



WISCONSIN

UNIVERSITY OF WISCONSIN-MADISON

"A Strategic Approach to Resource Stewardship"

David Ward
Interim Chancellor
UW-Madison

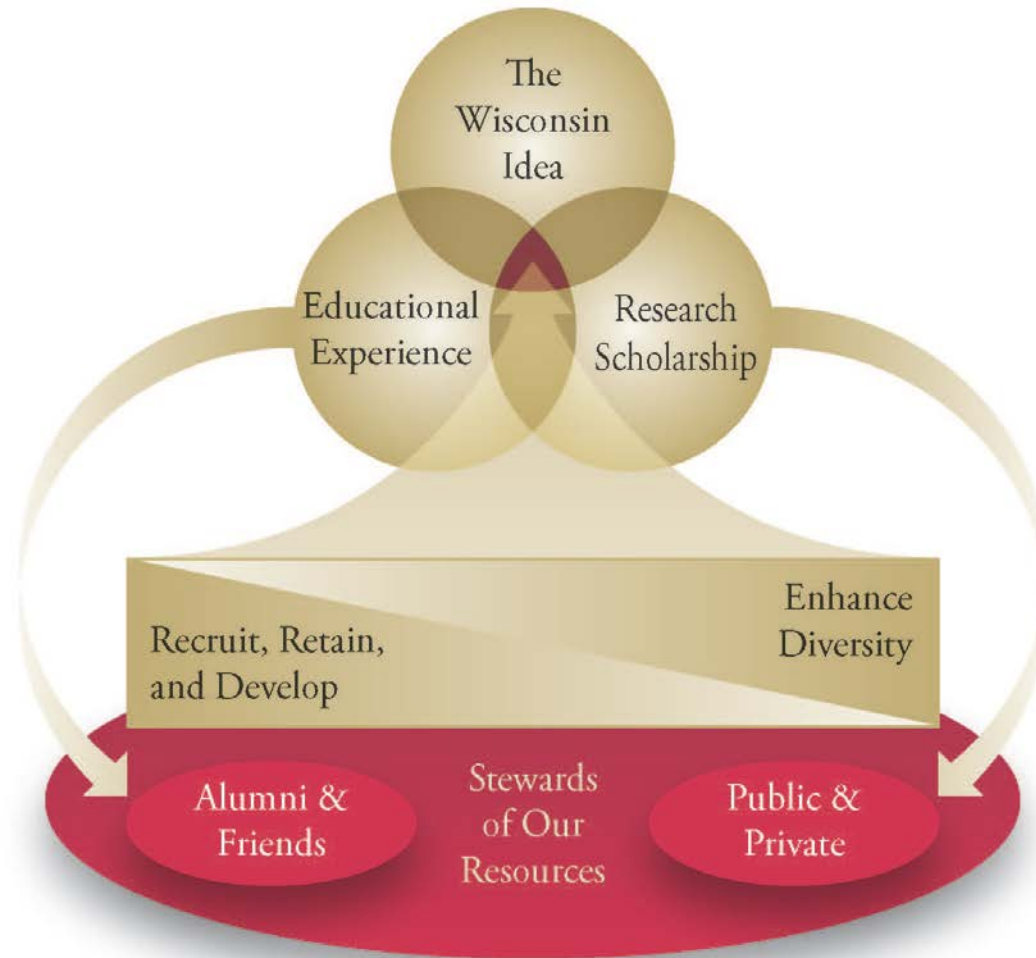
Board of Regents
December 8, 2011

Shifts in Public Higher Education Financing

A revenue crisis. A funding gap.

- The “pendulum” of adequate/inadequate funding no longer applies
- No major revenue gains for standard tuition increments
- Federal and philanthropic funds provide the “margin of excellence” rather than “base” budget.
- Public universities need to develop a new strategy to remain competitive and advance a vision.

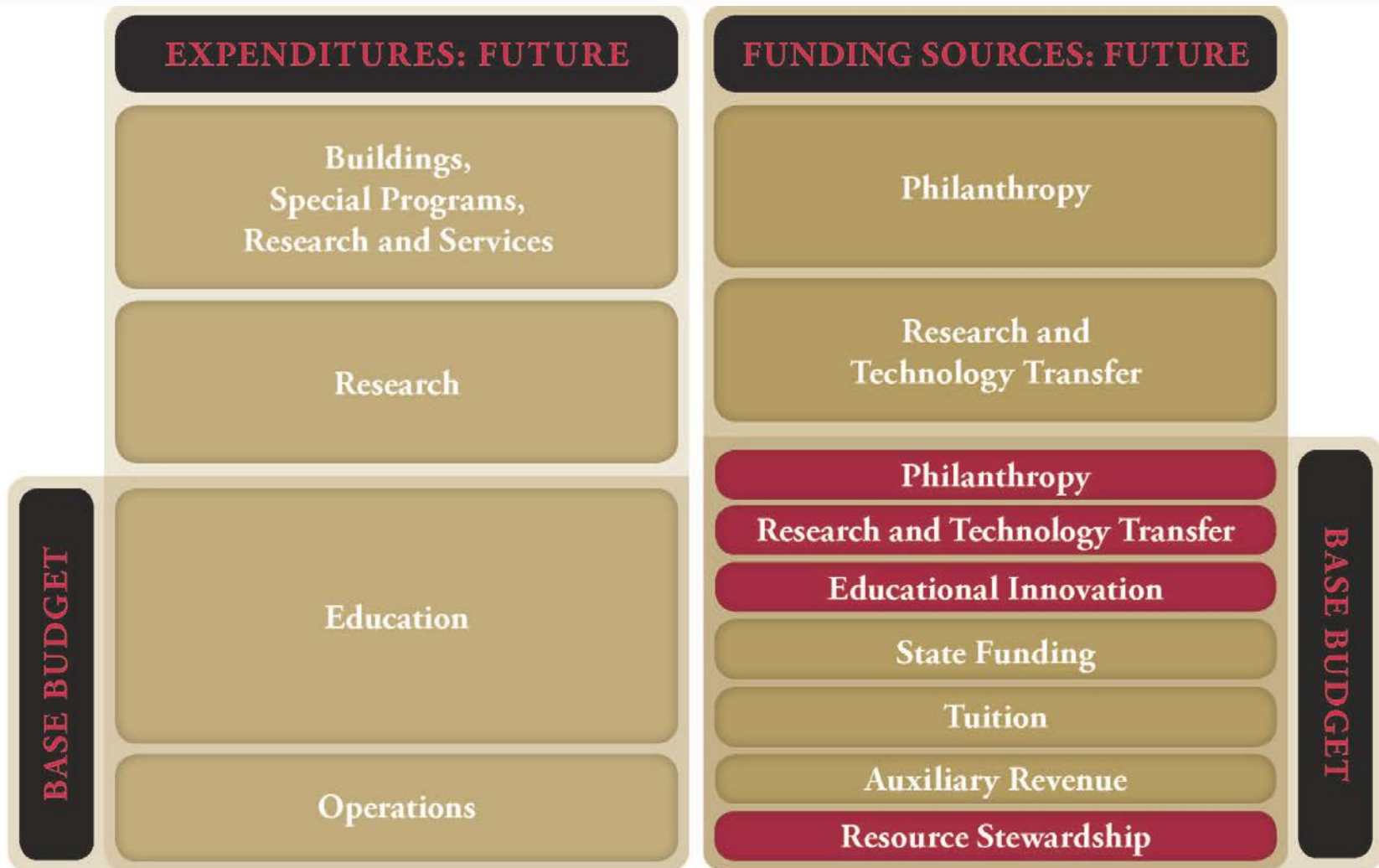
A Strategic Framework for Advancing our Vision: “A Model Public University”



Our Shifting Revenue Sources



Responding to Revenue Shifts



Innovation and Flexibilities

Conventional Sources

- Promote moderate but targeted tuition increases
- Sustain state support to leverage of other funds

System and State Flexibilities

- Increased institutional autonomy
- Personnel systems
- Reallocation of base funding

Philanthropy

- Increased investment in the base budget
- Need-based aid to ensure access
- Fully endowed named professorships
- Funds for Educational Innovation

Innovation and Flexibilities

Educational Innovation

- Rethink how we educate
- Rethink academic structures
- Rethink comprehensiveness
- Scale best practices for maximum gains

Administrative Excellence

- Information technology - consolidation and aggregation
- Space management and reduction of leased space
- Demand management of supplies
- Coordination of facilities organizations
- Streamlining grants management processes

Enhancing our Research Impact

Enhancing Research Impact

Paul M. DeLuca, Jr.
Provost

Board of Regents
December 8, 2011

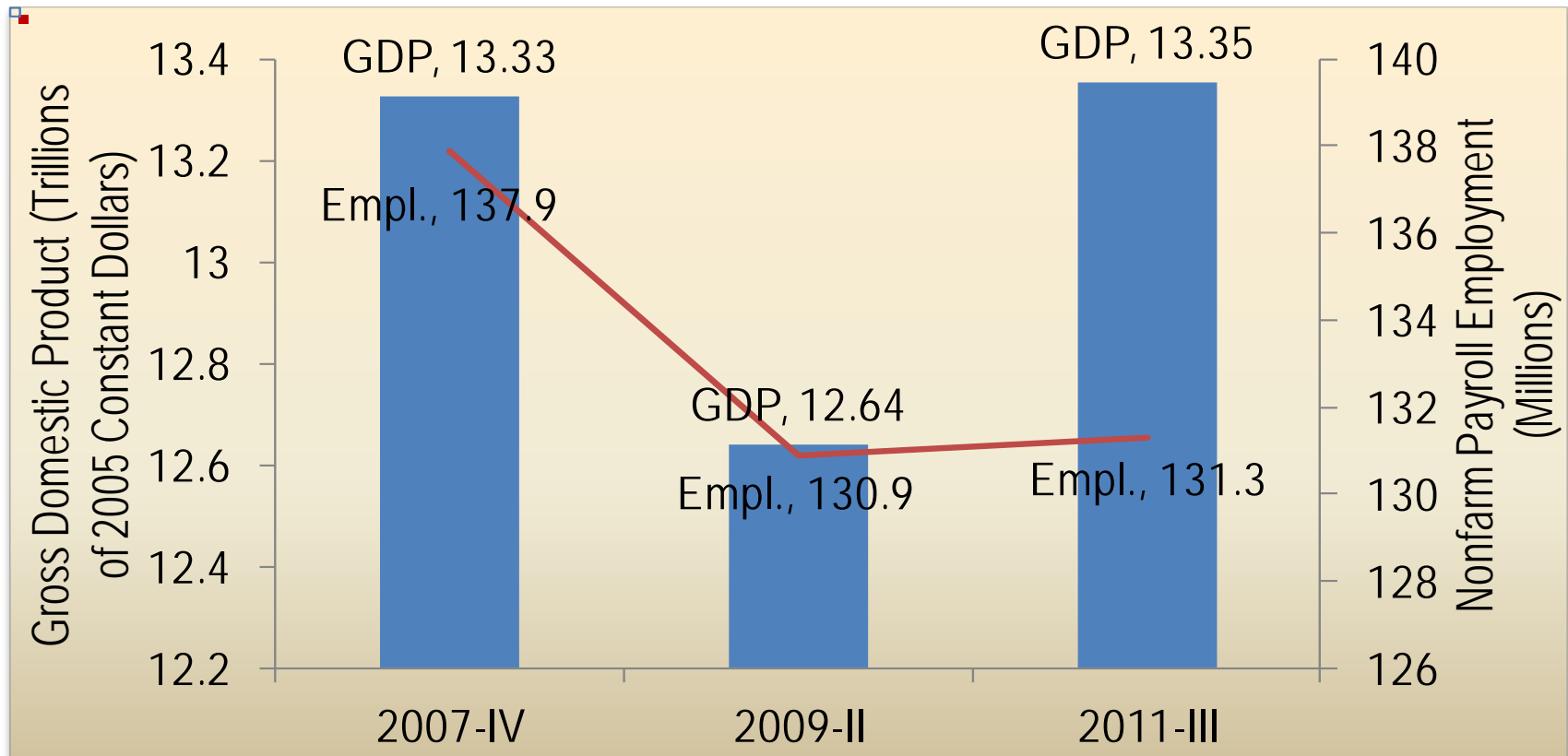


Can we enhance our research impact?

- Economic Impact of UW-Madison
- Existing Research Funding Base
- University Research Park
- WARF
- Discovery to Product – D2P

Trends in the Gross Domestic Product in the US, 2007-IV to 2011-III

(in trillions of constant 2005 dollars) and nonfarm payroll employment (millions of jobs)



Sources: GDP data Bureau of Economic Analysis U.S. Department of Commerce. (www.bea.gov/national/index.htm)

Data on Nonfarm payroll employment BLS website (www.bls.gov/data/#employment)

Credit: *Economic Activity and the State of the College Labor Market*, a presentation by Paul E. Harrington, Center for Labor Markets and Policy, Drexel University



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Trends in the Employment to Population Ratio of the Civilian Non Institutional Working Age Population in the U.S., by Educational Attainment

Educational Attainment	Employment-Population Ratio			
	1999-2000	2006-2007	2009-2010	2010-2011
H.S. Students	44.5	30.6	25.2	23.8
H.S. Dropouts	40.4	42.4	32.0	31.9
H.S. Graduates	62.5	59.2	57.2	55.9
College Students	47.2	45.1	42.0	42.4
Some College	74.1	67.6	62.8	64.1
Associate's Degree	77.4	70.6	67.6	67.1
Bachelor's Degree	79.7	75.8	75.0	75.4
M.A. or Higher Degree	83.0	76.7	76.5	77.1

Source: U.S. Bureau of the Census Current Population Survey, Public Use Data Files, Tabulations by Center for Labor Markets and Policy, Drexel University

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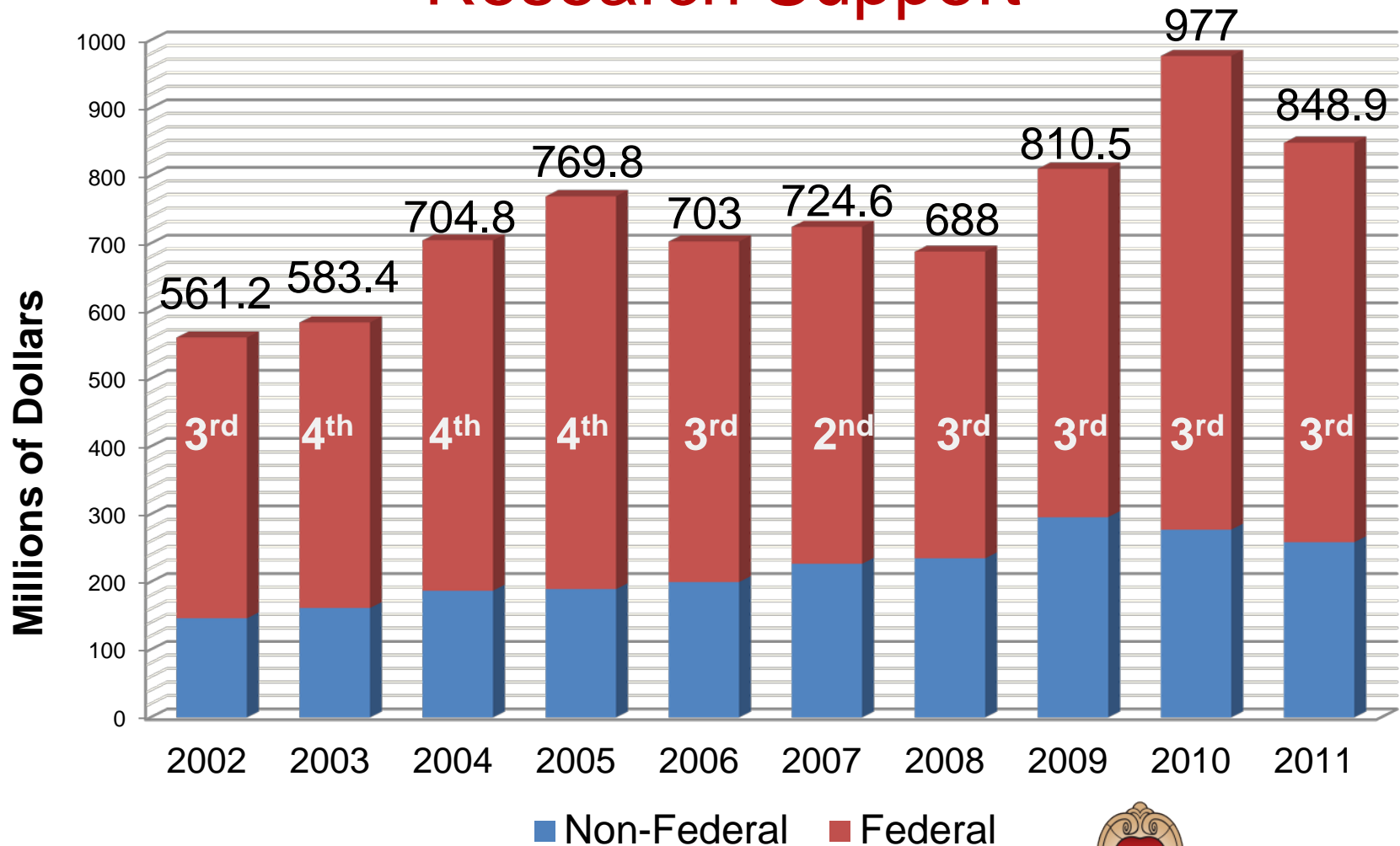
UW-Madison Economic Impact Report

\$12.4 Billion in annual total impact on the Wisconsin economy

- \$9.6 Billion economic impact from UW-Madison operations and spending of faculty, staff, students, and visitors
- \$2.1 Billion economic impact from out-of-state monies
- \$1 Billion in research & development expenditures
- \$2 Billion economic impact from UW-connected startups
- \$862 Million economic impact from UW-affiliated organizations
- 128,146 Wisconsin jobs created and supported
- \$614 Million in tax revenue generated



UW-Madison Extramural Research Support



University Research Park

- 126 companies; >3,500 employees, \$183.3M value
 - Urban Campus (2009)
 - URP Phase II (2012)
- URP companies born of UW innovations:
 - FluGen, Quintessence Biosciences, Roche NimbleGen, Stemina Biomarker Discovery, Stratatech, Third Wave Technologies, WiCell Research Institute, Zurex Pharma...
- ~\$500,000/yr returned to UW-Madison research programs
- \$826M annual contribution to WI economy

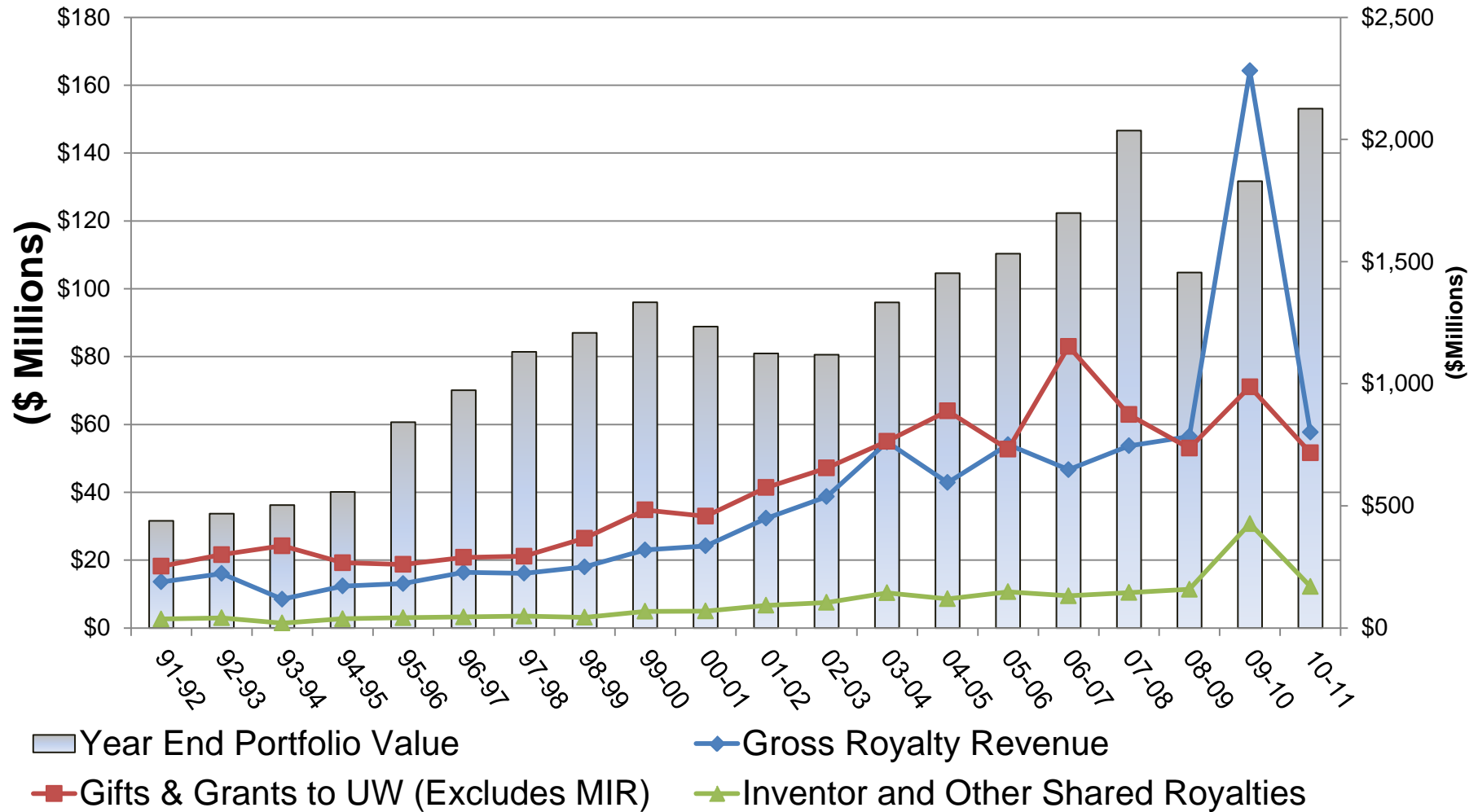


Wisconsin Alumni Research Foundation

- Over \$1.25 Billion in grant support to UW-Madison from successful technology commercialization outcomes
- Hundreds of active commercial licensees for UW-Madison innovations with \$882M in license revenues
- Over 50 startups attracting \$800M+ in investment capital (last 10 years)
- National Medal of Technology recipient for long record of tech transfer success
- Broad-based real-world benefits on a truly global scale; agriculture, nutrition, health care, information technology



Descriptive title



WARF: Start Ups

- University spin-outs

Equity in over 30 companies

Licenses with over 50 active companies



Deltanoid Pharmaceuticals

- Representative technologies of start-ups

Biotechnology: medical, agricultural, tools

Medical devices

Telecommunications

Small molecule pharmaceutical

Software

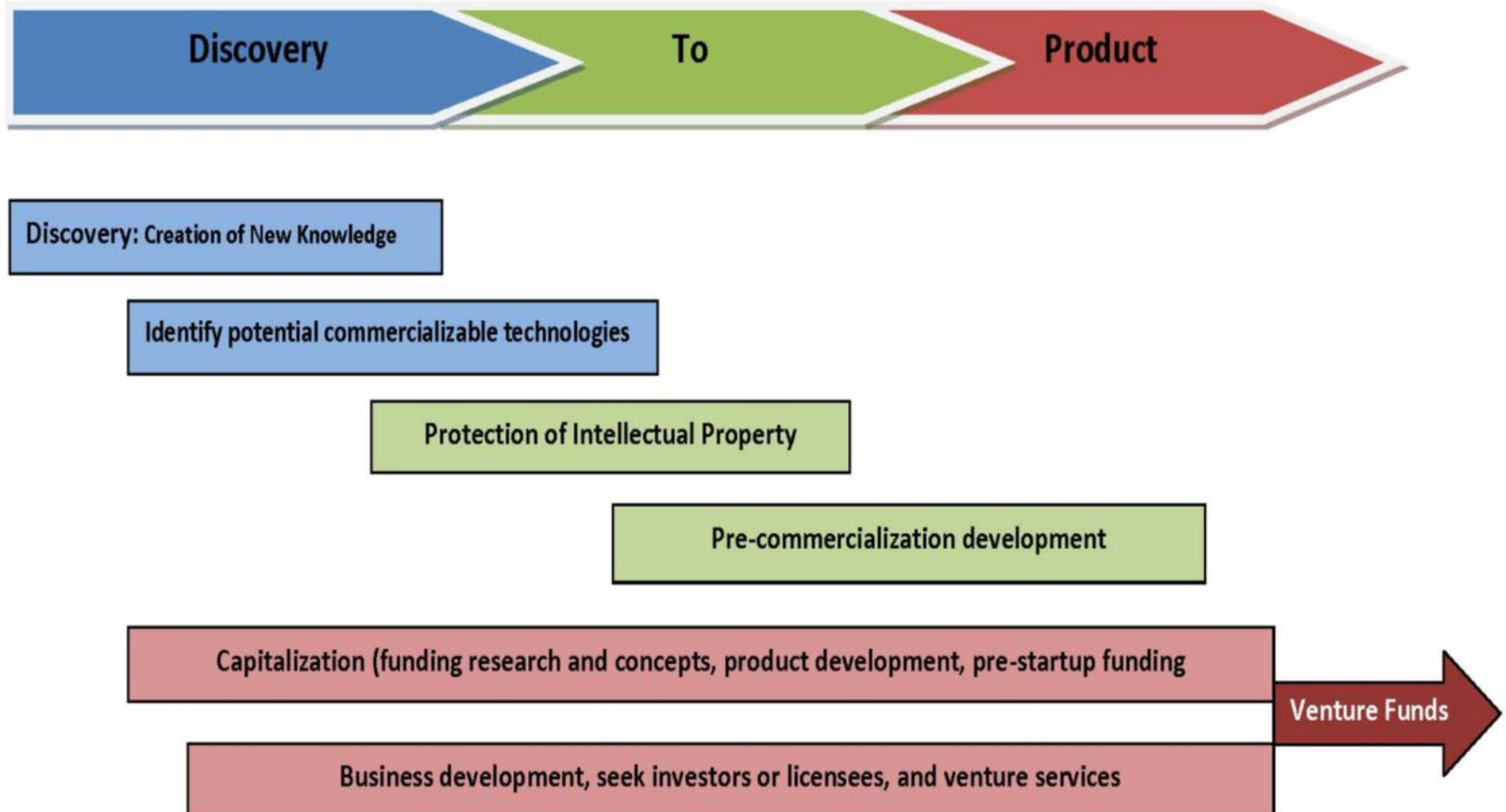


Institutional Performance

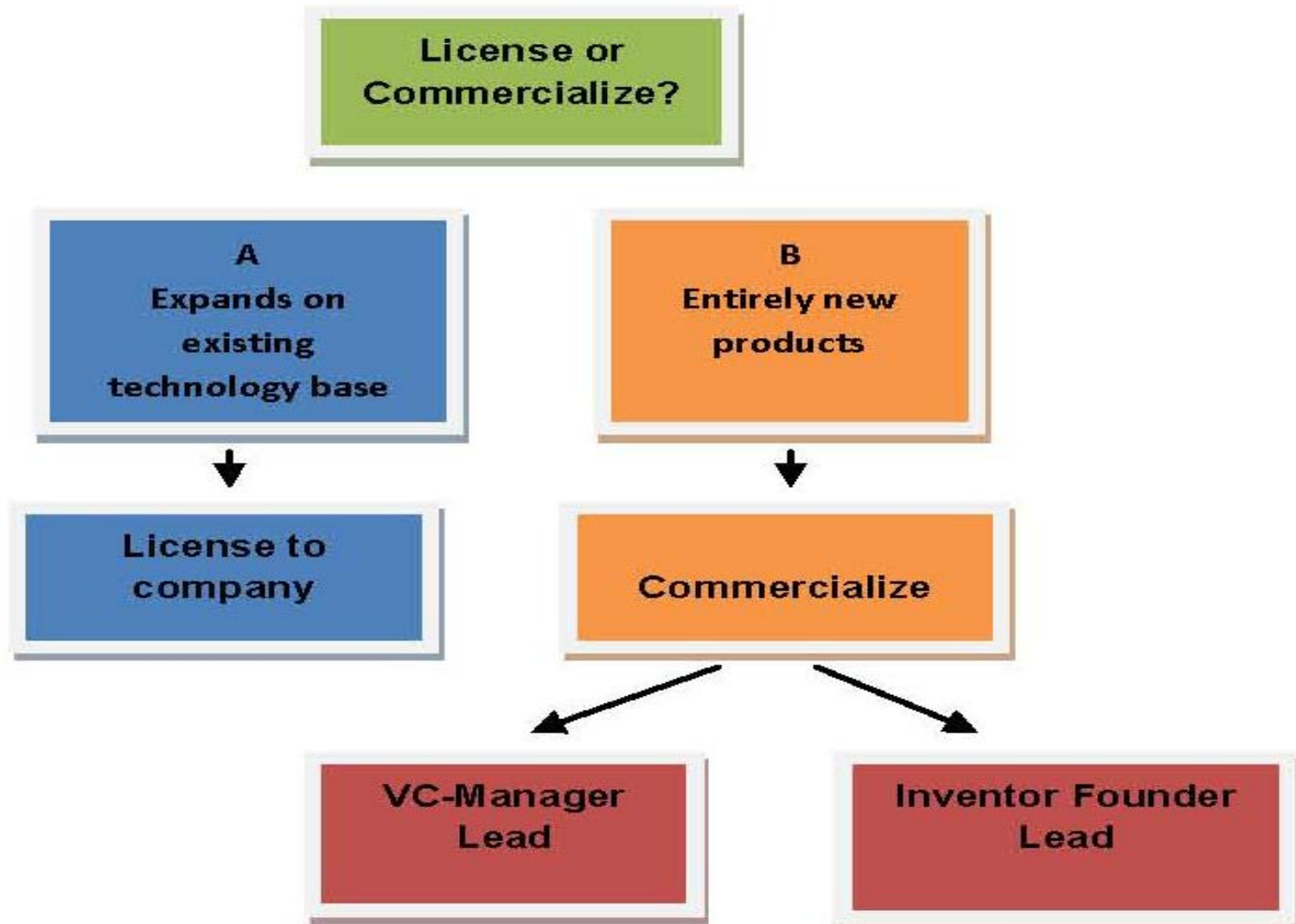
What's wrong with this slide!

	Wisconsin	Utah
Startups		
2009	1	23
2008	6	23
2007	6	16
2006	9	20
2005		
Disclosures		
2009	293	180
2008	324	195
2007	368	190
2006	337	170
Commercially Sponsored Research		
2009	\$47.4 mil	\$40.4 mil
2008	\$29.5 mil	\$44.2 mil

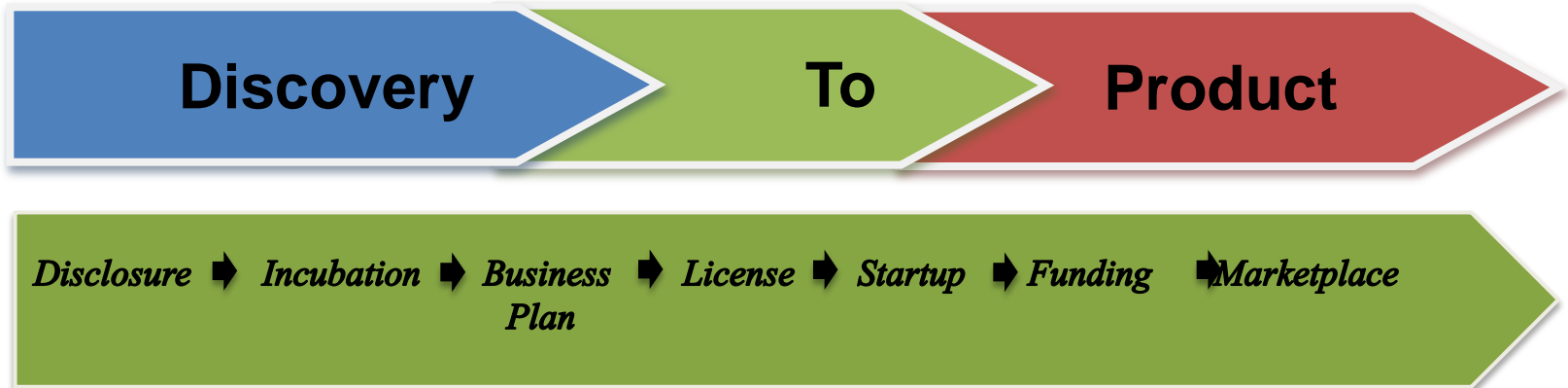
Discovery to Product: D2P



D2P – Two paths: License or Commercialize



D2P: Coordinating the Whole Process



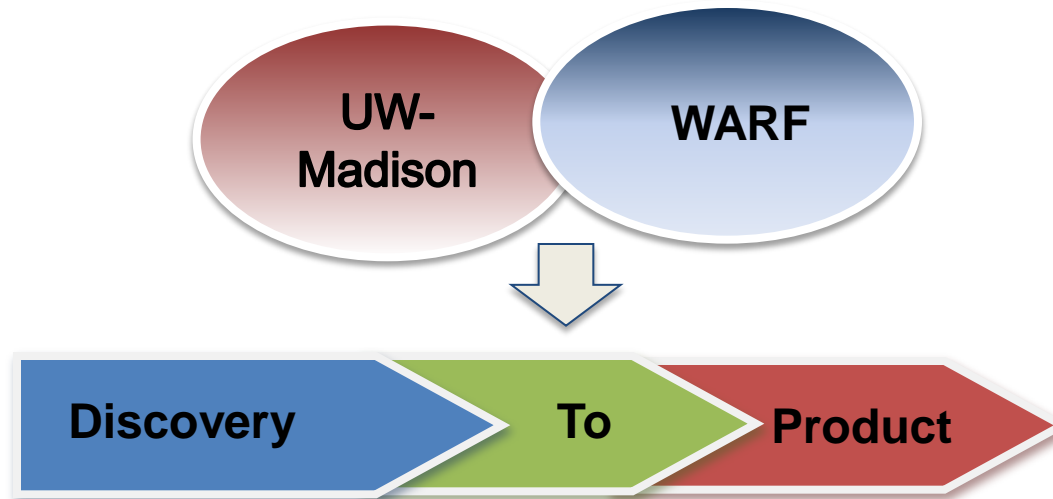
Wiscontrepreneur



Law & Entrepreneurship Clinic
UNIVERSITY OF WISCONSIN-MADISON



D2P Structure



Target Areas – High Potential Technologies

Physical
Sciences/
Engineering

Agriculture

Medical
Devices

Comp.
Science/
Info Tech

Pharma

Other
Target
Areas...

Future Issues

- Does the State's investment provide adequate leverage for:
 - Philanthropy
 - Research and Technology Transfer
- Are the Current flexibilities adequate to support leveraged revenues?
- How do we combine our National and Statewide Roles?

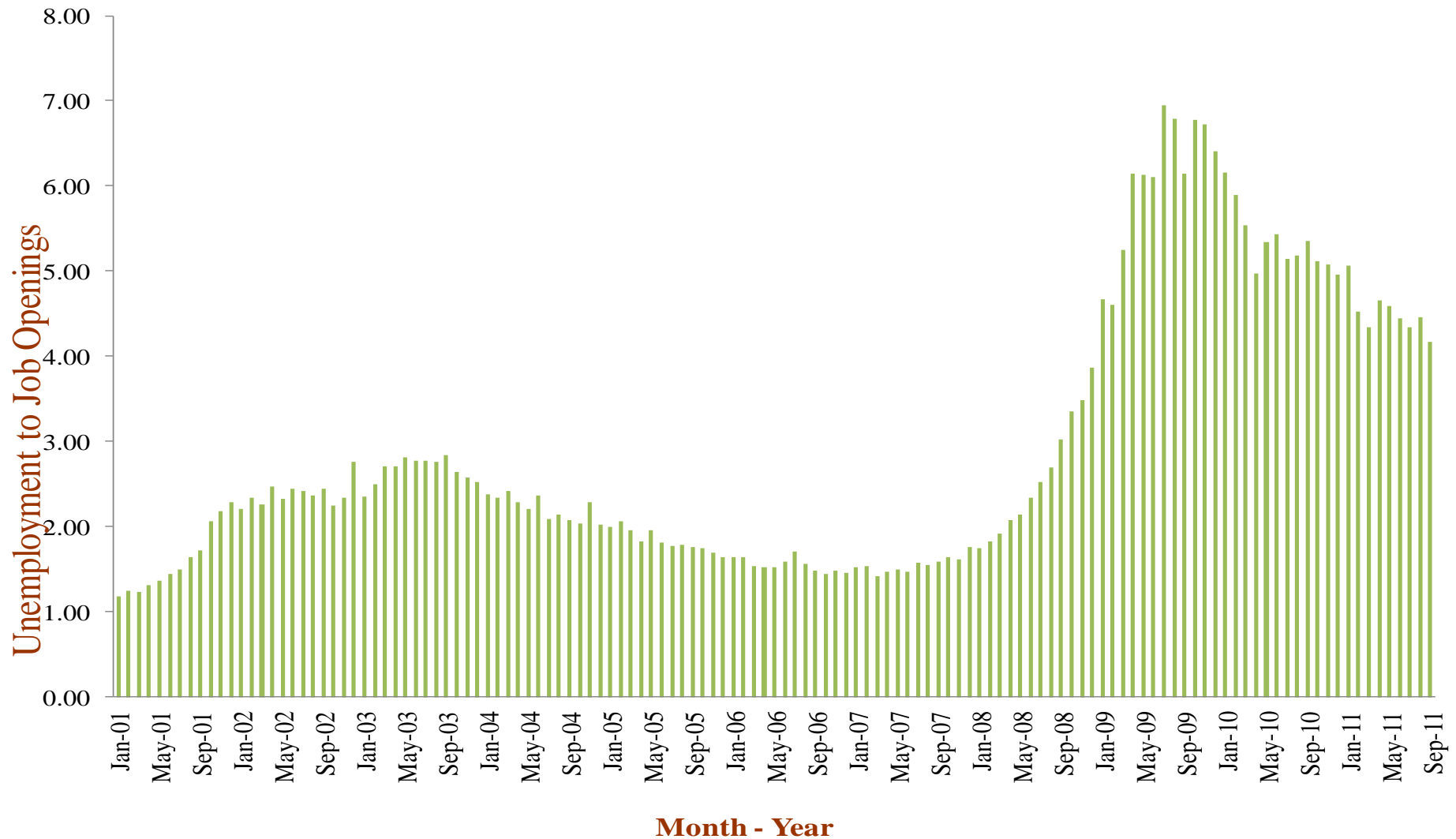


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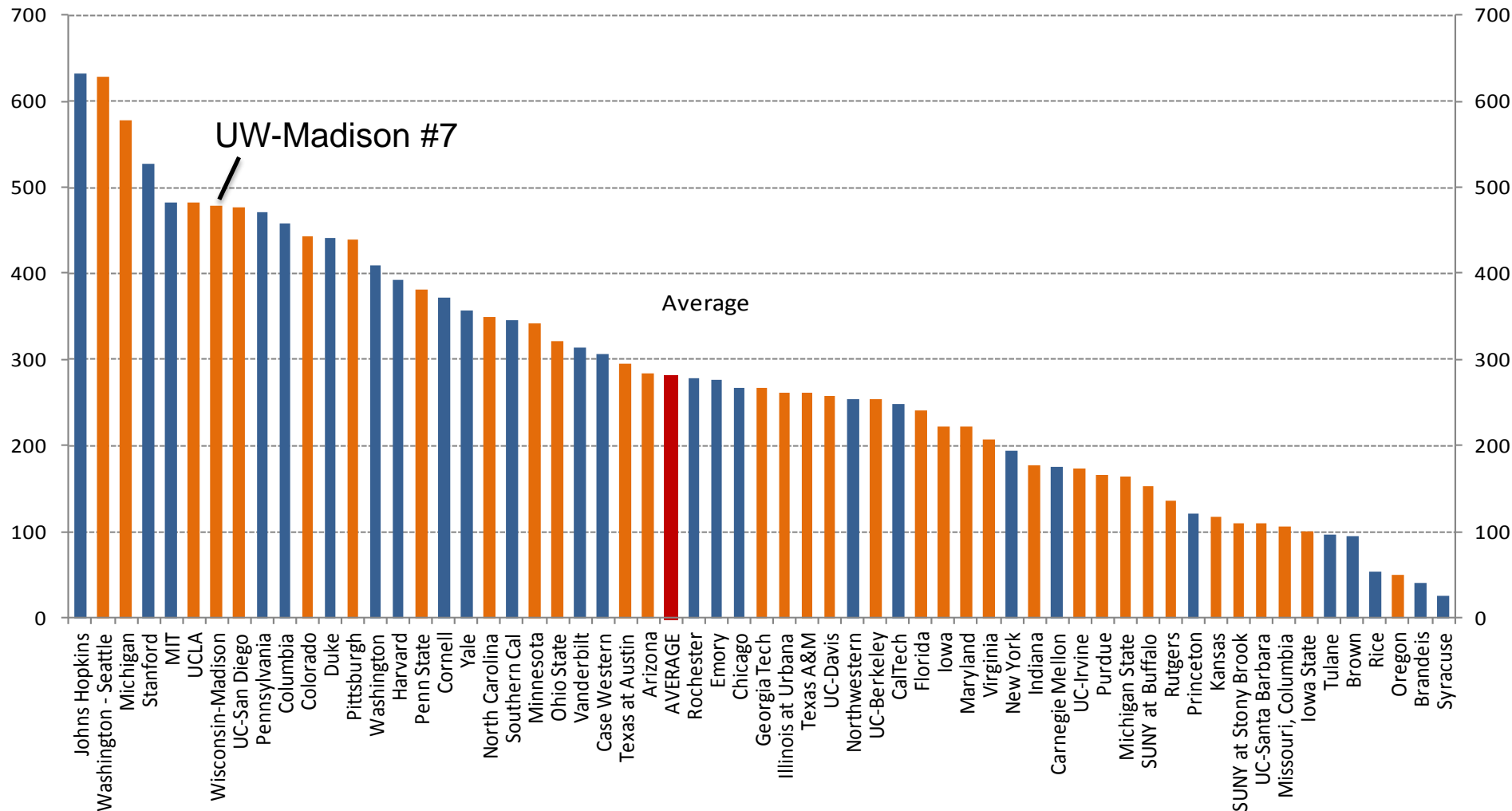
Additional Resources

US Unemployment/Job Openings January 2001 - September 2011



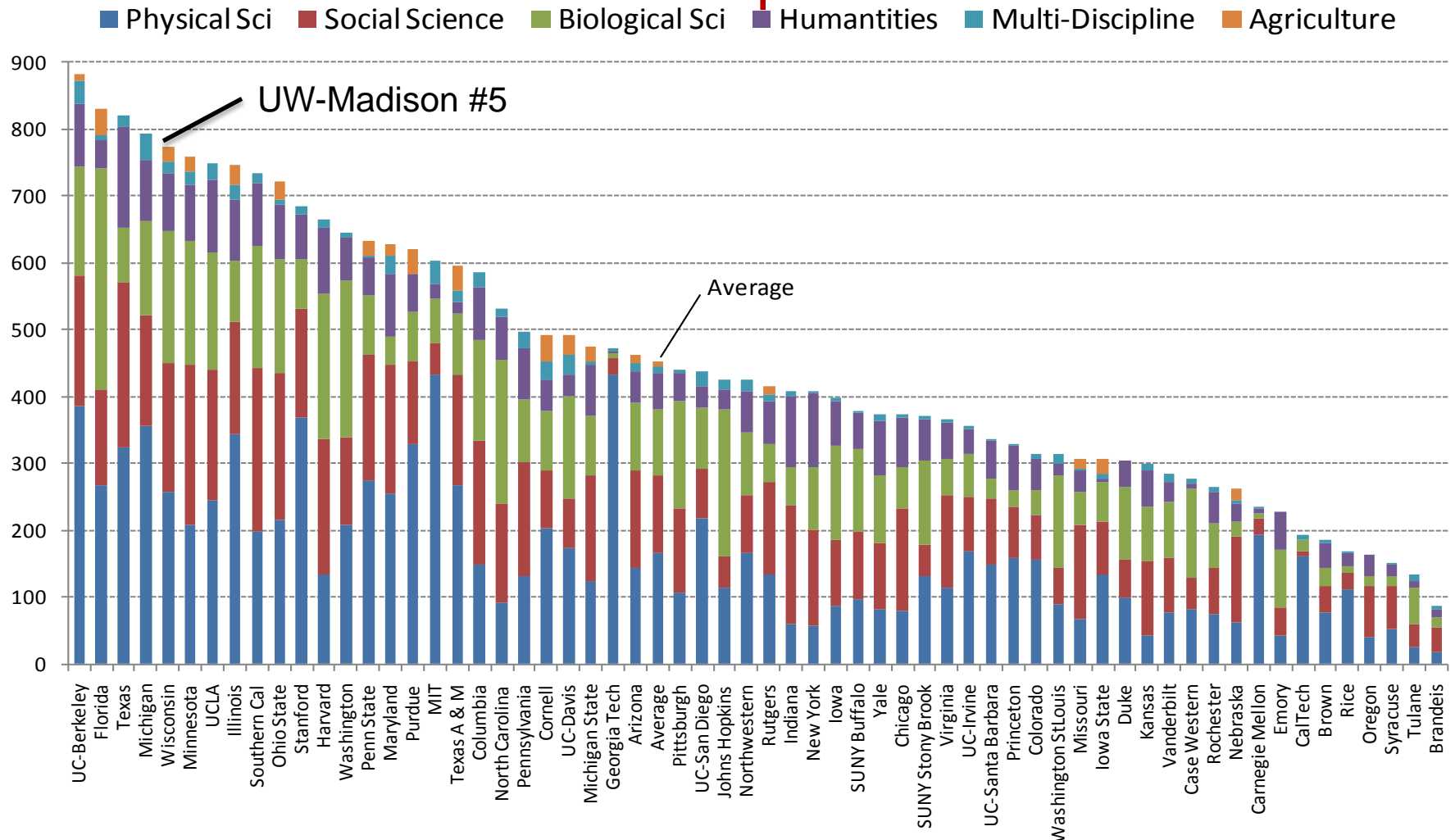
AAU Members: Annual Competitively-Funded Federal Research Support (in \$M)

Public Universities (Average \$ 272 M) Private Universities (Average \$ 294 M)



Notes: NSF report on federal research expenditures, excluding USDA expenditures. Also excludes the Applied Physics Laboratory at Johns Hopkins University. Annual expenditures are an average of expenditures in the fiscal years of 2006, 2007 and 2008.

AAU Members: Annual Doctoral Degrees by Discipline



IPEDS Completions in 2007, 2008 and 2009. Doctoral professional practice degrees are not included.

Ratio of Unemployment to Job Openings by Major Industry 2001-2011

Industry	2001 Q1	2011 Q1
Construction	4.11	31.18
Manufacturing	2.19	6.85
Durable	1.87	6.58
Nondurable	2.88	7.41
Trade, Transportation, and Utilities	1.43	5.20
Wholesale Trade	1.47	5.20
Retail Trade		
Transportation, Warehousing, and Utilities	1.26	5.18
Information	0.59	2.46
Financial Activities	0.72	3.02
Professional and Business Services	0.83	2.60
Education and Health Services	0.54	2.15
Leisure and Hospitality	1.25	5.13
Other Services	0.90	4.07
Government	0.77	3.01

University Research Park Overview

- 255 Developed Acres
- 37 Buildings
- 1.8 Million Square Feet
- \$183.3 Million Assessed Value
- \$3.6 Million Local Taxes
- 126 Companies
- 3,500 Employees
- \$220 Million Payroll
- 75% BS Degrees
- 33% Advanced Degrees
- \$64,000 Average Income

Driving Force in Wisconsin's New Economy

- \$826 Million Economic Impact Annually
- Supports 9,300 Jobs
- \$42 Million in Taxes Annually



MGE Innovation Center

- Since 1989
- 48 Companies
- 113,000 Square Feet
- 85 Incubator Suites
- 92% Occupied
- “10 Technology Incubators

That are Changing the World”, Forbes.com May 2010



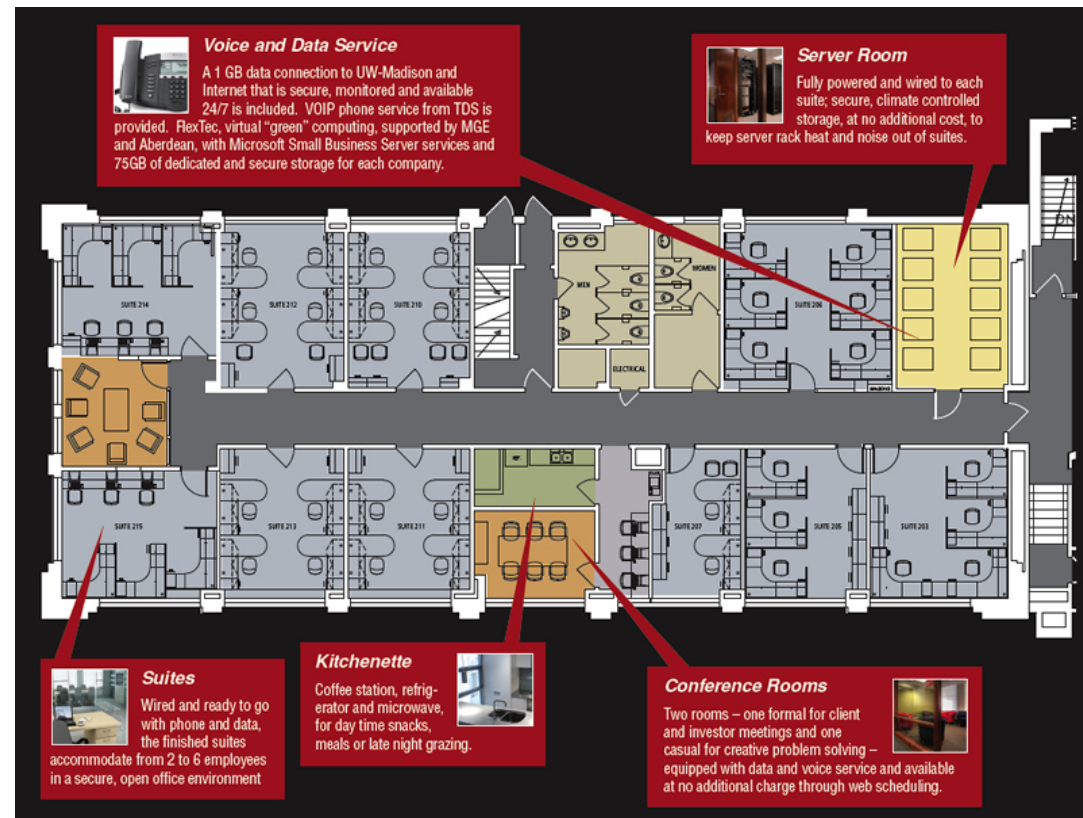
46,000 SF

- **ENERGY EFFICIENT**
30% Lower Utility Expense
Savings Powers 75 Homes
- **LAB READY**
CFM, BTU , TONS, MW Capacity
Precision Environmental Controls



Metro Innovation Center

- Downtown @ 1245 East Washington
- 10 Suites – 2 Available
- 2 Conference Rooms
- Shared Server Room
- 1 GB Internet



University Research Park²

- 70 Sites on 375 Acres
- 210 Companies
- 6,000 Employees
- Urbanist & Midwest Prairie Design
- 3 Phases Starting in 2012/13

