

Chancellor Biddy Martin



WISCONSIN
UNIVERSITY OF WISCONSIN-MADISON

The New Badger Partnership

A new business model that recognizes:

- the state's remarkable investment in its flagship campus for more than 150 years
- the state's changing economic position, its current budget pressures and the need for economic growth
- the importance of R&D for existing and new industries
- the university's responsibility to set priorities and avoid redundancies

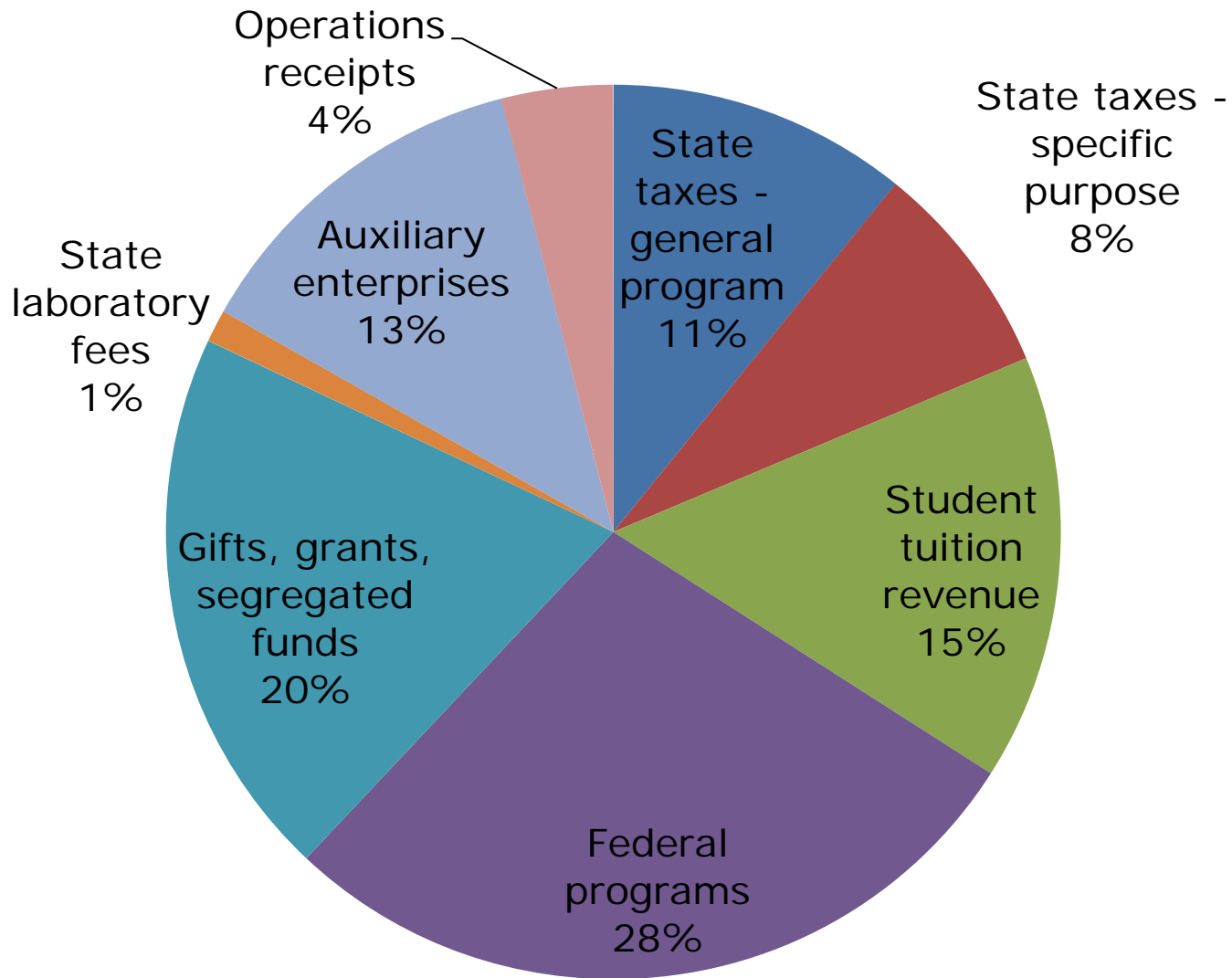


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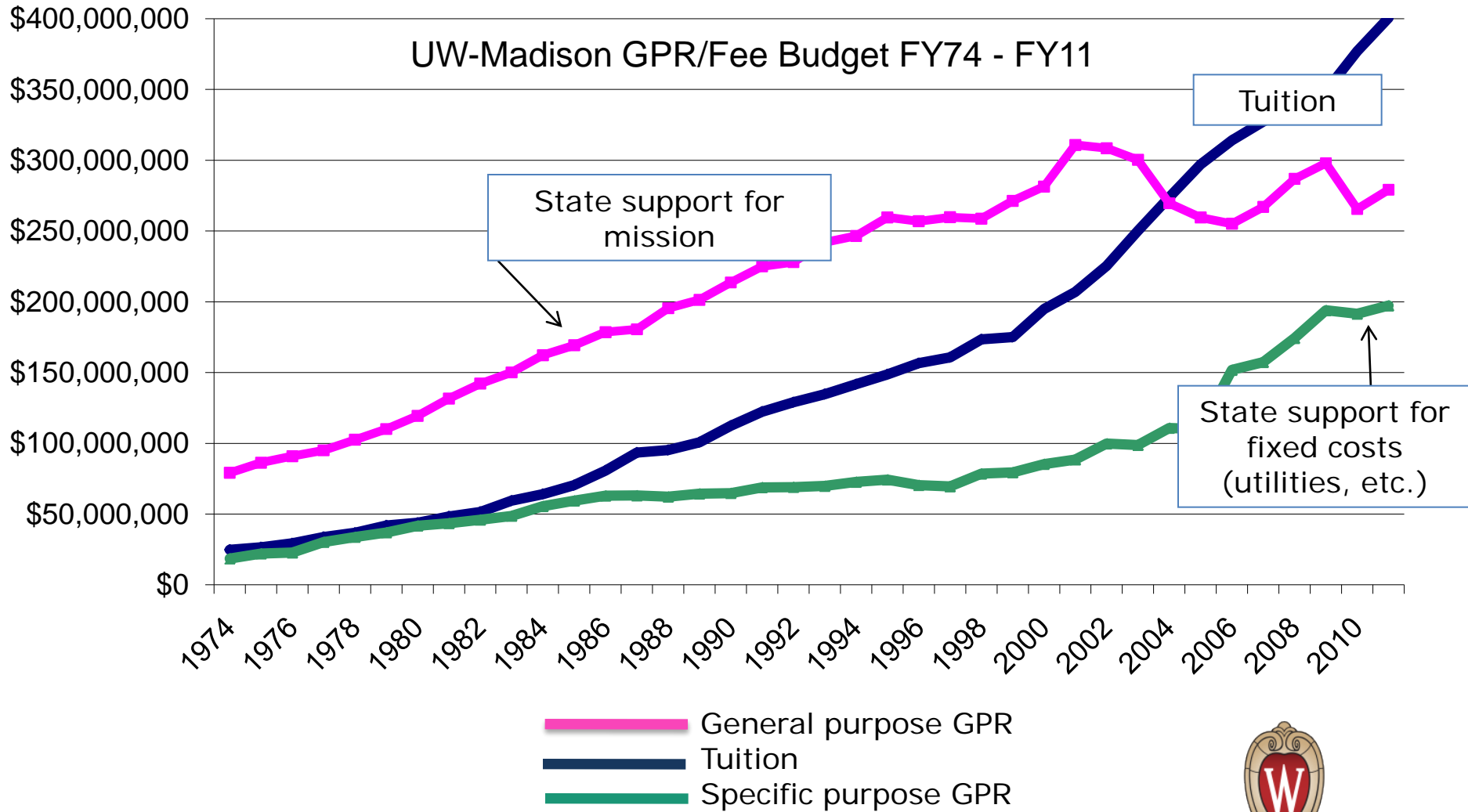
- the university's competitive position as a world-class research university
- its potential to help itself and the state as a global talent magnet and job creator
- its need for operating flexibilities if it is to sustain and enhance its value to Wisconsin



UW-Madison budget by source of funds 2009-10



Share of budget by source over time



Premise:

UW-Madison cannot remain competitive and help the state if it is run as though it were another state agency.

Increased flexibility will allow UW-Madison to add greater value to the state, enhance institutional revenues and manage our most urgent needs for teaching, research and outreach.



How does the competitiveness
of a major research university
add value to a state?



A world leader



- UW-Madison is #17 on the Shanghai Jiao Tong University list of best global universities
- #5 public U.S. university
- #1 Big Ten university

Source: Shanghai Jiao Tong University

www.newbadgerpartnership.wisc.edu



UW-Madison total economic impact

- UW-Madison contributes \$9.6 billion back to Wisconsin's economy annually
- UW-Madison creates nearly 97,357 jobs directly and indirectly
- Every \$1 of state tax investment in the university generates \$21.05 of economic activity in Wisconsin
- In 2009, private philanthropy contributed \$228 million to the UW-Madison budget, including \$93 million from out-of-state donors

Source: 2010 NorthStar Economic Impact Study of UW-Madison and University of Wisconsin Foundation



Jobs created with non-state funds

- This represents an increase from 48 percent of all UW-Madison employees in 2000 to 54 percent in 2009

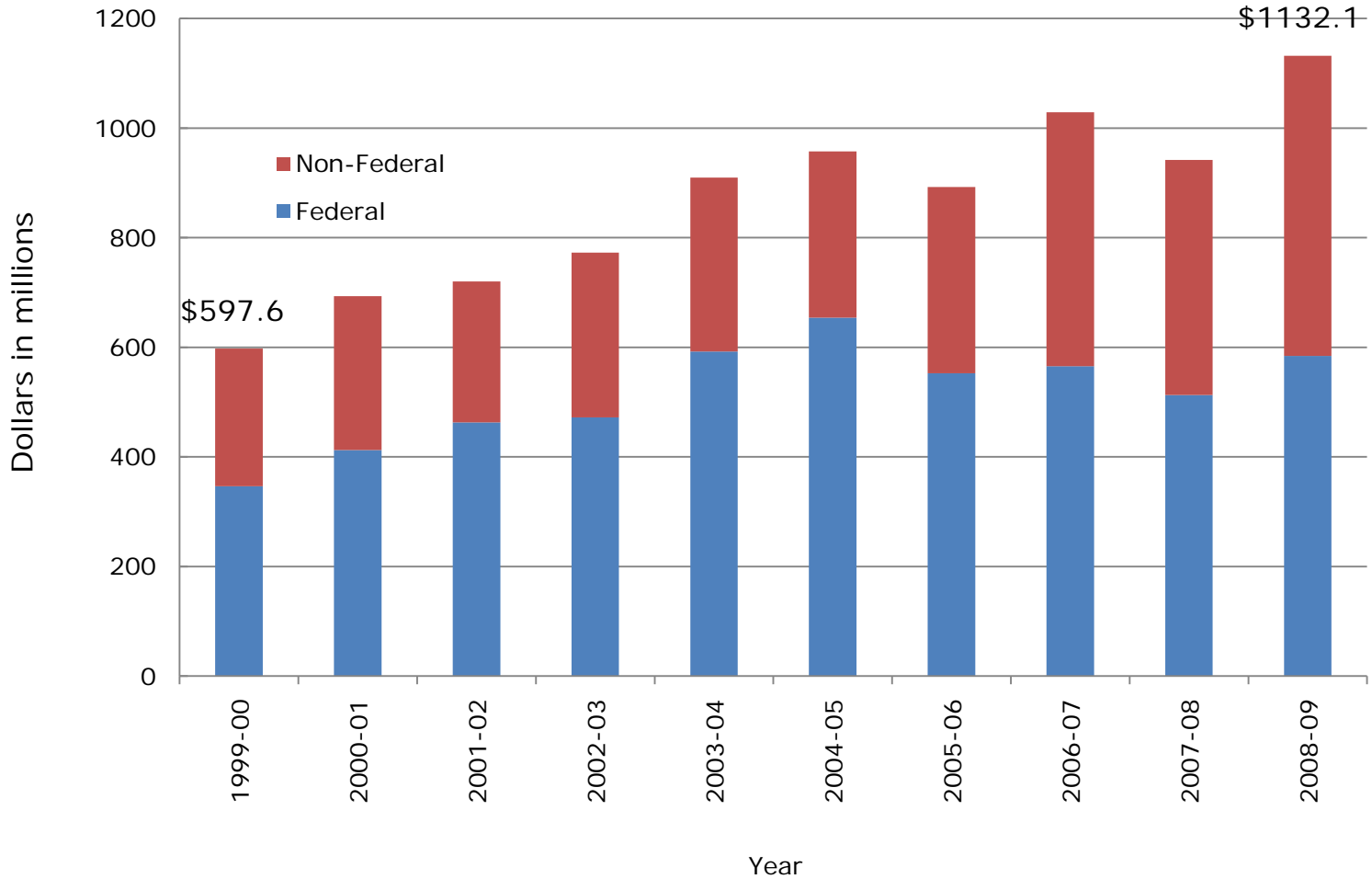
Increase in jobs created with non-state funds:

Fund name	Fall 2000	Fall 2009	Increase
Auxiliary Funds	2,008	2,464	18%
Federal grants and aid	2,643	3,393	28%
Endowments and gifts	2,386	3,274	37%
Total	7,117	9,132	28%

Source: 2009-10 Data Digest pg 32



Research awards, millions of dollars



Source: 2009-10 Data Digest pg 51



University Research Park: Jobs created by UW technology

- 126 companies in 37 buildings
- Employs 3,200 people
- Estimated annual payroll of almost \$220 million
- The average salary for Research Park employees is \$64,300.
- URP companies support more than 2,500 jobs at WI-based suppliers
- ~70 percent of companies have links to the University of Wisconsin
- Scheduled to double in size with the addition of two new locations in Madison



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Capital Projects: Jobs created by donors

- UW-Madison's capital budget for 2007-09 of \$470 million is funded substantially from gifts, grants and program revenue.
- In 2009, UW-Madison was named the "Developer of the Year" by *Wisconsin Builder* magazine.



Educating Wisconsin's workforce

- UW-Madison contributes to the knowledge economy by maintaining a high level of degree production.
- More than 9,500 students complete degrees annually.

	Bachelor's	Master's	PhD	Professional
UW-Madison degrees	6,637	1,811	786	644
Share of WI degrees**	20%	20%	75%	48%
WI rank**	1 of 37	1 of 40	1 of 8	1 of 9

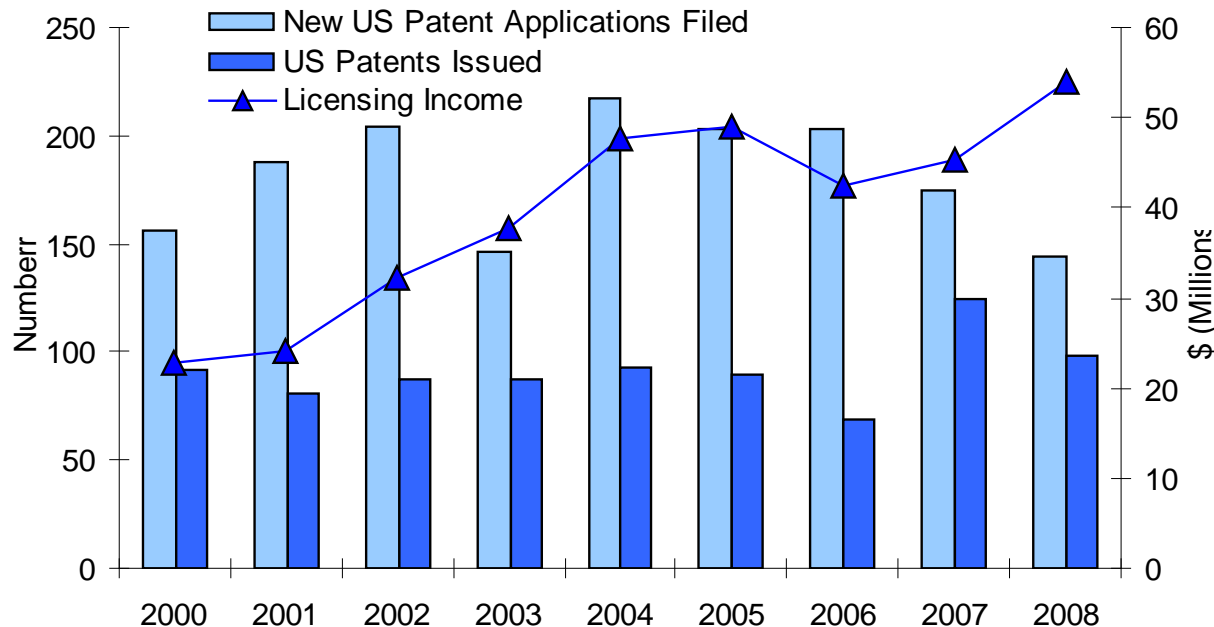
*2008-09 (Most recent year information is available)

** Includes all institutions that award degrees at the given level; excludes for-profit institutions. Professional doctorates: law, veterinary medicine, medicine, pharmacy, physical therapy



Technology transfer

- 272 licenses and options yielded income in 2008
- UW-Madison ranks fifth in licensing revenues among the 151 universities included in the Association for University Technology Managers' most recent survey results (released in March 2010).
- In May 2010, Forbes ranked Madison as the seventh most innovative large city in the U.S. based in part on its number of patents issued per capita.



The impact of limited additional flexibility

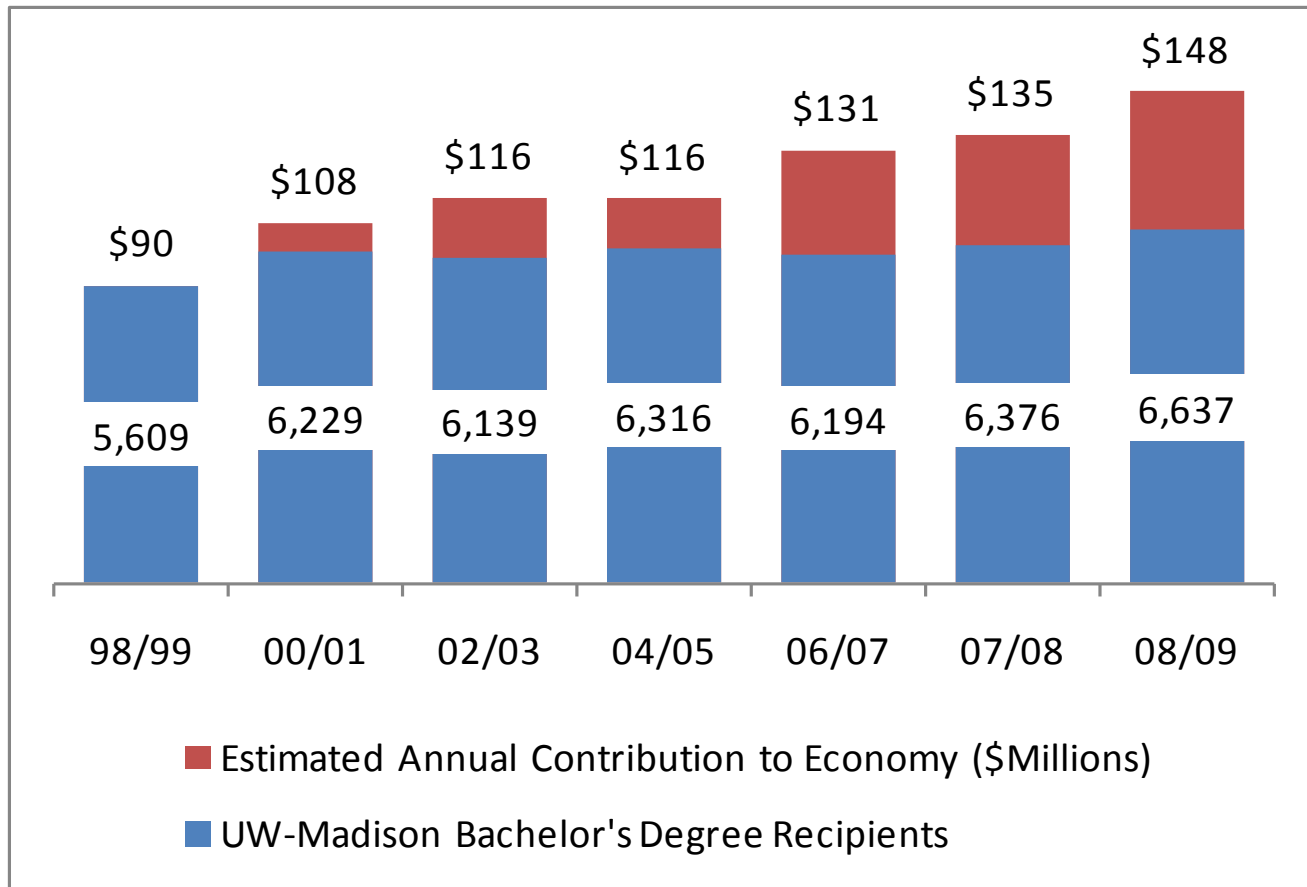
The Madison Initiative for Undergraduates

- New infrastructure for education
- Expansion of critical student services
- Added 54 faculty, 26 staff, 77 TAs
- 1,260 students with need received a UW-Madison grant averaging \$2,600
- 6,057 students received a grant for those with a family income below \$80,000



Graduates as taxpayers

- 69% of WI residents remain in WI within 10 years of graduation
 - 51% overall and 11% non-resident students
- College grads earn \$21,000 more on average



What does it mean to study with high-quality faculty and with talented students from around the world, to have research, internship and study-abroad opportunities?



Critical thinking: 2008 seniors

	UW-Madison	National ¹	Peers ²
Thinking critically and analytically	92%	86%*	87%*
Application of theories or concepts	78%	79%	78%
Analyzing basic elements of an idea	85%	83%*	84%

* Significant differences from the UW percentage at the 0.05 level

¹National public 4-year universities

²Public universities in the Association of American Universities Data Exchange (AAUDE) NSSE Consortium. Source: 2008 National Survey of Student Engagement



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Civic participation: 2008 seniors

	UW-Madison	National ¹	Peers ²
Community service or volunteer work	82%	73%*	77%*
Community-based course project or service learning	14%	18%*	13%
Voting in local, state or national elections	60%	33%*	38%*

* Significant differences from the UW percentage at the 0.05 level

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THE WALL STREET JOURNAL

Paths to Professions report:

- big student populations = efficient recruiting
- most prepared students with practical skills
- opportunity to form partnerships with faculty and students
- grads have successful track records in corporations

Source: Paths to Professions Report, Sept. 13, 2010



Do other universities face these challenges?

Trends in public higher education

Virginia	<ul style="list-style-type: none">▪ Tuition-setting authority, flexibility in use▪ No enrollment cap on nonresidents▪ Purchasing not governed by administrative rules▪ Streamlined, faster hiring processes▪ Merit-based rewards for faculty, staff▪ No approval needed for non-general fund projects▪ Free to adopt own IT and accounting policies
Colorado	<ul style="list-style-type: none">▪ International students removed from cap on nonresident students▪ Authority to set tuition (not more than 9 percent increase without approval)▪ Able to manage vendors, performance contracts▪ Certain construction projects not subject to state approval
Minnesota	<ul style="list-style-type: none">▪ Tuition-setting authority, flexibility in use▪ Authority over procurement, personnel policies, and building and construction



Trends in public higher education

Michigan	<ul style="list-style-type: none">▪ Tuition-setting authority, flexibility in use▪ Authority over procurement, personnel policies, and building and construction
California-Berkeley	<ul style="list-style-type: none">▪ Tuition-setting authority, flexibility in use▪ Authority over procurement, personnel policies, and building and construction
Oregon*	<ul style="list-style-type: none">▪ Tuition-setting authority, flexibility in use▪ Authority to buy own property▪ Allowed to set salaries▪ Capital projects not subject to legislative approval▪ Floor set for state funding per student▪ Able to issue bonds, seek other revenue sources

* Still working to finalize additional flexibility



What would the University of Wisconsin-Madison look like in 2015 if granted this flexibility?



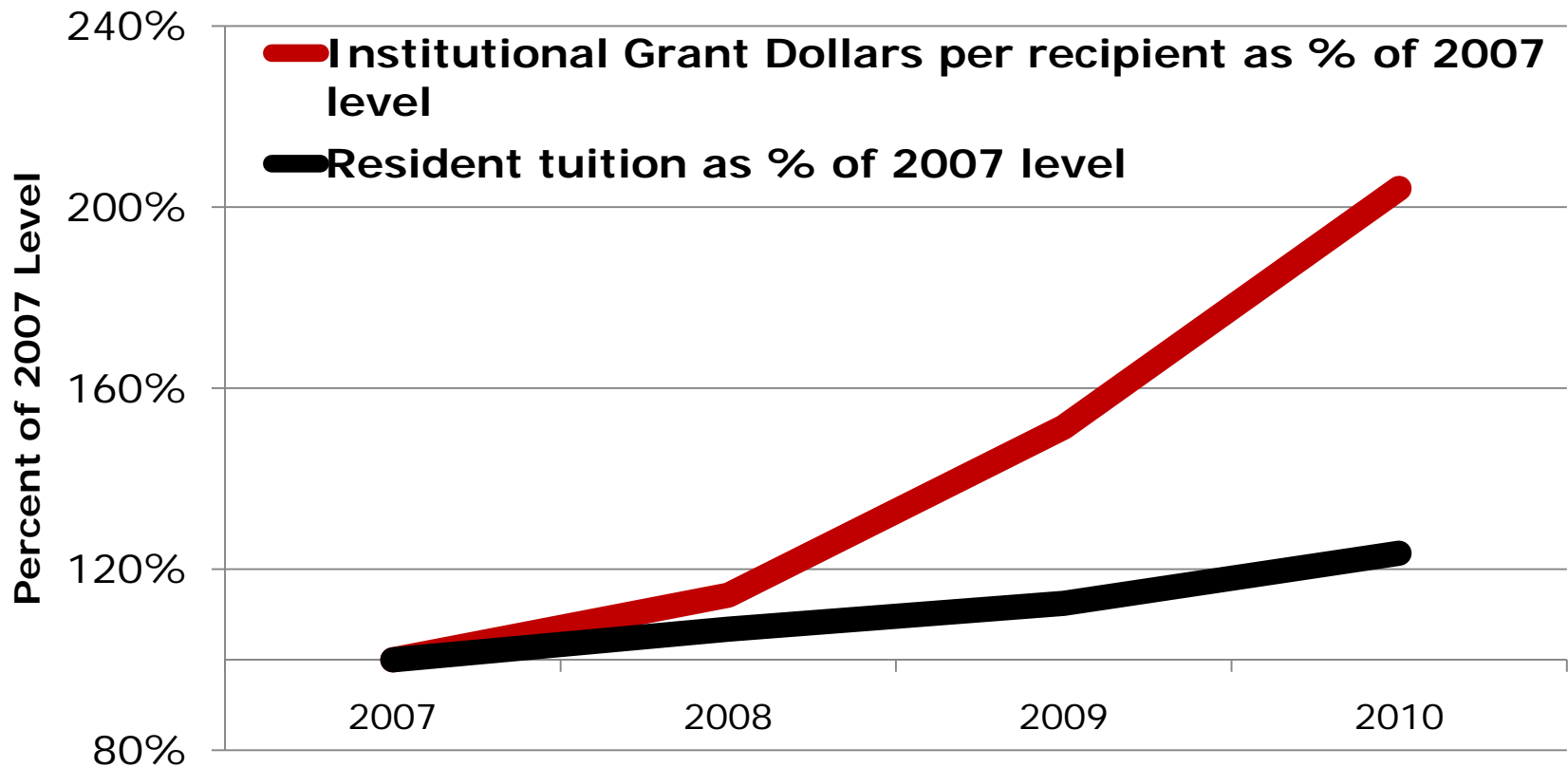
Case study: The impact of limited additional flexibility

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Current impact of tuition flexibility: Madison Initiative



Change in Resident Tuition and Institutional Grants per Resident Undergraduate



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In 2015, if granted flexibility, we would have ...

- more Wisconsin residents with UW-Madison degrees
- reduced degree costs
- freshmen learning from our best teachers
- better-prepared employees for Wisconsin businesses
- graduates ready to deal with today's social, economic and political pressures
- a UW-Madison education possible for all qualified students



In 2015...

- the best faculty would make Wisconsin their home
- buildings built faster and cheaper
- services provided more quickly
- the best applicants considered for every university position
- more time for faculty to teach and invent
- more state funding available for other programs like health care and k-12 education.
- a world-class university we can afford

A new business model for Wisconsin

The New Badger Partnership

We seek from the state:

- A commitment to continue to fund the state's share of our current operations
- A new business model that provides greater flexibility to become more efficient and cost-effective, including:
 - Procurement
 - Compensation and hiring
 - Tuition and financial aid
 - Construction and building projects



The New Badger Partnership

In return, we commit to providing the citizens of Wisconsin:

- quality, efficiency, access and affordability
- more graduates from Wisconsin
- new revenue for Wisconsin from outside the state
- research that spurs innovation and supports jobs
- accountability and transparency for the flexibility we are afforded



The New Badger Partnership

Visit the website:

www.newbadgerpartnership.wisc.edu

Send feedback and questions:

feedback@newbadgerpartnership.wisc.edu

