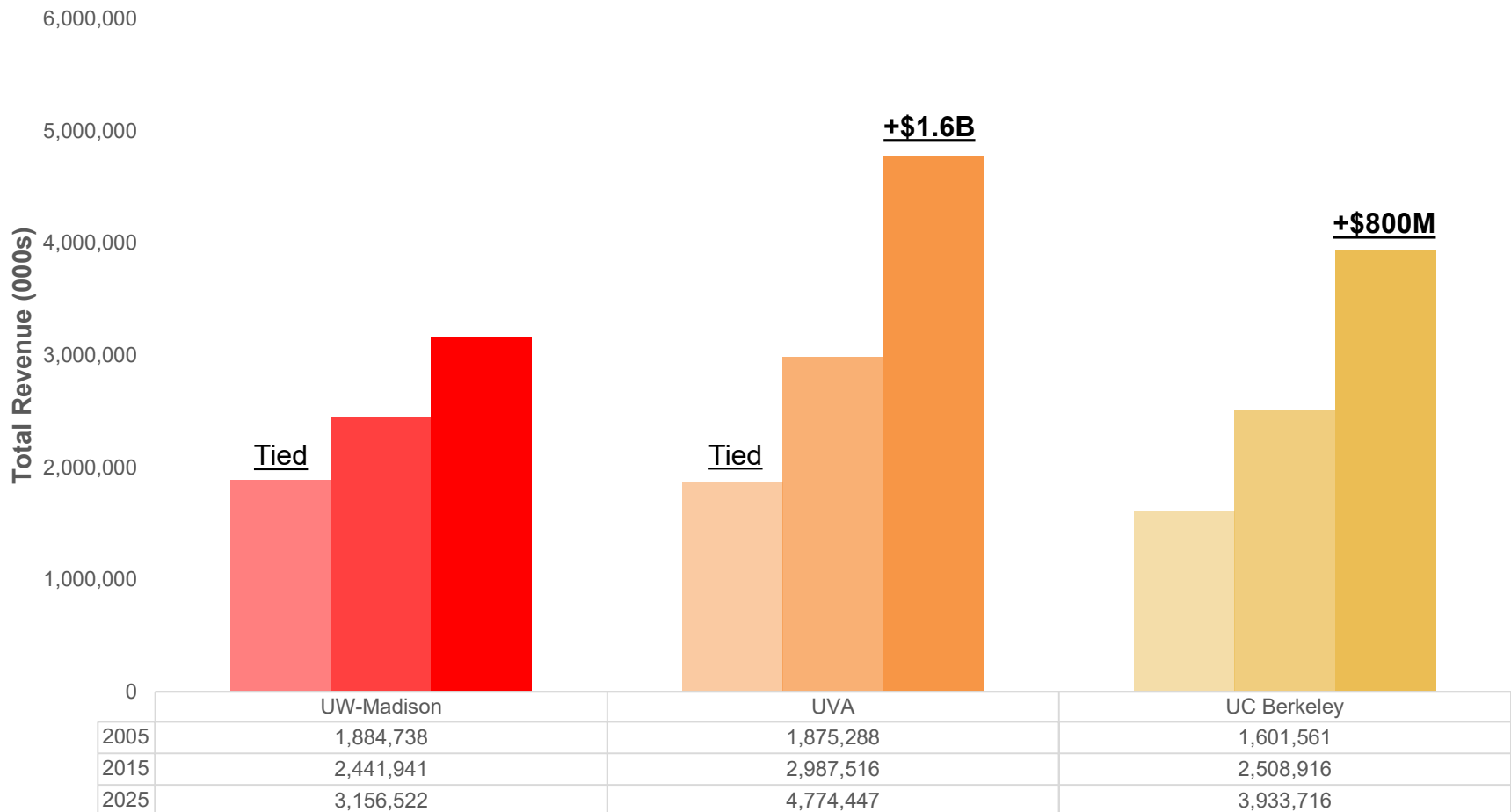


State appropriations



Why do these financial trends matter?

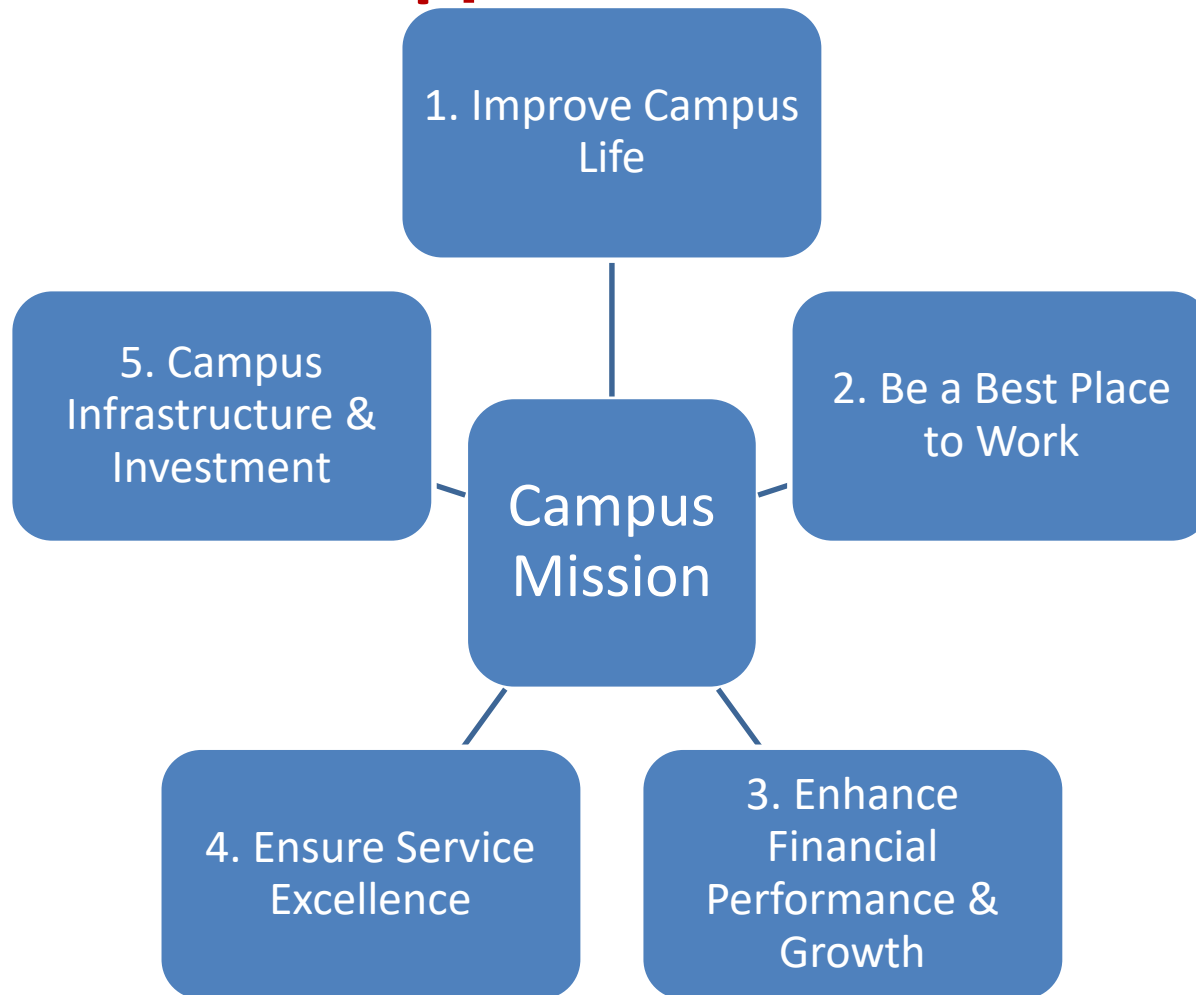
If these trends continue for another decade, UW-Madison will not have the resources we need to remain competitive.



Entrepreneurial Strategies to Tap New Revenue Sources

1. Expand summer semester
2. Grow programs for professionals
3. Set market-based tuition
4. Explore student mix & numbers
5. Grow alumni support
6. Grow research funds

Revitalized strategic plan required to deliver the revenue to support these investments



Enhance Financial Performance and Growth

- Develop **5-year financial strategy** and associated projection model to deliver substantial revenue growth to fund campus reinvestment needs (Heller - 2018)
- Implement appropriate policies and procedures to advance the **financial internal controls project**, improving controls and safeguarding assets (Langer - 2018-2020)
- Develop & implement **strategic sourcing** project to save the campus substantial costs on purchased materials and services (Langer - 2018-2020)

Ensure Service Excellence

- Conduct new process to review, prioritize, and implement the current inventory of process improvement efforts currently under way across Finance & Administration (Faust – 2018-20)
- Improve **campus reporting tools and data management** to provide reliable information to campus staff and leadership at all levels (Fishbain/ Norris – 2018-20)
- Finalize and implement the **VCFA IT Study** team recommendations to improve service quality, reliability, and cost efficiency (Burrow – 2018-20)

Reinvestment priorities

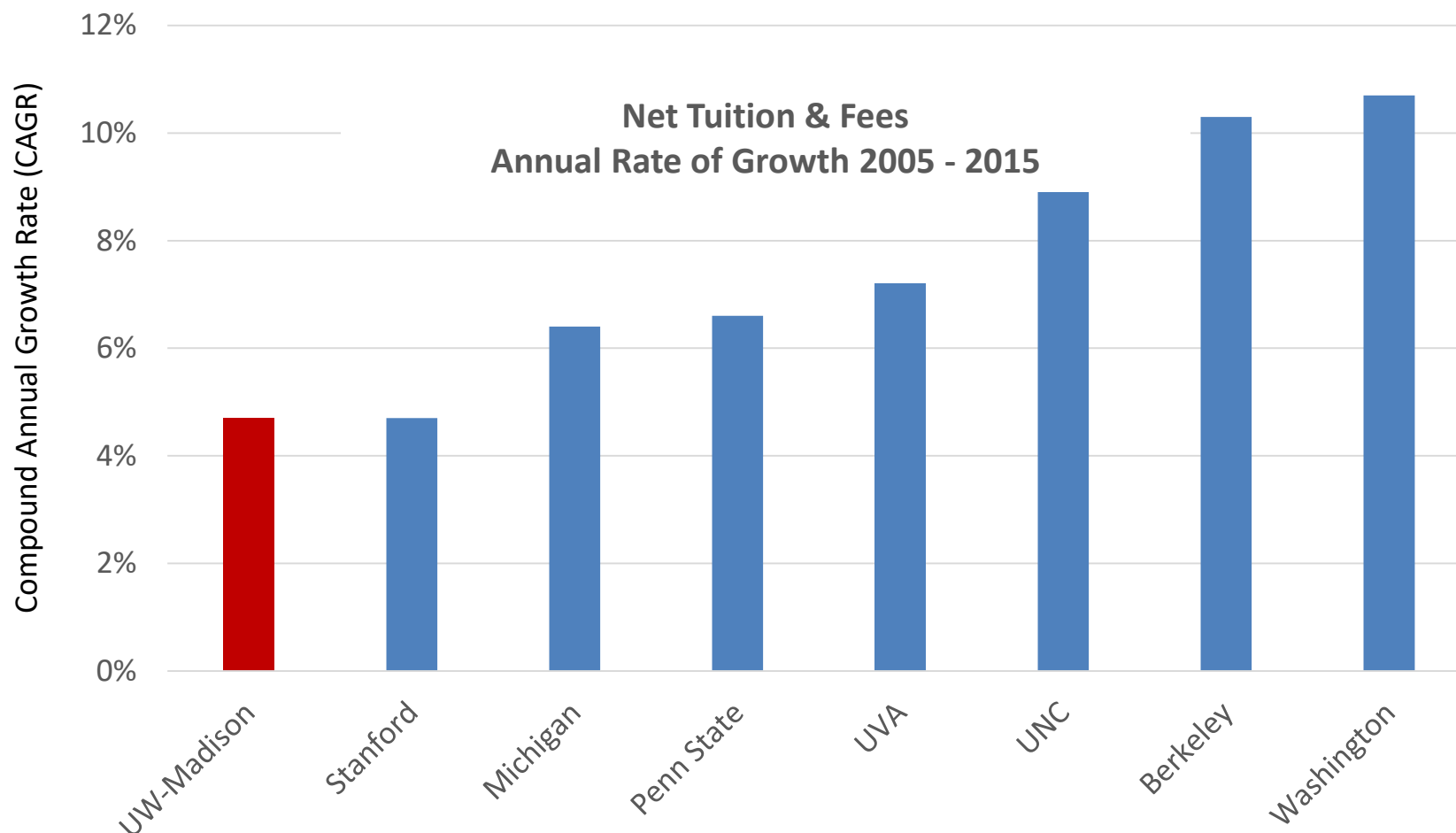
- Maintain and grow faculty excellence
- Expand and improve research
- Improve student access
- Enhance the educational experience
- **“Operational excellence” – ensure that our employees and our infrastructure are positioned to support the growth**

On Wisconsin!

Questions?

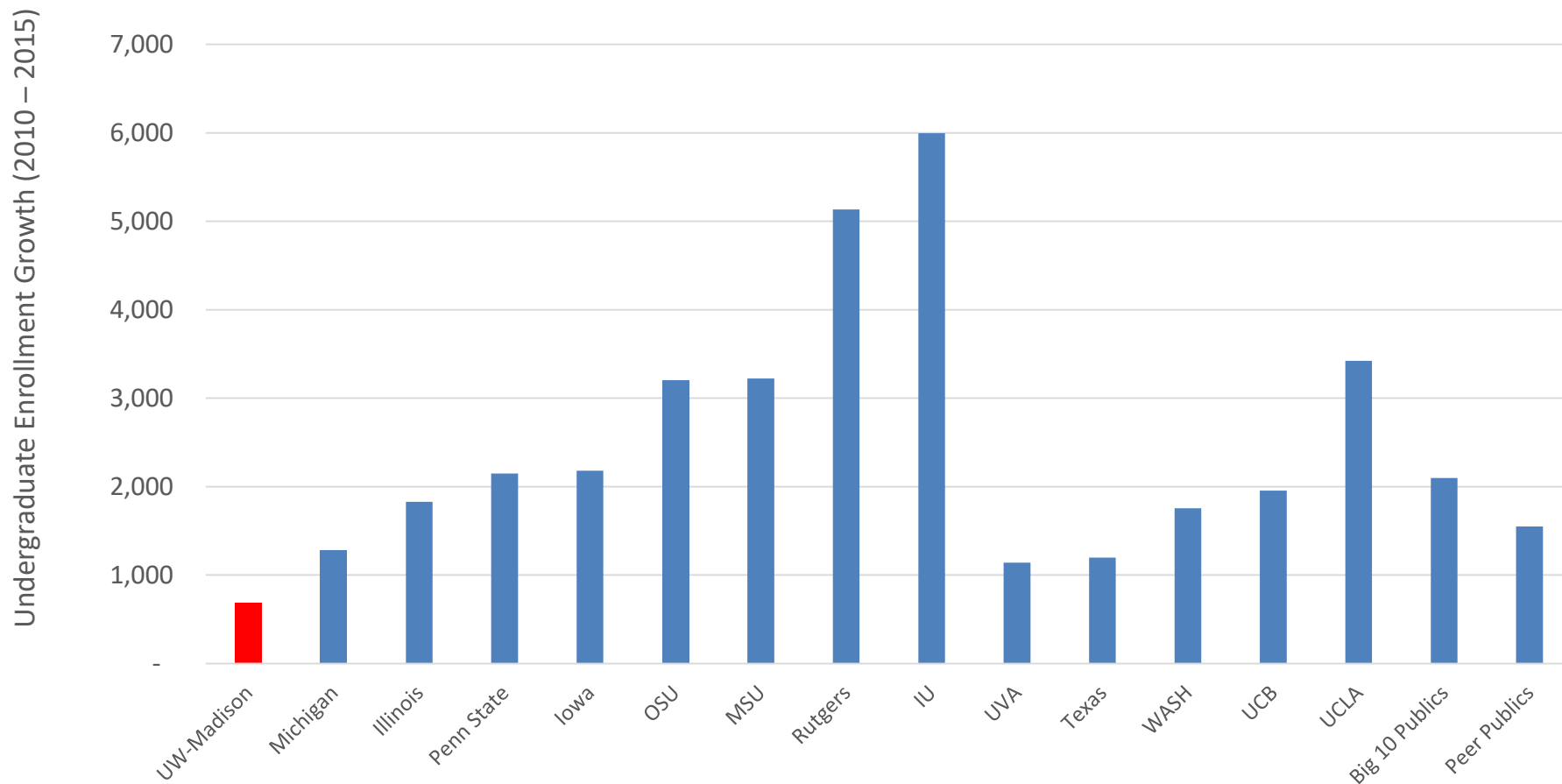
Appendix

Net tuition and fees



Enrollment Growth

If 2010 – 2015 enrollment growth mirrored these publics, we'd have 3,400 – 4,300 more students



Key investments to further the academic mission

Category	Investment
Maintain and Grow Faculty Excellence	• Additional faculty lines
	• Faculty salary
	• Expand and retain high potential diverse faculty
	• Cluster hires
Improve Student Access	• 1st generation and disadvantaged groups scholarship programs
	• Expand support for low and mid income students, including debt reduction support
	• Increase competitiveness for top students (v other elite schools)
Expand and Improve Research	• Competitive support for GAs
	• Seed funding for new cluster centers
	• Enhanced infrastructure for philanthropy and research
	• Strengthen partnerships with private sector research efforts
Enhance the Educational Experience	• Non-class learning (e.g. distance learning for mid-career)
	• Student Services (advising, ESL, etc.)
	• Modernize classrooms for active learning/help faculty retool classes to utilize these resources
Operational Excellence	• Ensure we retain our best people, bringing academic and university staff salaries to market
	• Infrastructure and Technology capability upgrades (on-going)

Revamping our strategic plan using the OGSP format “Objective, Goals, Strategies, and Plans”

1. Improve Campus Life – includes focus on workplace safety
2. Be a Best Place to Work – includes Title & Total Compensation study
- 3. Enhance Financial Performance and Growth**
- 4. Ensure Service Excellence**
5. Campus Infrastructure and Investment – includes implementation of new campus budget system