UW Oshkosh’s role in Northeast Wisconsin’s Growth Agenda: Diversifying our revenue sources

Presentation to the Board of Regents
Business, Finance and Audit Committee
April 12, 2007
Diversifying our revenue sources

- Current revenue streams
- Creative revenue streams
- “Transforming UW Oshkosh”
  (Foundation and Gifts)
Current Revenue Sources

- State (GPR)
- Tuition (Student fees)
- Program Revenue
  - Auxiliaries
  - Federal Funds
  - Grants & Contracts
UNIVERSITY OF WISCONSIN OSHKOSH
2006-2007 OPERATING BUDGET
$152,543,554

FEDERAL
$21,264,267
13.94%

GIFTS GRANTS & CONTRACTS
$5,064,131
3.32%

AUXILIARIES & OTHER RECEIPTS
$37,029,852
24.27%

TUITION
$46,906,835
30.75%

STATE
$42,278,469
27.72%

Research & Public Service
$6,856,903
32.25%

Financial Aid
$7,889,986
37.10%

(1) Other Student Related
$1,147,587
5.40%

Instruction
$5,232,730
24.61%

(2) Infrastructure
$104,406
0.49%

(3) Other
$32,655
0.15%

Research & Public Service
$2,068,132
40.84%

Financial Aid
$653,400
12.90%

(1) Other Student Related
$753,579
14.88%

Instruction
$1,264,091
24.96%

(2) Infrastructure
$324,929
6.42%

(3) Other
$25,608,917
69.16%

Research & Public Service
$1,613,378
4.36%

Financial Aid
$10,200
0.03%

(1) Other Student Related
$8,062,757
21.77%

Instruction
$46,766,114
99.70%

(2) Infrastructure
$1,363,301
3.68%

(3) Other
$19,943,355
47.17%

Research & Public Service
$1,076,139
2.55%

Financial Aid
$492,495
1.16%

(1) Other Student Related
$10,200
0.03%

Instruction
$333,753
0.79%

(2) Infrastructure
$20,432,727
48.33%

Financial Aid
$653,400
12.90%

(1) Other Student Related
$753,579
14.88%

Instruction
$653,400
12.90%

(3) Other
$19,943,355
47.17%

(2) Infrastructure
$1,363,301
3.68%

(3) Other
$25,608,917
69.16%

(1) Other Student Related = Student Services and Academic Support
(2) Infrastructure = Physical Operation, Institutional Support, Utilities Cost and Debt Service
(3) Other = Auxiliaries
Making the case for diversification

• UW Oshkosh 3rd largest in university in the System
• Total headcount enrollment - 12,400 (11,000 on campus)
• 9.1%> in FTE during past 6 years
• 77.1%> in minority students
• 8.4%> adult-nontraditional students (age 25+)
• **Growth Agenda** - increase enrollment by 12.5% during next 6 years (*potentially 14,000*)
Influencing regional growth

- UW Oshkosh’s regional economic impact
  - $501 million/9,000+ jobs (1,500 increase since 2003)
  - $37 million in state & local tax revenue
  - 16%, 3-year growth rate equivalent to adding a private sector company or small private college employing several hundred
  - $30.7 million in direct spend by students (housing sector)
Rationale for the Need to Diversify Revenue Sources

• Fulfill mission and continue to grow
• Address the decrease in state funding
• Enhance resources
Collaboration in Diversification of our Revenue Sources

- Developed innovative Cost Recovery Programs
  - Developed *net revenue-sharing model*
- Highlights of a few CRPs
  - Collaboration with UW Colleges
    - (Organizational Administration Degree (Adult-nontraditional students))
  - Collaborative strategies with UW Oshkosh Foundation
    - (Accelerated Nursing development and launch)
- Refocused indirect cost revenue to grow grants and contracts
Strategic Collaborative Fund: Initiatives

UNIVERSITY OF WISCONSIN OSHKOSH

- CRP
- Academic and administrative units diversified revenue sources

- IMPACT -- Provided revenue source for strategic initiatives

<table>
<thead>
<tr>
<th>Initiative Funded</th>
<th>Funding Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>INITIATIVE FUNDING</td>
<td>$650,000</td>
</tr>
<tr>
<td>Colleges Strategic Planning Proposals</td>
<td></td>
</tr>
<tr>
<td>College of Nursing</td>
<td>$55,538</td>
</tr>
<tr>
<td>College of Letters &amp; Science</td>
<td>$75,000</td>
</tr>
<tr>
<td>College of Education &amp; Human Services</td>
<td>$39,000</td>
</tr>
<tr>
<td>College of Business</td>
<td>$40,000</td>
</tr>
<tr>
<td>Colleges &amp; Student Affairs Proposals</td>
<td>$50,000</td>
</tr>
<tr>
<td>Collaborative Proposals</td>
<td>$50,462</td>
</tr>
<tr>
<td>Center for Scholarly Learning</td>
<td>$90,000</td>
</tr>
<tr>
<td>Marketing &amp; Innovation Plan</td>
<td>$150,000</td>
</tr>
<tr>
<td>IT Initiatives Doc Imaging/Web</td>
<td>$100,000</td>
</tr>
</tbody>
</table>
Diversifying our revenue sources

- Foundation
  - Endowment interest
  - Capital project fund
  - Annual fund
“Transforming UW Oshkosh”  
(Foundation & Gift Funds)

• Art Rathjen  (president UW Oshkosh Foundation)
### ADVANCEMENT

<table>
<thead>
<tr>
<th></th>
<th>Fall 2000</th>
<th>Fall 2006</th>
<th>%Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alumni</td>
<td>61,847</td>
<td>69,463</td>
<td>12.3%</td>
</tr>
<tr>
<td>Foundation Gifts and Pledges (millions)</td>
<td>1.7</td>
<td>3.0</td>
<td>76.5%</td>
</tr>
<tr>
<td>Foundation Endowment (millions)</td>
<td>6.0</td>
<td>9.1</td>
<td>51.7%</td>
</tr>
</tbody>
</table>

### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>Fall 2002</th>
<th>Fall 2006</th>
<th>%Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation Total Net Assets (millions)</td>
<td>7.2</td>
<td>13.1</td>
<td>81.9%</td>
</tr>
<tr>
<td>Foundation Total Assets (millions)</td>
<td>7.4</td>
<td>19.2</td>
<td>159.5%</td>
</tr>
</tbody>
</table>
Transforming UW Oshkosh

Why now?

As UW Oshkosh thrives, so do our communities
  - The largest predictor of economic well-being in communities in the percentage of college graduates*

Regional needs are growing -- we need
  - More college graduates
  - More access to University resources
  - New programs that respond to business needs of the future

*Northeast Wisconsin Economic Impact Study
Previous University collaborative efforts

- Purchased former Irving Street facility: Campus Center for Equity and Diversity
- Purchased High Street: future home of Campus Police/Security
- Raised funds for the creation of the healthy living clinic with partners
## UW Oshkosh filling the need

**UNIVERSITY OF WISCONSIN OSHKOSH**

**Agile • Responsive • Innovative • Aligned**

### 2000-2006 vs 2007-2013

<table>
<thead>
<tr>
<th>Category</th>
<th>2000-2006</th>
<th>2007-2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-campus (FTE) enrollment</td>
<td>+ 6.9%</td>
<td>+ 12%</td>
</tr>
<tr>
<td>Degrees conferred</td>
<td>+ 18.9%</td>
<td>+ 10%</td>
</tr>
<tr>
<td>Student retention rate</td>
<td>+ 4.7%</td>
<td>+ 10%</td>
</tr>
<tr>
<td>Students of color</td>
<td>+ 77.1%</td>
<td>+ 75%</td>
</tr>
<tr>
<td>Older adult undergraduates</td>
<td>+ 8.4%</td>
<td>+ 50%</td>
</tr>
</tbody>
</table>
UW Oshkosh Grads stay in the region

97% of freshmen are from Wisconsin
- Fox Valley 27.5%
- Milwaukee 22.9%
- Madison 8.5%
- Green Bay 5%
- Lakeshore 5%

76% of graduates live in Wisconsin
- Fox Valley 39%
- Milwaukee 20%
- Green Bay 11%
- Madison 9%
- Lakeshore 7%
UW Oshkosh Grads -- stay in the region & add value

Nearly 30,000 of UW Oshkosh’s alumni in Wisconsin live in the NewNorth, the state’s second largest economic powerhouse!
New Academic Building
- Home to the College of Business and departments of Journalism, Psychology, Geography, and other social sciences
- Modern facilities to meet Wisconsin’s growing demand for well-educated professionals and business leaders
- Premiere resource for the region and the state

IMPACT
- $8 million in private funds brings $40 million from the state for a 500% return on investment.

Agile • Responsive • Innovative • Aligned
Transforming UW Oshkosh

Collaborative Research

- Support for faculty research and innovation in teaching and learning methods
- Expanded opportunities for faculty/student collaboration of hands-on learning

IMPACT

- Highly skilled graduates, engaged faculty and projects that benefit the community
Transforming UW Oshkosh

Endowed Scholarship
- Financial assistance for tuition, books, room and board
- Access to international study, field study and other opportunities that enhance classroom learning

IMPACT
- Attracts and retains more students and supports the region’s need for college graduates
- Permanent component of every philanthropic funding and operational model
• Scholarships for academic excellence and financial need
• Critical funding to support academic departments and specific programs

**IMPACT**
• Enhanced learning opportunities including new and innovative programs to meet emerging needs
• Permanent component of every philanthropic funding and operational model
Why?

- A future workforce with the skills and knowledge for the “new economy”
  - Undergraduate degrees/MBA and graduate degrees
  - Continuing professional education
- Continued access to award-winning faculty, great students
- Recognition among faculty, students, and your peers of your commitment to advanced education
- Appreciation for leadership in increasing number of college graduates in northeastern Wisconsin
A Campaign for UW Oshkosh

- Local leaders and stakeholders are leading UW Oshkosh’s first $24 million comprehensive capital campaign
- An investment in students, faculty, programs and new academic building
- The ROI will be measured in capital -- human, economic and physical-- benefiting the people and economy of our region
- “pride.purpose.promise”-- A campaign for UW Oshkosh
  - To transform UW Oshkosh -- to be even more agile, responsive and aligned with the needs of the region and state
Enhancing the Campaign: Integrating message and image

- Integrated marketing and communications strategy
  - Development and operational teams
  - Charged by the Chancellor (early 2006)
- Internal and external
  - Focus on distinctiveness
  - Align brand, image and perceptions
  - Educate peers, constituents, stakeholders
Take-aways

- Operational sustainability for (best practice/models of growth)
- Revenue streams
- Comprehensive campaign -- lead by community leaders and stakeholders
  - Endowed Scholarship
  - Academic Building
  - Collaborative Research
Questions?

- Tom Sonnleitner
- Art Rathjen