

Opportunities & Challenges at UW-Madison

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Celebrating a Great Year



2014: A Record Year for Education

- Record-breaking # of bachelor's degrees – 6,654
- 10,147 total degrees – 4th year in a row we exceeded 10,000
- Near-record 812 PhDs
- 5th largest producer of PhDs in the U.S.



Return to a Proud Tradition



An Excellent Entering Class in 2014

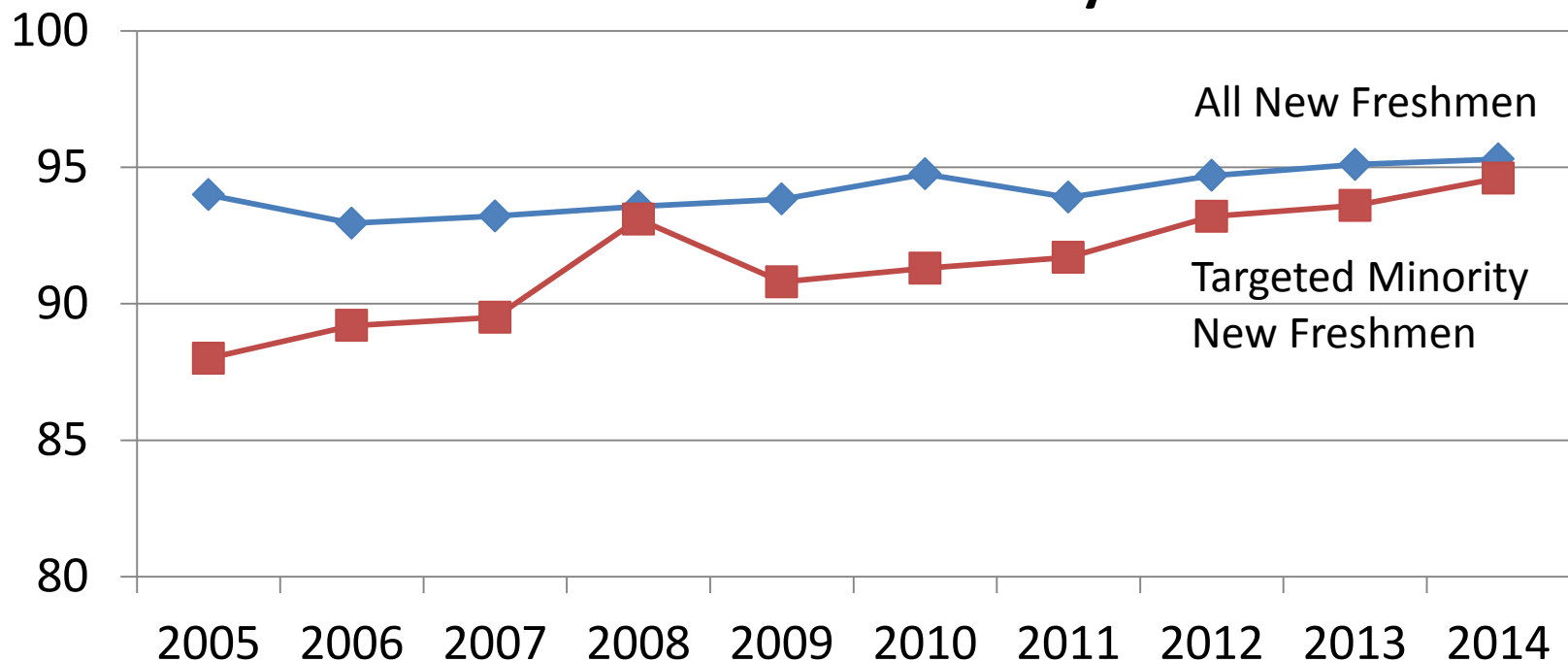
- Record-breaking freshman applications (>30,000)
- Excellent entering class
 - 6,300 freshmen from 46 states & D.C.
(of course, majority from WI)
 - Among the most racially & ethnically diverse classes ever
 - Most internationally diverse in a decade –
Students from 42 countries outside of the U.S.

New Records in 2015 Applications

- Nearly 33,000 freshman applications – **up 8% YTD** over 2014
- Applicants from all 50 states, DC and Puerto Rico, as well as 101 countries outside the U.S.
- 8,500 applicants from every one of Wisconsin's 72 counties – **up 6% YTD** over 2014
- More than 4,000 applications from underrepresented students of color – **up 15% YTD** over 2014

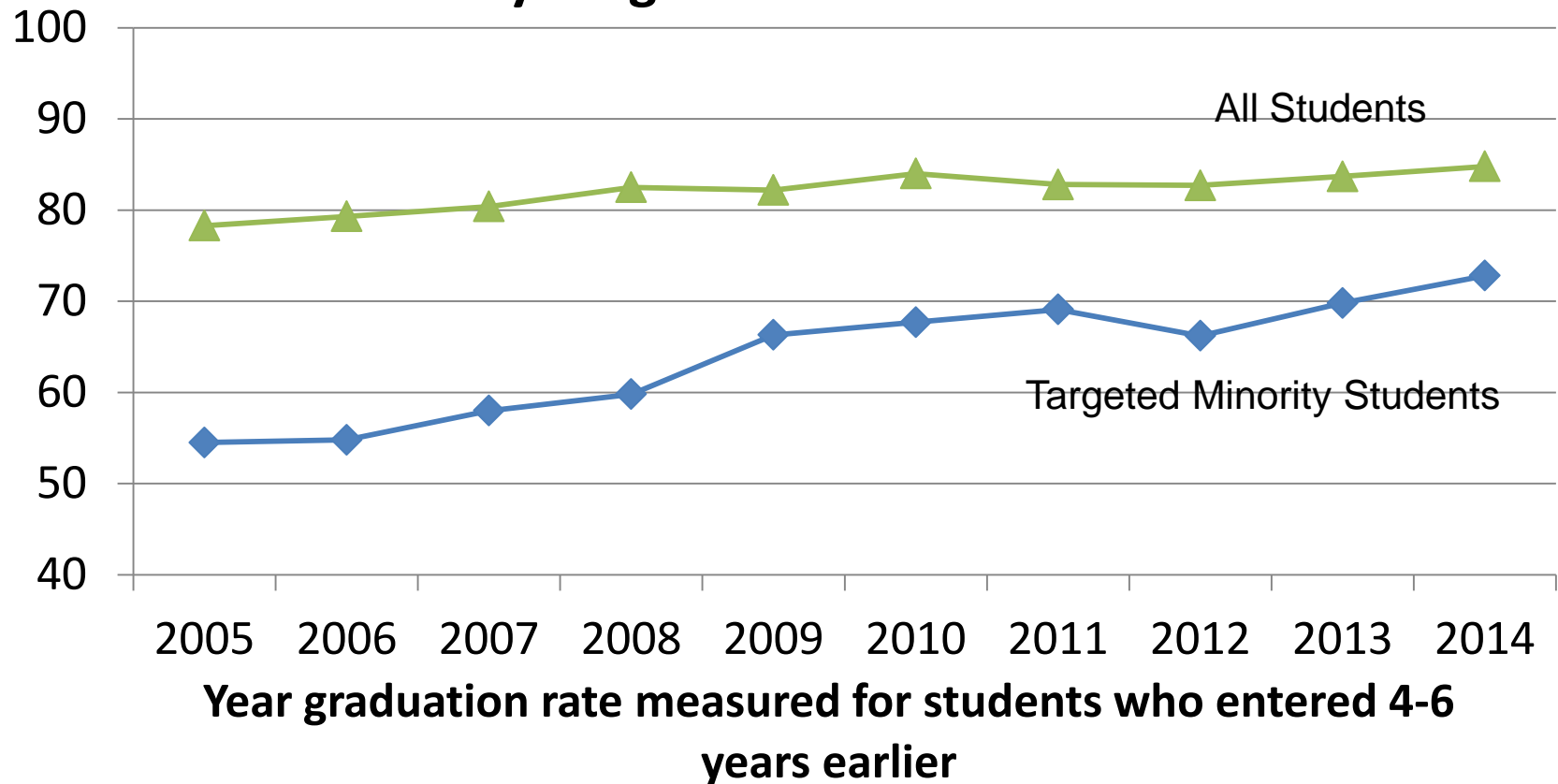
Notable Educational Trends

Retention rate to second year



Notable Educational Trends

6-year graduation rates



Notable Educational Trends

92% of freshmen and 94% of seniors rated their overall experience at UW-Madison as excellent or very good – significantly more than students at our peer institutions.



Source: National Survey of Student Engagement, October 2014

Notable Educational Trends

The “Wisconsin Experience” is more than just classroom learning:

- Nearly 1,400 students volunteered with community organizations last year through Morgridge Center for Public Service
- 25% of undergraduates study abroad – more than almost any other university
- 63% of seniors have held an internship or other clinical position

New Arrivals



Provost
Sarah Mangelsdorf



Dean of the School of Pharmacy
Steven Swanson



Dean of the Division of
International Studies
Guido Podesta

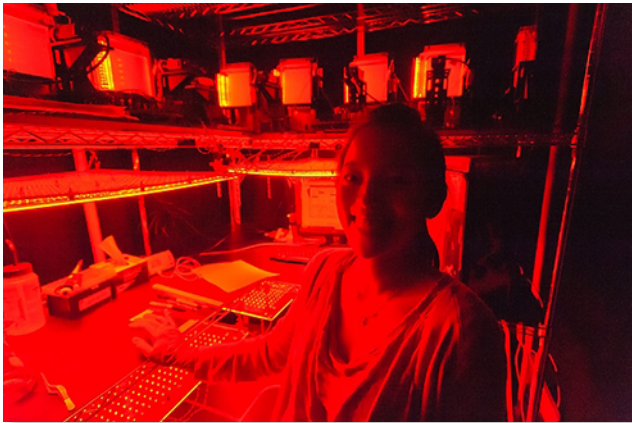
A Trip to the Final Four



A Winning Football Season



Achievements in Research

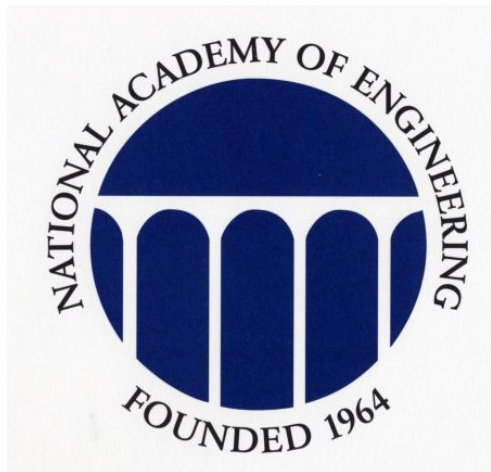


Faculty Excellence

11 UW faculty elected members/fellows in
national academies in 2014



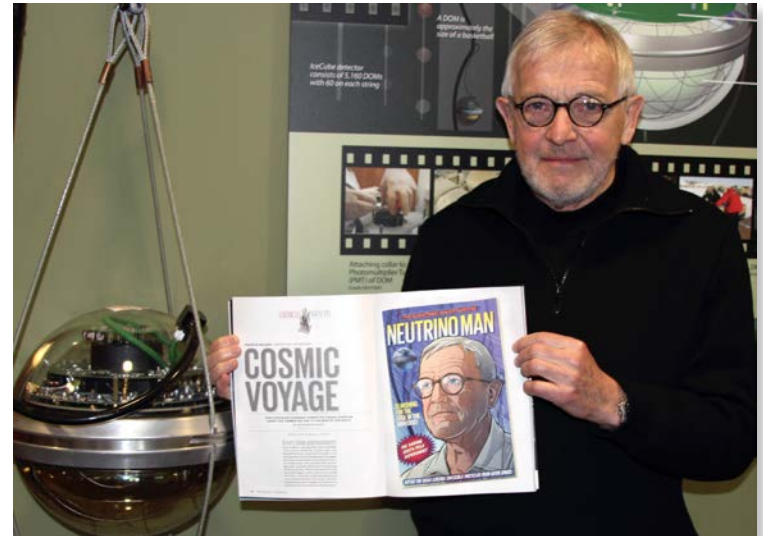
AMERICAN ACADEMY
OF ARTS & SCIENCES



NATIONAL ACADEMY
OF SCIENCES

Major National Awards

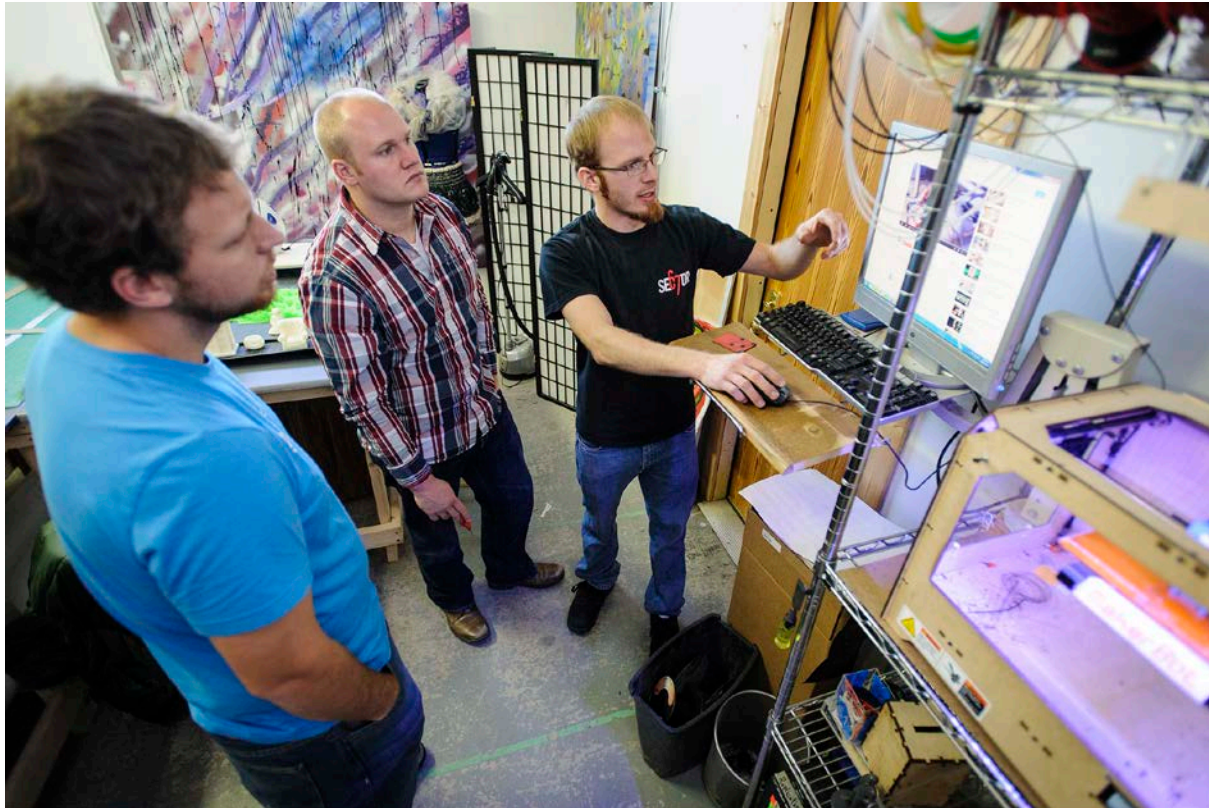
- Smithsonian Innovator of the Year: Francis Halzen
- Popular Mechanics Breakthrough Award: Yoshihiro Kawaoka
- NEA Jazz Masters Fellow: Richard Davis



Recognition of Outstanding Young Faculty

- Pew Scholar in Biomedical Sciences
- National Institutes of Health's New Innovator Award
- Presidential Early Career Award for Scientists & Engineers
- Outstanding Young Manufacturing Engineer
- American Educational Research Association's Early Career Award
- Camille Dreyfus Teacher-Scholar Award
- Packard Fellowship for Science and Engineering
- Shaw Scientist Program Award (2)
- Sloan Research Fellowship (4)

UW Research Projects: Collaborative and Life-Changing



Inner-City Asthma Research



- Record-breaking grant: \$70 million over 7 years from NIH
- UW leads 11 universities, jointly doing research on ways to reduce inner-city asthma epidemic

Dairy Sustainability

- 5-year, \$10 million grant from USDA
- Identifying practices that will help dairy farms to thrive in a changing climate



4W Initiative

Women & Well-Being in Wisconsin and the World

A local-to-global effort aimed at bringing state-of-the-art UW research on best practices into the world to improve the lives of women

- Led by Human Ecology
- Creates leadership & service opportunities for UW students



UW-Madison is at a Moment of Opportunity

- High – and growing – student applications
- Top national/international reputation for educational quality
- Top-ranked faculty, with funding for major scientific research projects
- More involvement in economic development than ever before...

This is a moment to invest and build!

But...serious challenges can
limit our ability to take advantage
of this opportunity

Challenge: Recruiting & Retaining Top Faculty & Staff

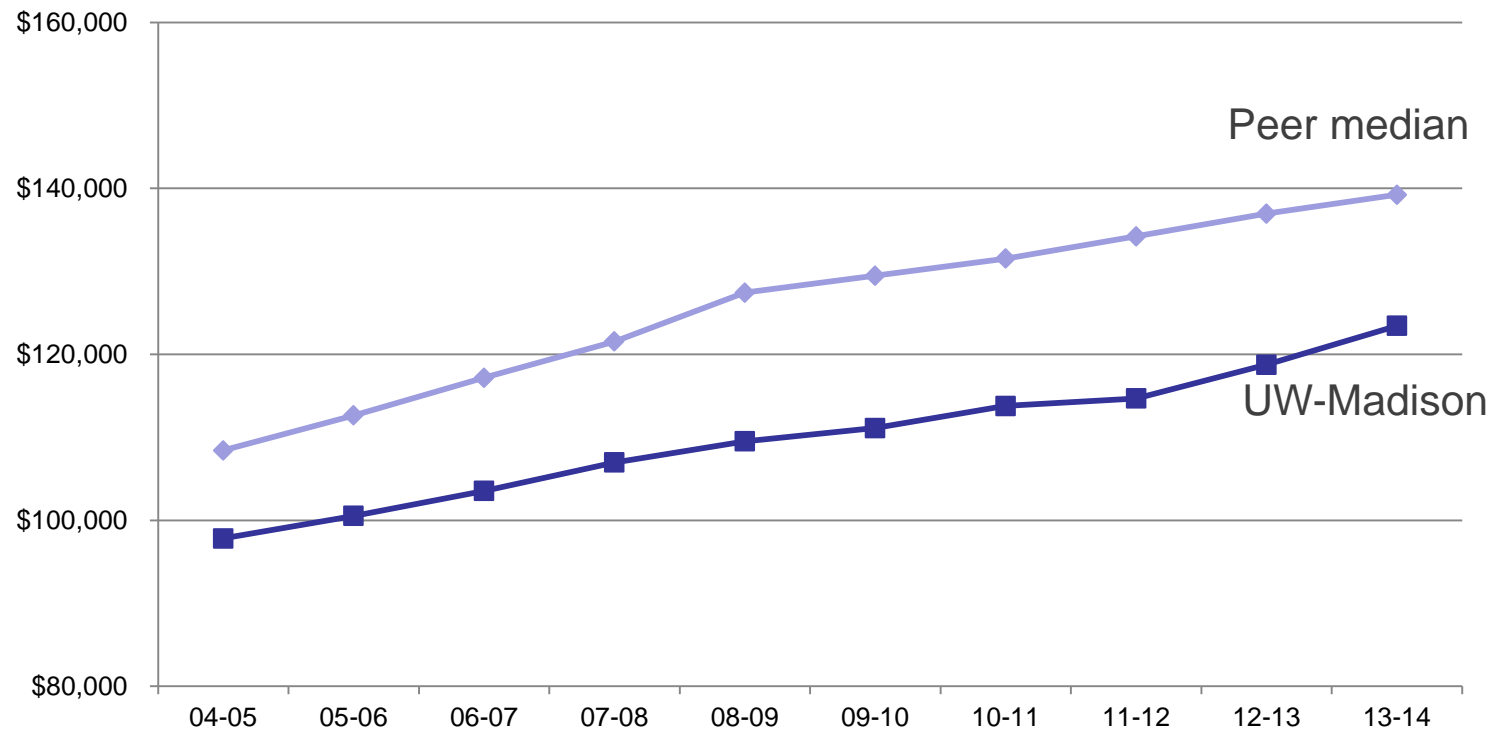
- Great teachers and world-class researchers attract:
 - Research dollars
 - Talented junior faculty
 - Talented graduate students
 - Top-notch undergraduates



*Reputation of UW-Madison depends upon its
faculty reputation*

Salary Comparisons

Full professors at UW-Madison versus peer institutions 2004-05 to 2013-14

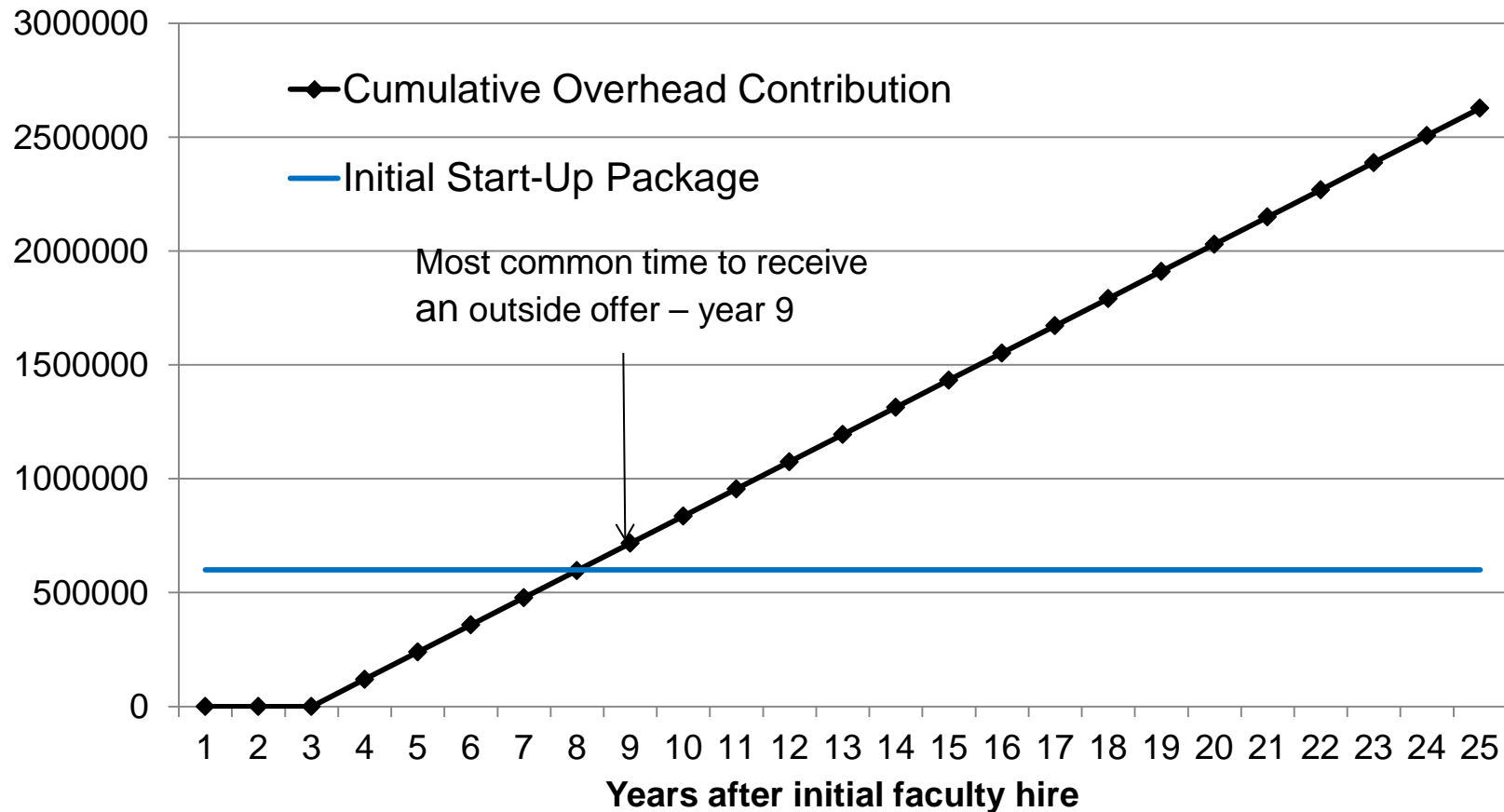


Source: AAUP Annual Faculty Salary Survey, 2013-14. Average of full professors at UW-Madison is compared with the peer median of full professor average salaries at the official salary peers.

Hiring Top Faculty is Expensive

- 143 offers extended in 2013-2014
- 101 accepted
- 52% required start-up packages over \$100K.
 - Most of these were in the physical and biological sciences

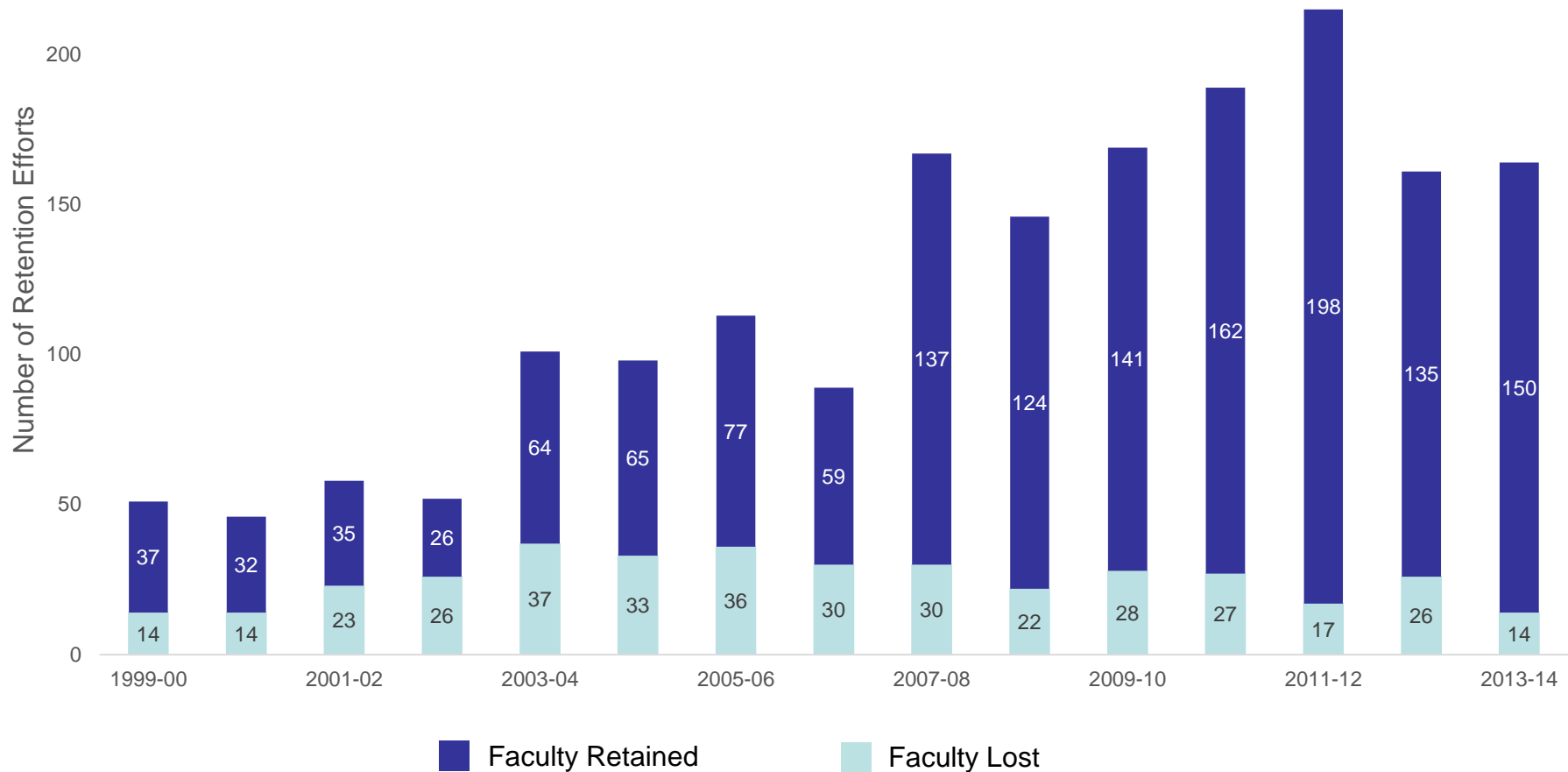
Retaining Faculty & Staff is Critical



Retaining Top Faculty is Critical

- Salary is the most common issue reported as a consideration in outside offers
- Median salary offer by a competitor in 2013-14: 42% higher than UW-Madison salary
- Between 2009-10 and 2013-14, UW-Madison made 1,008 faculty salary adjustments to faculty considered to be in high demand by other institutions. We must continue to do this to retain our best.

UW-Madison Retention Efforts



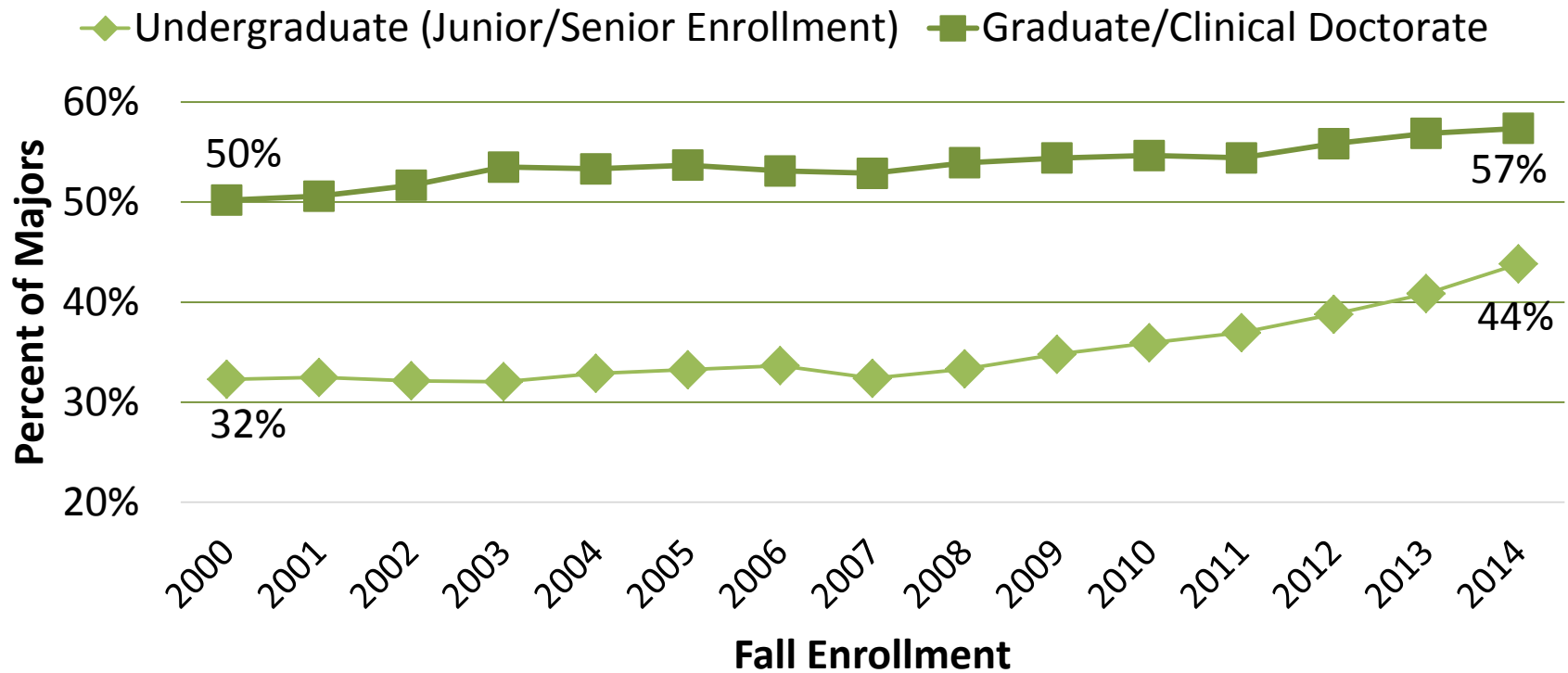
165 faculty were recruited away by more than 100 universities/organizations between 2007 and 2014

Challenge: Meeting Shifting Educational Demands



Movement into STEM Fields

% of Enrollments in STEM Majors, By Level



Movement into STEM Fields

5 Challenges

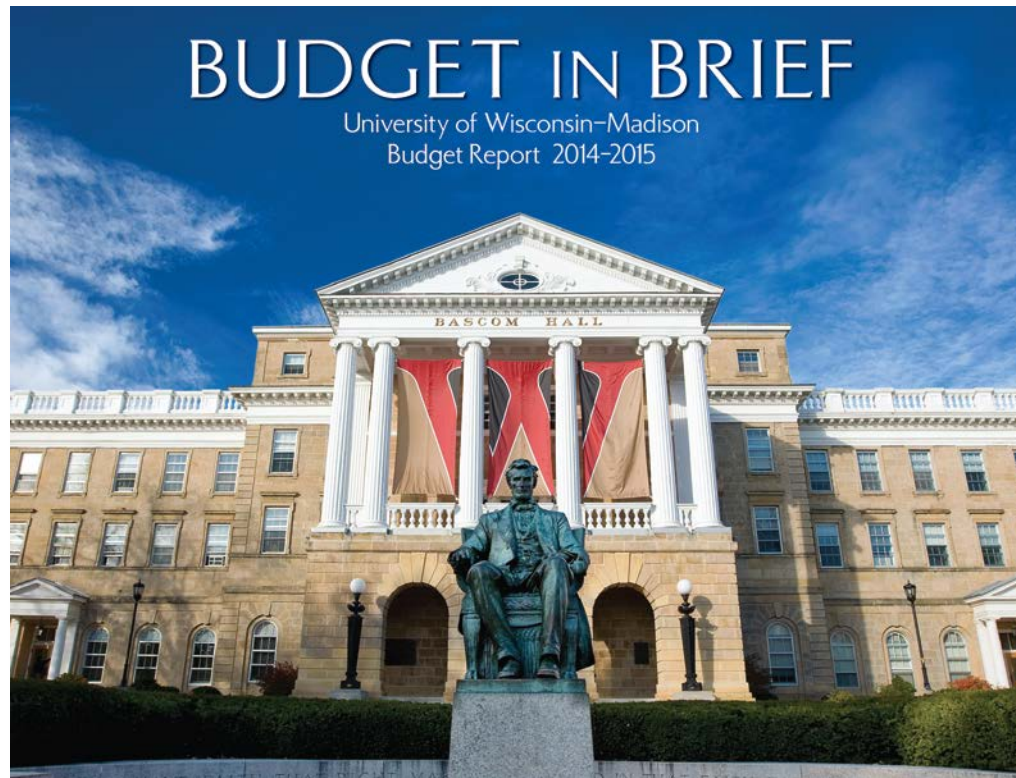
- *Challenge 1* – Hiring more **faculty** to teach and advise
- *Challenge 2* – Providing adequate **instructional space**
- *Challenge 3* – Providing **tutoring** and educational support services (particularly important to attract a diverse set of students)
- *Challenge 4* – Providing academic **advisors**
- *Challenge 5* – Helping students negotiate transition from college to workplace with internships, **job counseling**, etc.

A Top Priority

- **Chemistry Building** addition/renovation is a necessity
- Nearly all students majoring in STEM fields will take classes here
- We can't meet demand
- Expansion will allow
 - Larger freshman/soph classes
 - Labs equipped for current training needs



All of this Leads to Challenges Relating to Budget



Budget Landscape

UW-Madison has drawn down its fund balances and has few true reserves remaining

4.2% budget cut in 2013-15 + tuition freeze was filled by using reserves.
Most remaining balances are committed for known future expenses.

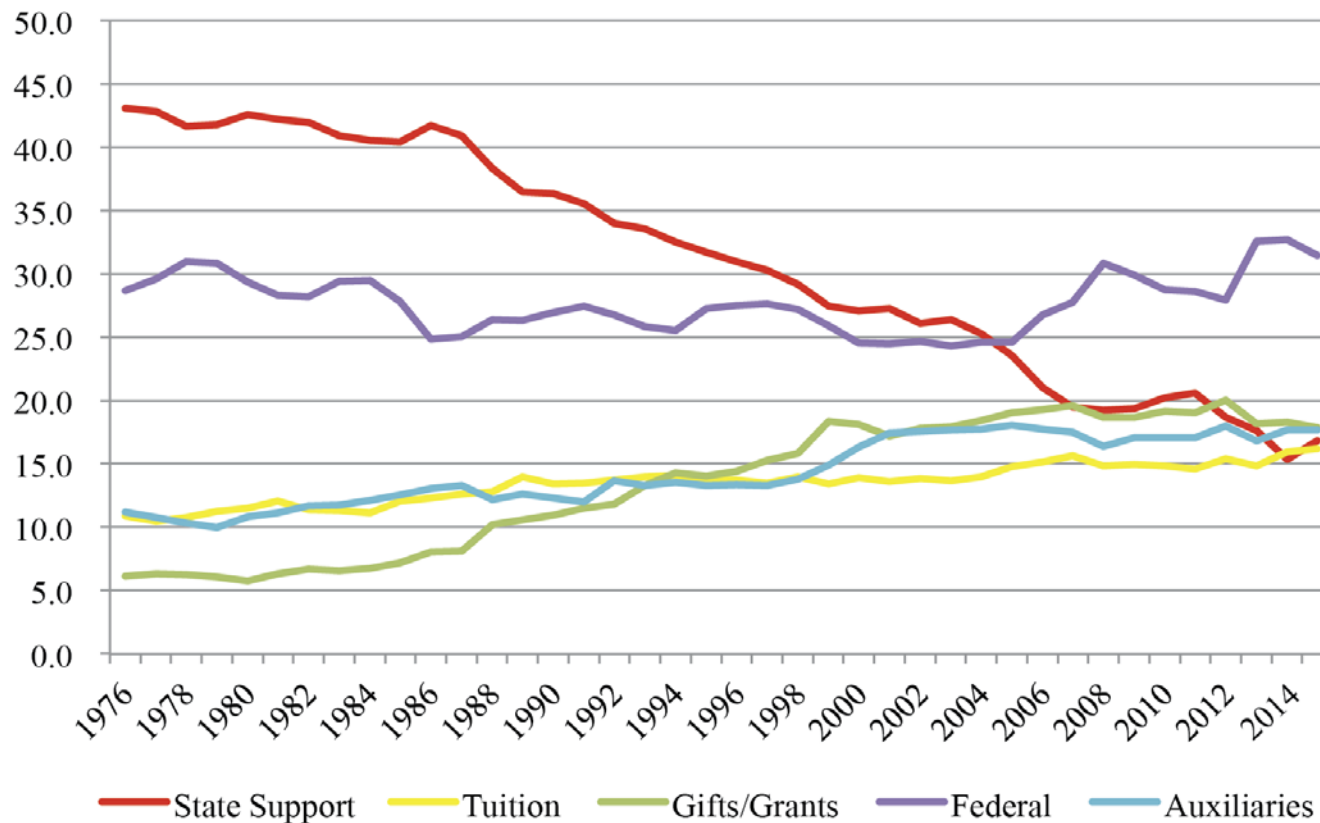
Campus has \$54 million in true reserves, on a budget of almost \$3 billion
– *far* below recommended reserve levels.

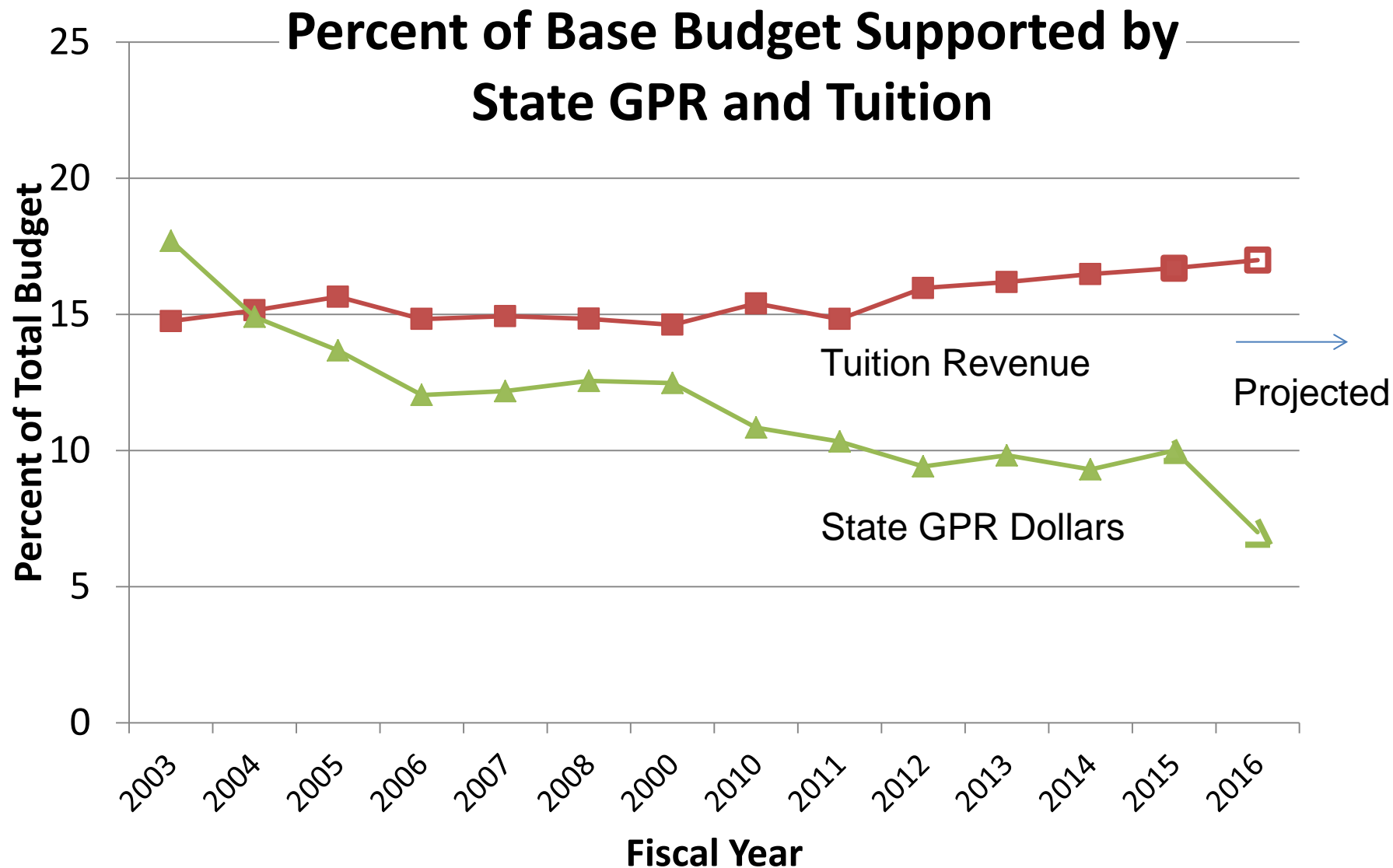
Without new money, UW-Madison will face significant budget cuts

In the absence of new money, we **START** into this next biennium with a 4.2% cut (\$23m) in state funds. Any additional cuts are on top of this.

Budget Overview

Changing budget landscape

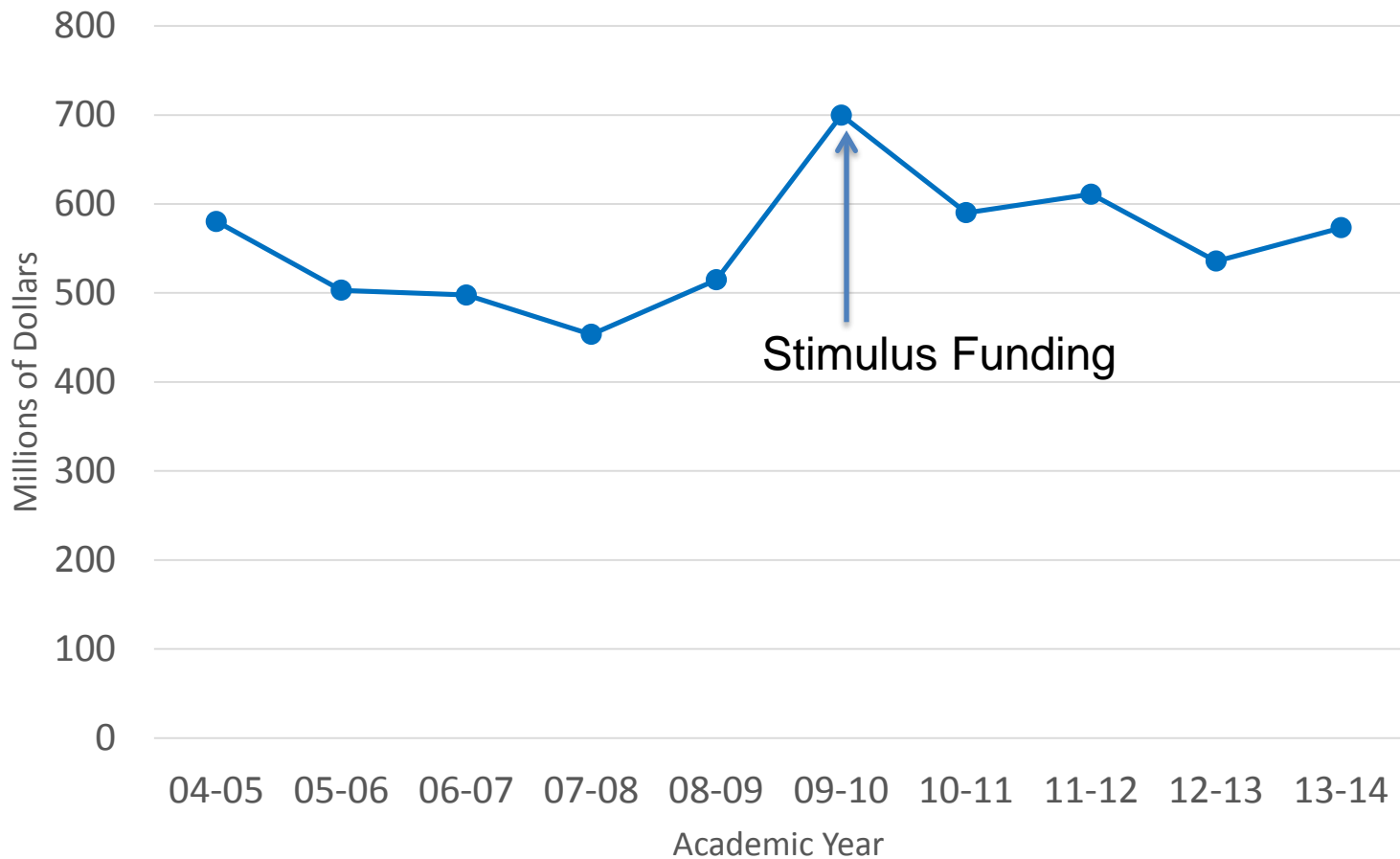




Federal Dollars are Increasingly Important

But they have been flat or declining in the last five years

Federal Research Awards to UW-Madison



Private Fundraising is Increasingly Important



Van Hise Society dinner, November 2014

Gift dollars do not replace state, fed'l or tuition dollars. They typically fund things those dollars cannot, leveraging these other funds

Gift dollars are tied to donor intent, not discretionary

A Record-Breaking Gift



November 2014:
The Morgridge
Gift

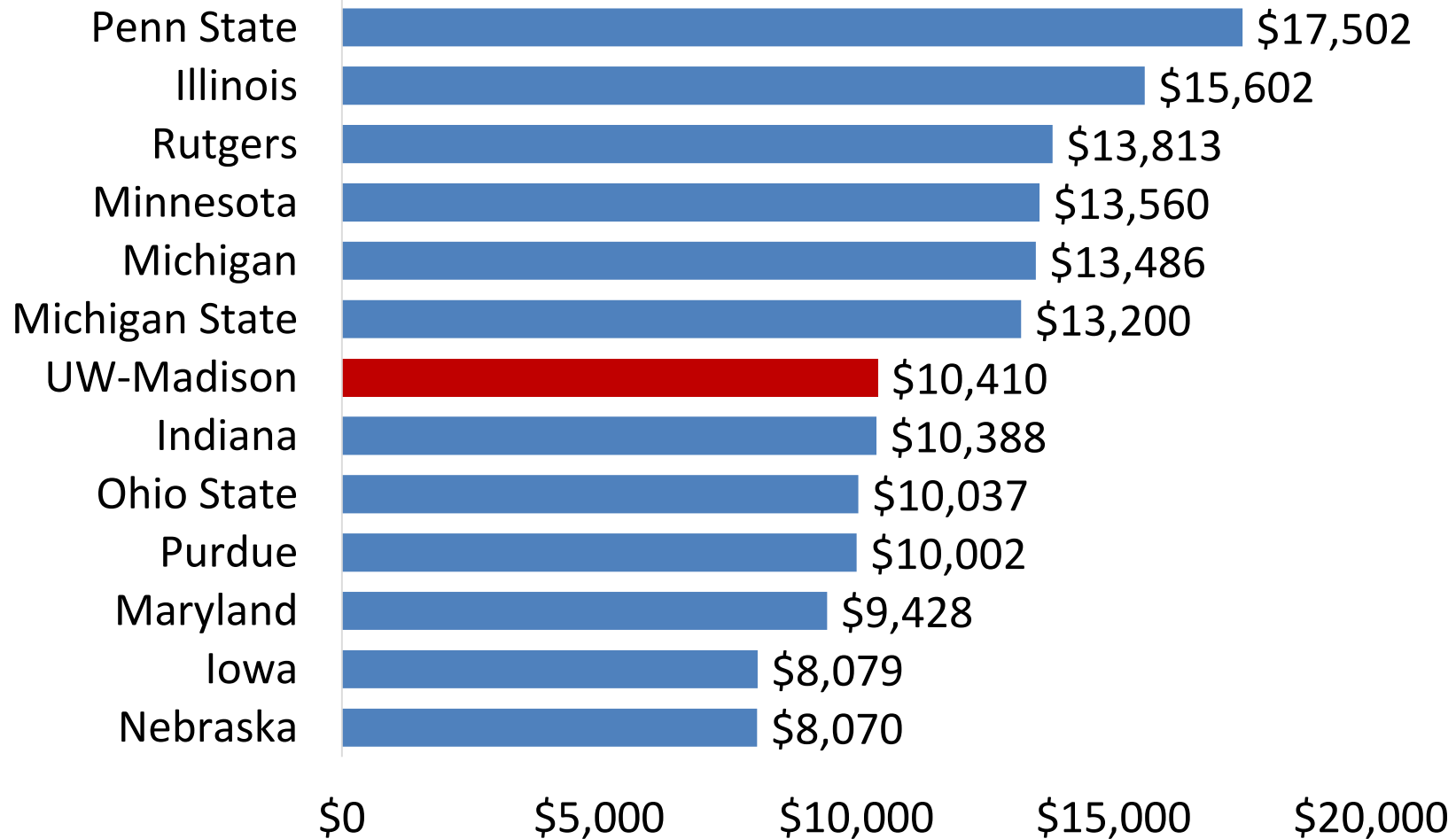
Largest single
donor gift in UW-
Madison history

Dedicated
entirely to
funding faculty
chairs

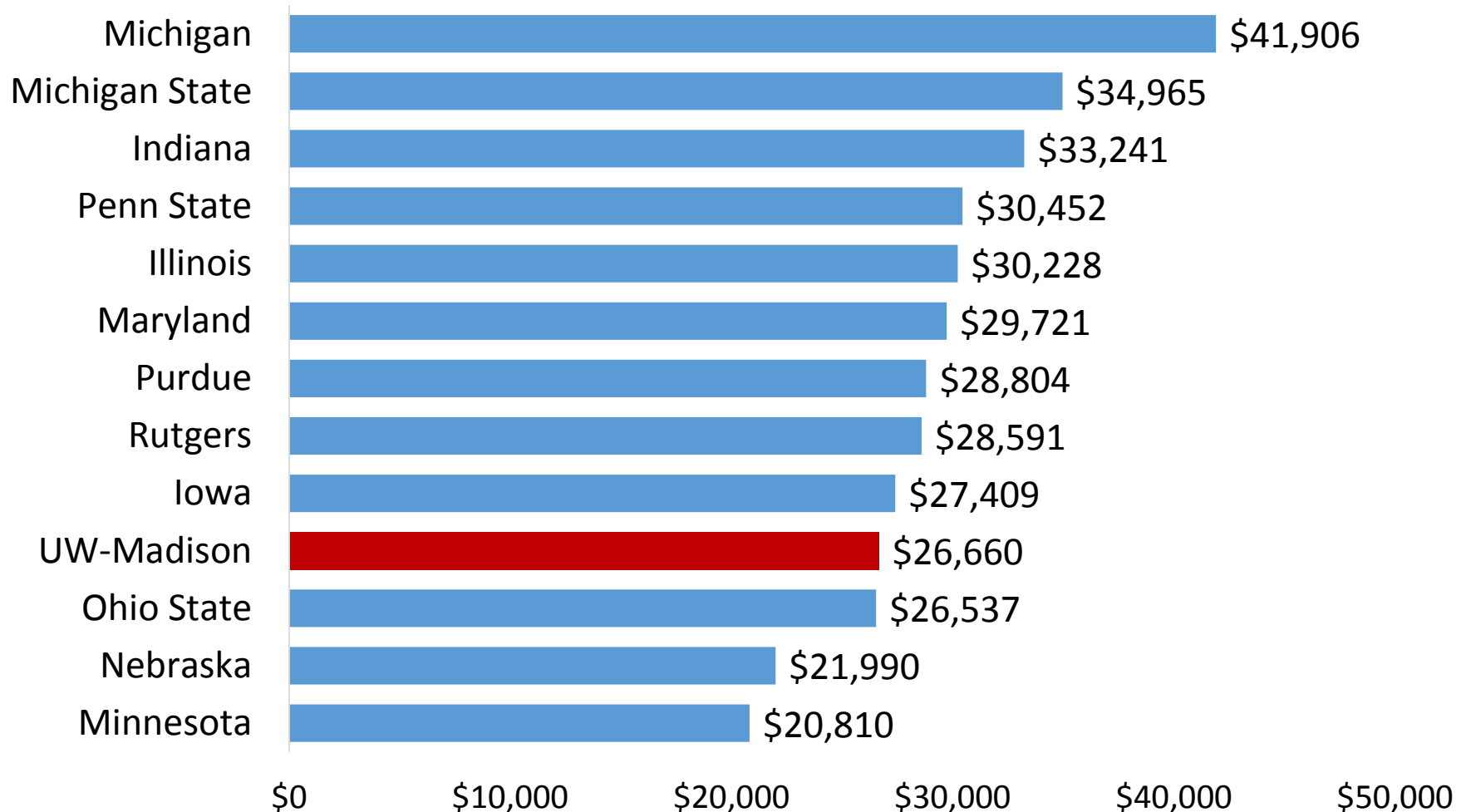
Outside of state funding, tuition is
the only revenue stream that can
show immediate growth

This is particularly important if dealing with
large immediate budget cuts

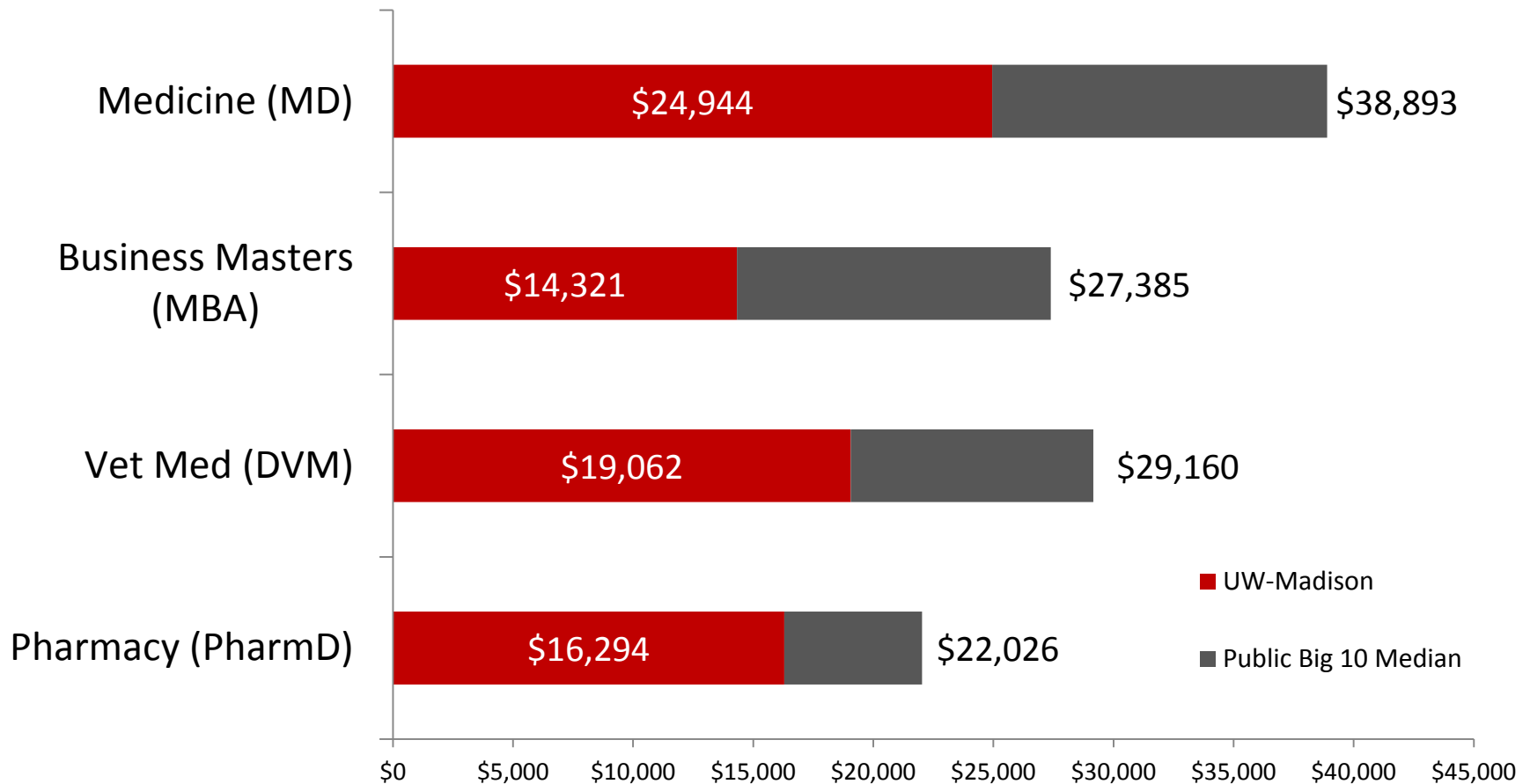
Resident undergraduate tuition



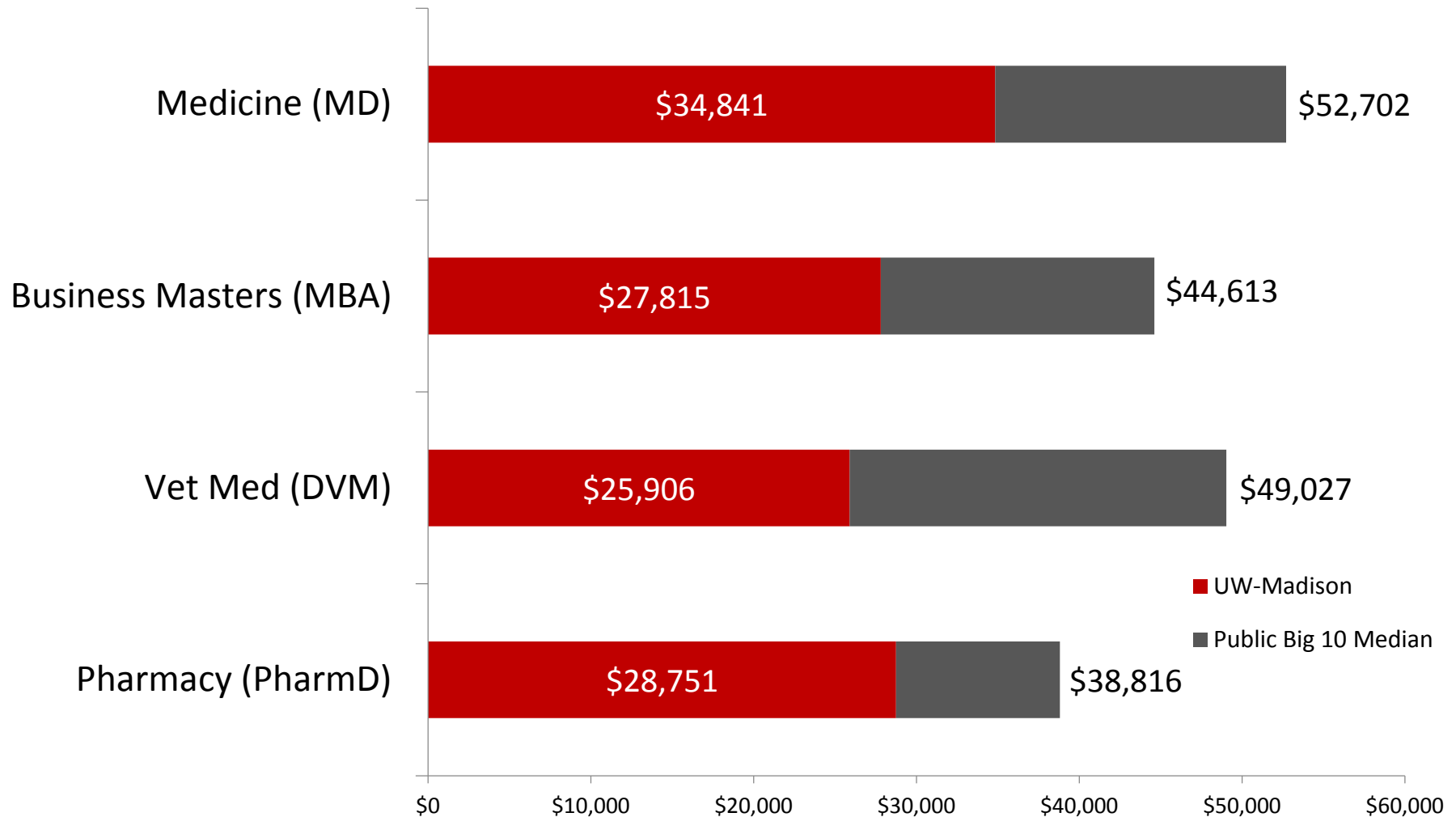
Non-resident undergraduate tuition



Resident professional school tuition



Non-resident professional school tuition



How do we cope with proposed state cuts?

Cuts to UW-Madison:

- \$23 m (2013 cut, filled w/ reserves for 2 years)
- + \$57 m (UW-Madison share (38%) of proposed cut)
- + \$ 3.5 m (Elimination of WI Bioenergy Initiative)
- + \$ 2.5 m (Elimination of municipal service payments)
- + ??? (Cost-to-continue in fringe benefits)
- = **\$86 m Total cuts**
- + \$5 m (retention costs in new salary added to base to meet outside offers and retain faculty/staff)
- = **\$91 m Total budget hole next year**

This cut is too big

The new cuts are a **24%** decline in our state GPR dollars. A \$91 m cut is:

- Equivalent to 650 faculty positions (31%)
- Equivalent to 1083 staff positions (6%)
- If I eliminated 5 of my small schools (Business, Law, Nursing, Pharmacy, & Vet Med) I still would not fill this hole
- Even if I eliminated 2 mid-sized Schools – Engineering and CALS (Agriculture) – it would not fill this hole

Possible ways to fill this \$91 m hole

Year 1

Year 2

Proposal to raise out of state and professional school tuition

\$18.5 m

\$18.5 m

Proposal to raise out of state cap from 27.5% to 30%

\$18.9 m

How much can I take in budget cuts?

\$ 20 m

\$ 20 m

Total \$ 38.5 m

\$ 57.4 m

Shortfall **\$ 52.5 m**

\$ 33.6 m

Remember: Discretionary reserves = \$54 m

If the Board of Regents is inclined to consider out-of-state or professional school tuition changes – or changes in the out-of-state cap – please do so as soon as possible.

Proposed Cuts Imply:

- Unfilled faculty slots
- Reduced student programming (advising, internships, IT support, etc)
- Reduced financial aid/access
- Staff position lapses and layoffs

...all will work to reduce our gains in time to graduation, in diversity, and in quality education

Especially difficult when our peer universities have increased state support

- For Wisconsin the 5-year change in state funding to higher education was -4.3%. (This is before the current proposed cut)
- The national average 5-year change was 9.6%
- 41 of 50 states have increased their funding to higher education over the past five years

UW-Madison has had an enormous impact on this state and is among the top-ranked public universities in the world. The *Wisconsin Idea* has driven our involvement in this state for more than 100 years. With this budget:

- Fewer top WI students staying in-state for college...and harder to bring them back to work here once they've left the state
- Fewer new startups and less ability to attract high-tech industry to WI
- Declining reputation for UW

UW-Madison has a 166-year legacy of service to this state and the nation. Let's find ways to preserve and build on that. Never has higher education been more important to the young people of WI.

These cuts are too large

They are too large for the
University

They are too large for the state



WISCONSIN

UNIVERSITY OF WISCONSIN-MADISON