



UW-Green Bay Review

The Current State Assessment Highlights a Case for Change

A shift in student mix, strategic investments, and rising expenses have led to a deficit that will require Green Bay to make decisions about the University's future.

Green Bay embraces its mission as an access institution, serving as a regional comprehensive for Northeast Wisconsin

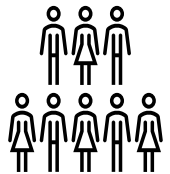


With nearly 200 majors and minors to choose from, **Green Bay serves a wide variety of student types** across high school, undergraduate, graduate, and a growing base of adult learners in the **profitable Continuing Education Program**. These learners are distributed across Green Bay's four distinct campuses through **a workforce-aligned culture and certificates/programs that meet students where they are.**



By leveraging innovative learning methods and teaching modalities, the University has enabled careers for the Class of 2022 **reporting average salaries of over \$53,000 after graduation** - well above the Wisconsin per capita income of \$40,000 according to the US Census Bureau.

...but it faces enrollment, retention, and expense challenges that have created a deficit and threaten its future success



Although **total student FTEs have risen by 11%** from Fall 2018 – 2023 (including a **24% increase in Graduate Students**), the strongest growth is seen in high school students (+234%) for **whom tuition rates are 1/3 that of traditional UG students.**

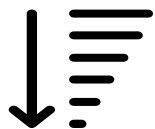


Net tuition revenues improved in FY 2023 by \$1.3M but, driven by Green Bay's evolving student mix, **Auxiliaries have slightly recovered to \$8.7M but have not yet fully reached pre-pandemic figures**, such as the high of \$9.9M seen in FY18.

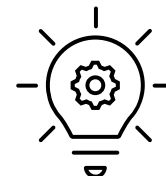


Revenues declined by \$8M in FY23 (in part due to HEERF funding expiration) and expenses continuing to rise at an **average annual rate of 7%** (since FY 2018), creating a deficit **that grew to \$7.2 million in FY 2023** (~\$1M of which was one-time spend), eroding nearly 50% of UW-GB's tuition fund reserves.

...therefore, Green Bay leadership should act with urgency to steer the University on a path of financial sustainability



Green Bay has recognized these challenges and made budget reductions; however, absent further changes to the status quo, the university will struggle to resolve its deficit as **the state participation rate declines** and the traditional college applicant pool in Wisconsin shrinks; these trends could result **in depletion of the tuition fund balance by FY27.**



Given the magnitude of the deficit within the tuition fund (**-\$7.2M represents 8.2% of operating revenues**) and the exhaustion of COVID-19 aid, the university should think about **mission-aligned solutions** in the near- and long-term that will enable it to continue to fulfill its mission.

The Path Forward Should Leverage Strengths and Address Challenges

The current external environment, coupled with internal operating model hurdles, makes overcoming the ongoing deficit challenging; similarly, limited expendable balances make investing in growth difficult.

The Path Forward Should Leverage Strengths...

...and Seek to Address Existing External and Internal Challenges



Cultural Agility Across the Institution

Known for its “test and learn” culture, Green Bay embraces innovation. From pioneering direct enrollment to strategically restructuring branch campuses, the leadership team fosters a dynamic and forward-thinking culture among faculty and staff.



Enrollment Growth and Diversification

Green Bay excels in attracting a diverse student body, particularly through innovative high school programs like *Rising Phoenix*, a strong Continuing Education program with local business partnerships, and a focus on graduate programs for adult learners; all of which have contributed to overall enrollment growth and revenue diversification.



Strategic Programming Aligned to Student Demand and Workforce Needs

Driven by proactive academic leadership, Green Bay continually looks to evolve programming to meet the needs of its community and its students (e.g., introduction of Engineering). Green Bay is in the midst of making decisions to balance programming and services based on demand and financial sustainability.



“Bridge Builders, Not Gatekeepers”

Green Bay has embraced its mission re-alignment as an access institution and has quickly gained faculty and staff buy-in to evolve all facets of the university to serve its future student base.

Shift in Enrollment Mix

- While Green Bay has seen an overall increase in enrollment, it faces similar challenges to other UW campuses in that traditional UG enrollments have declined.
- Graduate and High School student enrollment has improved, however tuition revenue for high school students is less than half that of an UG student.

Limited State Appropriations

- According to the *Wisconsin State Journal*, Wisconsin ranks 43rd in the nation in state funding per student
- Future state budgets, regulatory complexity, and economic uncertainty add further risk to Green Bay’s long-term outlook as the institution has become increasingly dependent on State Appropriations.

Shared Understanding of Budget Realities

- The perception among staff is that there is a contradiction between “record” enrollment figures and a simultaneous deficit despite significant communication efforts from leadership.
- As financial stability work continues at Green Bay, the university should drive toward a common vision that stakeholders can rally around.

Declining Retention

- Green Bay surpassed the UW retention average in 2013 and peaked at 78.1% but has now fallen well below average, dropping to 70.4% for the Fall 2022 cohort.
- Following the current trajectory, retention rate challenges will only compound enrollment pressures in the coming years.

Legacy Funding Model

- Green Bay’s legacy funding model that provides incremental budgets to units across campuses creates challenges in tying true unit costs to true unit revenues.
- As a result, cross unit subsidization occurs to balance budgets (as with Athletics with \$1.8M in support in FY 2023) and fill gaps across the university.

Role of Branch Campuses

- The approach to the consolidation of branch campuses was unique for Green Bay, but enrollments have declined at Marinette (-27%) and Sheboygan (-13%) with Manitowoc growing 22% since Fall 2018.
- Assessing the unique role each campus will play in the future will be critical.

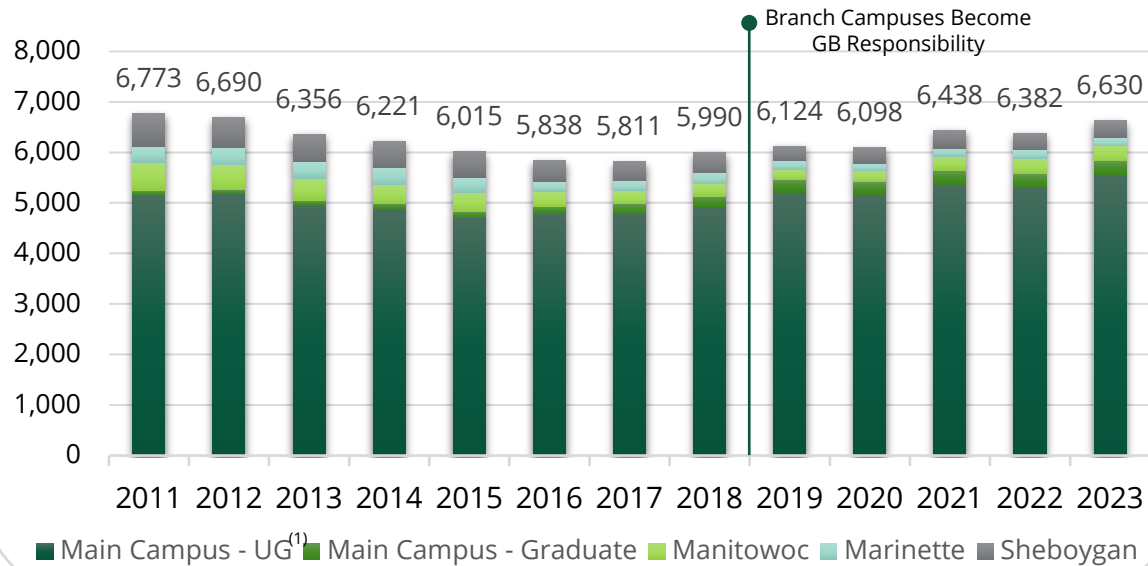
External Market Pressures

Internal Operating Model Challenges

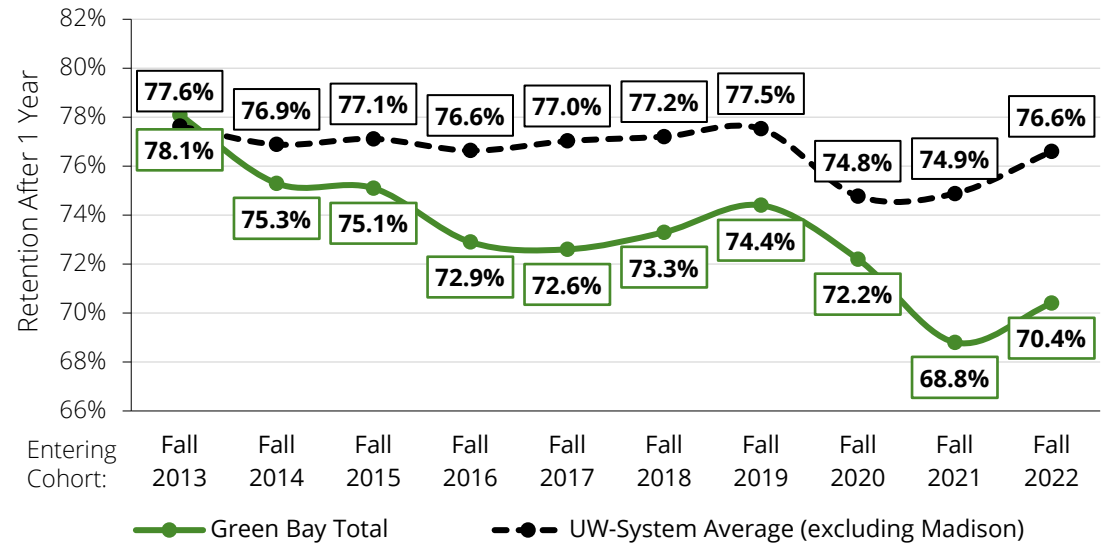
Green Bay Enrollment is Growing Overall While Retention has Declined

Green Bay has seen enrollment growth with undergraduate, high school, and graduate students since 2011, but branch campuses have declined over the same period, driven by declines in UG students. Retention increased slightly in 2023 but remains below the UW average.

GBY Fall FTE Enrollments (2011 - 2022)



1 Year Retention Rate for First-Time Full-Time Freshmen



Green Bay's enrollment mix has grown....

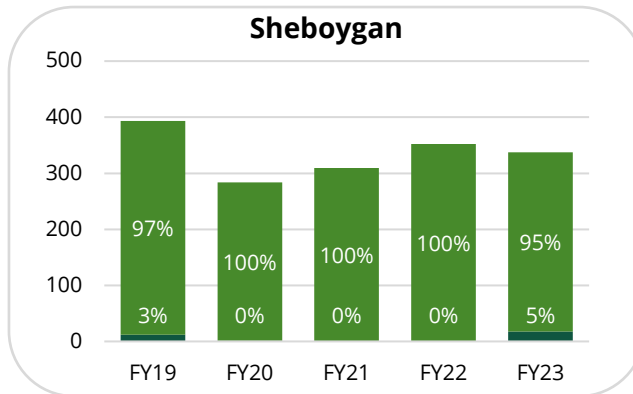
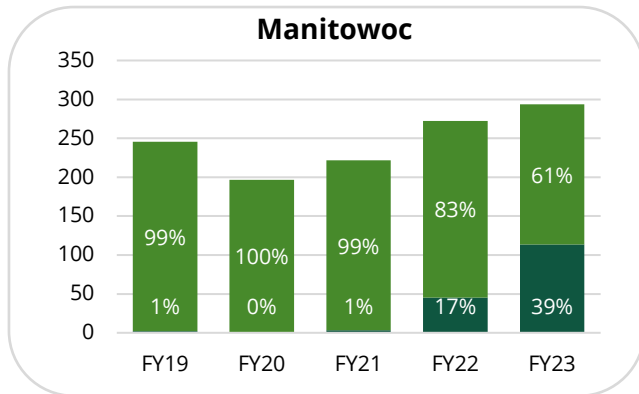
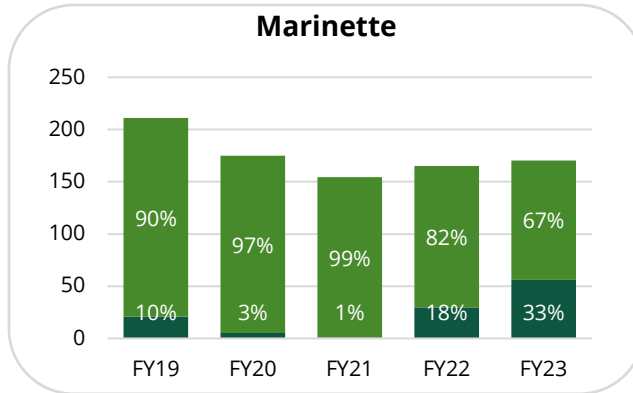
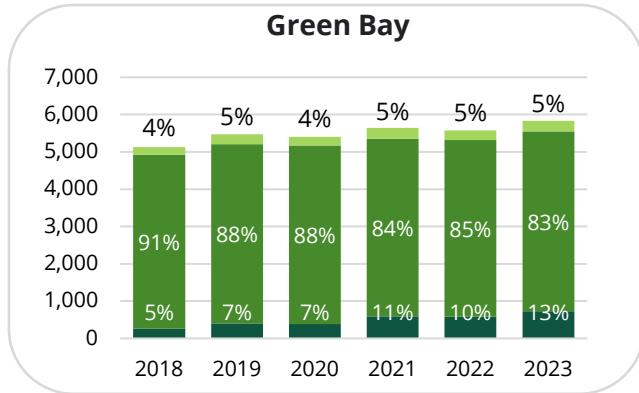
- Over the illustrated time horizon, **Green Bay Main Campus enrollment has grown 11%** from Fall 2011 to Fall 2023. **Enrollment peaked in Fall 2023** at 5,546 student FTEs.
- Graduate enrollments have shown strength, growing from **101 FTEs in Fall 2011 to 285 FTEs in Fall 2023 for a total increase of 184%**.
- Manitowoc, Marinette, and Sheboygan have declined by 45.8%, 51.3%, and 47.0% respectively** from Fall of 2011 to Fall 2023. The decline in Marinette FTEs will result in a suspension of in-person instruction as of Fall '24.

...but retention declining retention remains a threat

- Retention rates for first-time, full-time (FTFT) freshmen **increased 1.6% from Fall 2021 (68.8%) to Fall 2022 (70.4%) cohorts**.
- Green Bay retention rates remain **-7.7% below the high of 78.1% in Fall 2013 and -6.2% below the UW average**.

Enrollment Diversification is Driving Overall FTE and Tuition Growth

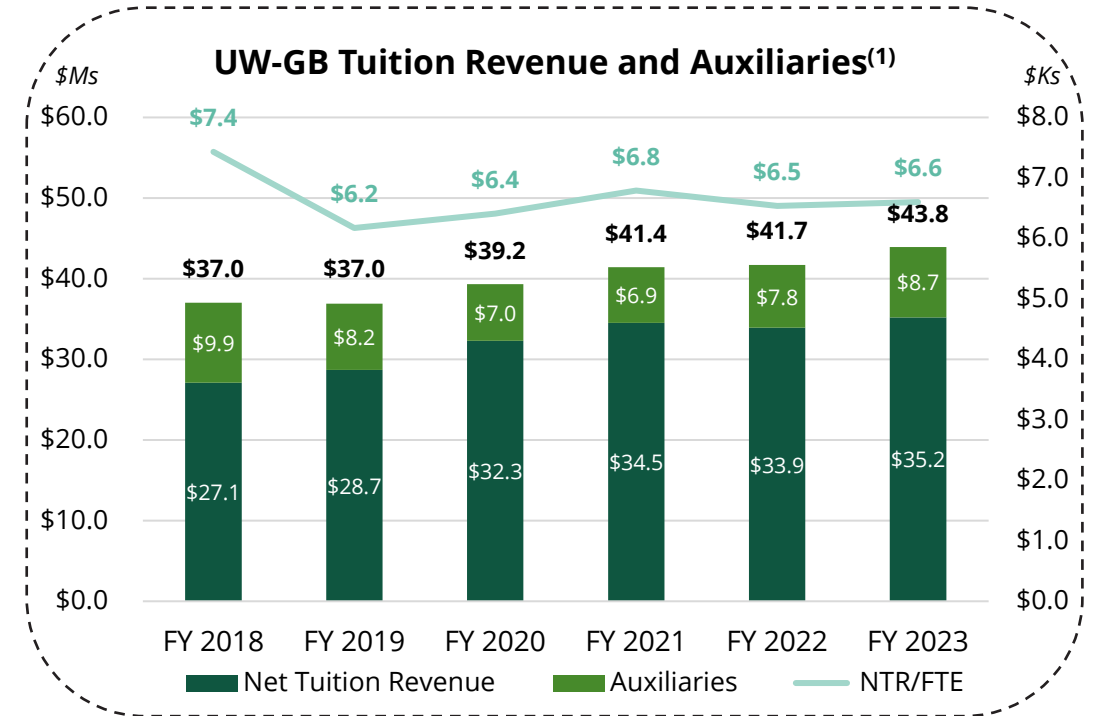
With the shift in enrollment mix to a more substantial high school dual enrollment and graduate student population, UW-GB's overall enrollment has grown 11% since Fall 2018 but is creating a new revenue model that will need to be monitored.



High School FTEs Undergraduate FTEs Graduate FTEs

Green Bay's enrollment mix has shifted....

- Over the illustrated time horizon, **Green Bay Main Campus enrollment UG FTEs have declined from 91% of Total FTEs to 83%** as **High School FTEs and Grad Students have grown to 13% and 5% of Total FTEs** respectively.
- While HS FTEs at Sheboygan have remained a small portion of FTEs, **Marinette and Manitowoc have seen HS FTEs grow to 33% and 39% of total FTEs**, respectively.



....and is creating a new revenue model

- Net tuition revenue increased by \$2.9M since FY20**, while auxiliary revenues increased by \$1.7M, showing modest recovery post-pandemic campus closures.
- Green Bay housing had 1,959 Revenue Generating Occupants in Fall 2023 which is 34 more occupants than Fall 2018; **however auxiliary revenues have not fully returned to pre-pandemic levels seen in FY18.**
- As the student mix shifts, **Net Tuition Revenue per FTE has declined** from \$7,428 in FY2018 to \$6,602 in FT 2023.

... Additionally, There May Be a Need to Evaluate the Academic Portfolio

Program and Workforce Alignment

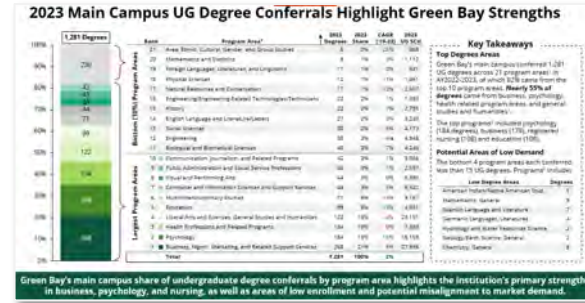
UW-Green Bay's academic portfolio demonstrates strong alignment to labor market demands...

| SOC | Occupational Group / Title | Annual Openings | Does UW-GB Confer Deg? |
|---|---|-----------------|------------------------|
| Business and Financial Operations Occupations | | 5,714 | |
| 13-1111 | Management Analysts | 1,780 | Yes |
| 13-1161 | Market Research Analysts and Marketing Specialists | 1,693 | Yes |
| 13-1071 | Human Resources Specialists | 1,655 | Yes |
| 13-1081 | Logisticians | 586 | Yes |
| Management Occupations | | 4,975 | |
| 11-1021 | General and Operations Managers | 2,608 | Yes |
| 11-3031 | Financial Managers | 680 | Yes |
| 11-9111 | Medical and Health Services Managers | 616 | Yes |
| 11-9021 | Construction Managers | 553 | Yes |
| 11-3051 | Industrial Production Managers | 518 | Yes |
| Computer and Mathematical Occupations | | 3,490 | |
| 15-1256 | Software Dev. and Software QA Analysts and Testers | 2,961 | Yes |
| 15-1257 | Web Developers and Digital Interface Designers | 529 | Yes |
| Architecture and Engineering Occupations | | 2,213 | |
| 17-2112 | Industrial Engineers | 946 | No |
| 17-2141 | Mechanical Engineers | 774 | Yes |
| 17-2051 | Civil Engineers | 493 | No |
| Community and Social Services Occupations | | 1,616 | |
| 21-1018 | Substance, Behavioral, and Mental Health Services Specialists | 765 | Yes |
| 21-1021 | Child, Family, and Social Workers | 447 | Yes |
| 21-1022 | Healthcare Social Workers | 404 | Yes |
| Healthcare Practitioners and Technical Occupations | | 1,107 | |
| 29-2010 | Clinical Laboratory Technicians | 603 | No |
| 29-1171 | Nurse Practitioners | 504 | No |
| Sales and Related Occupations | | 439 | |
| 41-4011 | Sales Representatives | 439 | No |

In AY2023, UW-Green Bay conferred UG degrees that prepared graduates for approximately **75% of the 'Wisconsin Top 20 Hot Jobs'**, demonstrating strong alignment to the WI labor market.

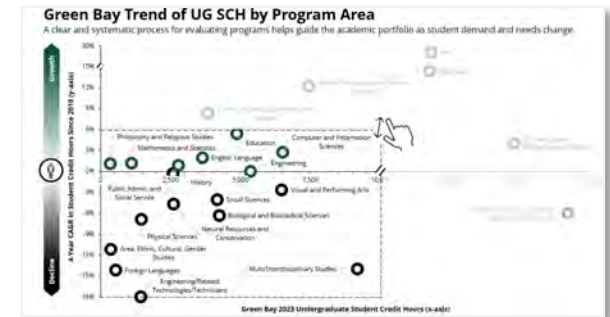
Degree Conferrals and Credit Hour Production

...but trends in degree conferrals, SCH, and program engagement may signal an opportunity to realign the academic offering with student demand



UW-Green Bay's UG conferrals highlight the campus' strengths in business, psychology, health related program areas, and general studies and humanities.

At the same time, there are UW-Green Bay undergraduate program areas¹ that have seen **declines in student credit hour production over the last five years** from AY 2018-19 to AY 2022-23.



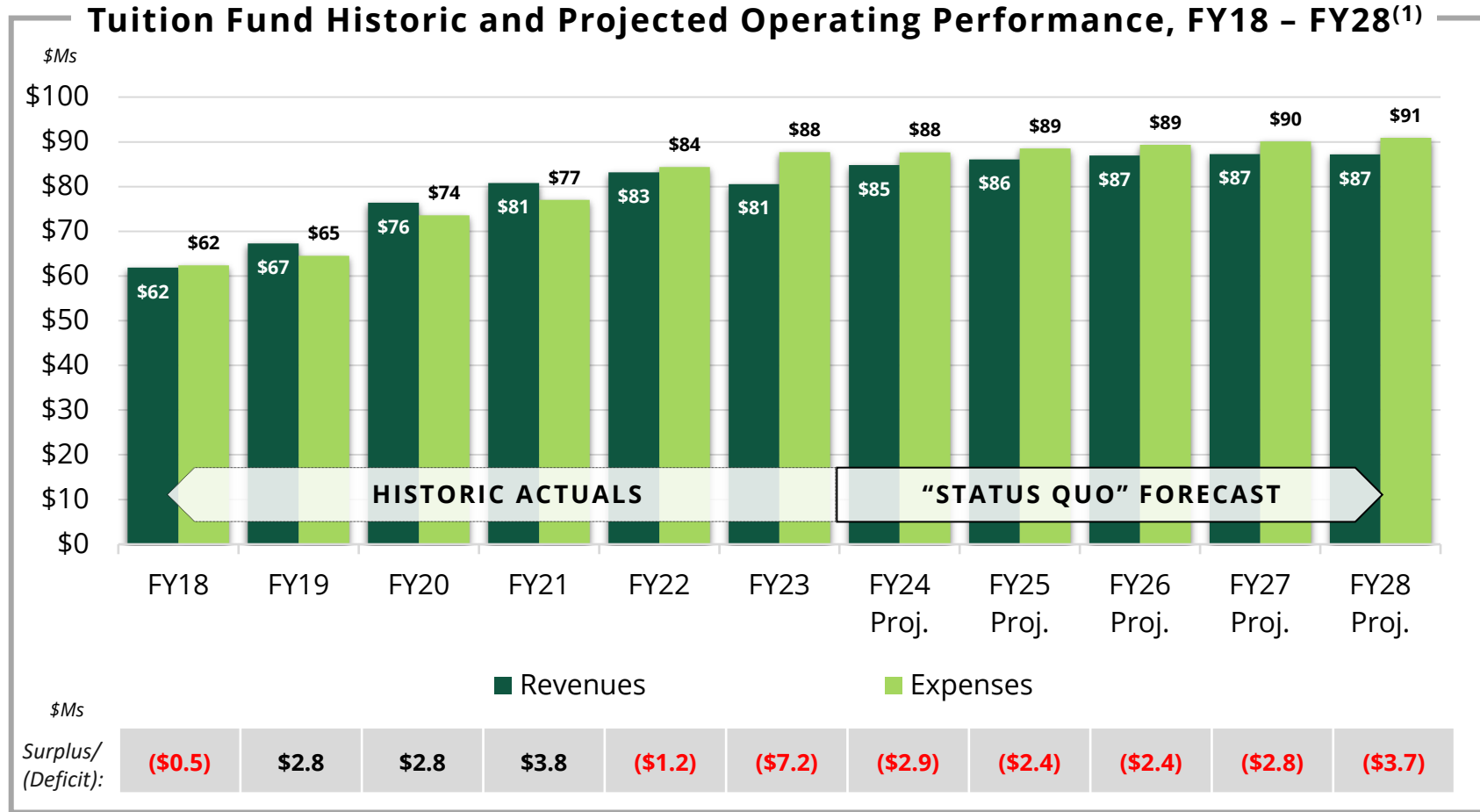
| Sample Green Bay 2022-23 Section Offerings Analysis | | | | |
|---|-------------------------|--------------------------------------|--|---|
| Analysis of Low Enrollment Sections | | | | |
| Level | Mean Section Enrollment | Total Sections by Level ¹ | Number of Sections with Less than Half of Mean Enrollment ² | Percent of Sections with Less than Half of Mean Enrollment ² |
| Developmental | 8.5 | 73 | 33 | 45.2% |
| Lower Division | 16.2 | 2,301 | 933 | 40.5% |
| Upper Division | 15.8 | 1,328 | 391 | 29.4% |
| Graduate | 9.5 | 234 | 32 | 13.7% |
| Totals: | | 3,936 | 1,389 | 35.3% |

¹ Excludes all sections with an enrollment value of 1 to exclude independent study or other similar courses from analysis
² Less than Half Mean Enrollment includes all sections with enrollment greater than one but less than one half the average section enrollment by CAC and Level

Finally, while UW-Green Bay has a strong array of programs that is well aligned with the regional workforce, **there remain a high percentage of programs with low student enrollment.**

“Status Quo” Baseline Financial Forecast Results

The “Status Quo” forecast, which assumes current trends continue and Green Bay does not make any changes to existing operations, illustrates the ‘Case for Change’ and emphasizes the importance of prioritizing and executing on revenue and expense opportunities.



KEY DRIVERS

Enrollment

Enrollment is modeled to slightly increase in the near term to ~6,841 FTEs by Fall 25 (FY26), before slightly declining in FY27 and FY28 given the decline in high school graduates in Wisconsin and falling participation rates across the UW System. However, even as total enrollment at UW-GB increases, as the student mix shifts towards the high school population, this may mitigate potential revenue increases traditionally associated with enrollment growth.

Expense Growth

Expenses have rebounded post-pandemic. However, one-time expenses in FY23 are estimated to be up to ~\$1M. Expenses are projected to moderately increase though over the forecast period (0.7% FY23-FY28 CAGR), as Salaries, Wages, and Benefits (1.1% FY23-FY28 CAGR) and Supplies & Services (1.0% FY23-FY28 CAGR) are expected to show marginal growth.

Stabilizing expenses at much higher levels, combined with pressures to UW-GB’s traditional revenue-generating student populations, are forecasted to cause the structural deficit at Green Bay to persist over the coming years.

“Status Quo” Baseline Tuition Fund Balance Forecast

Green Bay’s forecasted changes in net assets are projected to have a negative financial impact on the University’s tuition fund equity balance, fully deteriorating the balance by the beginning of Fiscal Year 2027, reinforcing the ‘Case for Change’ at the institution.

Projected Financial Impact on Tuition Fund Equity Balance

| Green Bay Tuition Fund Equity Balance Baseline Projections | | | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|-------------|
| Green Bay (\$Ms) | FY End 2023 Actual | FYE24 Proj. | FYE25 Proj. | FYE26 Proj. | FYE27 Proj. | FYE28 Proj. |
| Beginning Tuition Fund Equity Balance | \$14.9 | \$7.7 | \$4.9 | \$2.4 | \$0.0 | (\$2.8) |
| Change in Net Assets | (\$7.2) | (\$2.9) | (\$2.4) | (\$2.4) | (\$2.8) | (\$3.7) |
| Ending Fund Equity Balance | \$7.7 | \$4.9 | \$2.4 | \$0.0 | (\$2.8) | (\$6.5) |
| Cumulative Impact on Fund Balance | --- | (\$2.9) | (\$5.3) | (\$7.7) | (\$10.5) | (\$14.3) |

TAKEAWAYS



Current Fund Equity Balance

Green Bay had \$14.9M in equity in the tuition fund at FYE23. After being buoyed by COVID-19 aid and expense reductions in recent years, the \$7.2M deficit in FY23 cut the balance nearly in half (-48%).



Expense Growth Outpacing Revenue Generation

As expenses have significantly outpaced revenues in recent history (Expenses growing at 7.1% CAGR, Revenues at 5.4% average annual growth from FY18 to FY23), Green Bay needs to right-size operations at the institution given the current student population to resolve the existing deficit and enable investment for long-term sustainability.

If the Tuition Fund Equity balance falls at this rate, Green Bay will not be able to meet current obligations and will need support from the Universities of Wisconsin to fund operations at the beginning of Fiscal Year 2027.

UW-Green Bay



UNIVERSITY of WISCONSIN
GREEN BAY

Deloitte's Projection

Projected Financial Impact on Tuition Fund Equity Balance

| Green Bay Tuition Fund Equity Balance Baseline Projections | | | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|-------------|
| Green Bay (\$Ms) | FY End 2023 Actual | FYE24 Proj. | FYE25 Proj. | FYE26 Proj. | FYE27 Proj. | FYE28 Proj. |
| Beginning Tuition Fund Equity Balance | \$14.9 | \$7.7 | \$4.9 | \$2.4 | \$0.0 | (\$2.8) |
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| Ending Fund Equity Balance | \$7.7 | \$4.9 | \$2.4 | \$0.0 | (\$2.8) | (\$6.5) |
| Cumulative Impact on Fund Balance | --- | (\$2.9) | (\$5.3) | (\$7.7) | (\$10.5) | (\$14.3) |



FY24-FY25 Budget Reductions

- FY24
 - \$3.5 million one-time spending initiatives eliminated
 - Library positions at Additional Locations eliminated
 - Dual Enrollment positions eliminated
- FY25
 - \$2 million dollars ongoing base reduction prorated by division for units funded by GPR and tuition revenue
 - Vice Chancellors and Divisional Leaders made recommendations with input from unit leaders
 - Recommendations reviewed with Shared Governance
 - Budget projections shared with campus in March
 - Reduction of footprint in Marinette



UW-Green Bay Updated Projections

UW Green Bay Projections

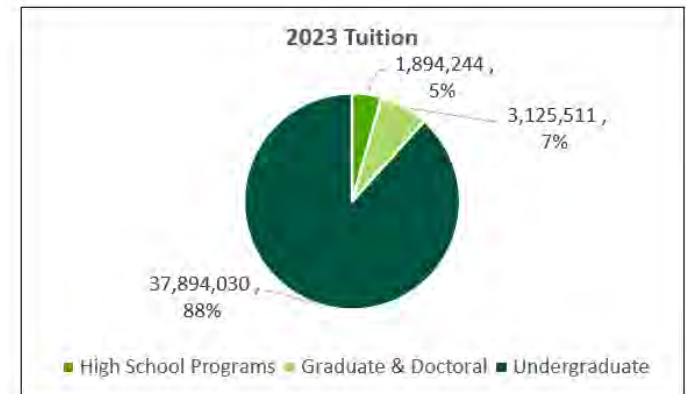
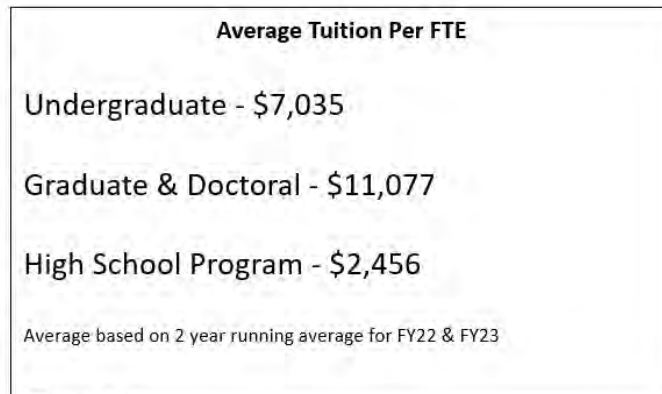
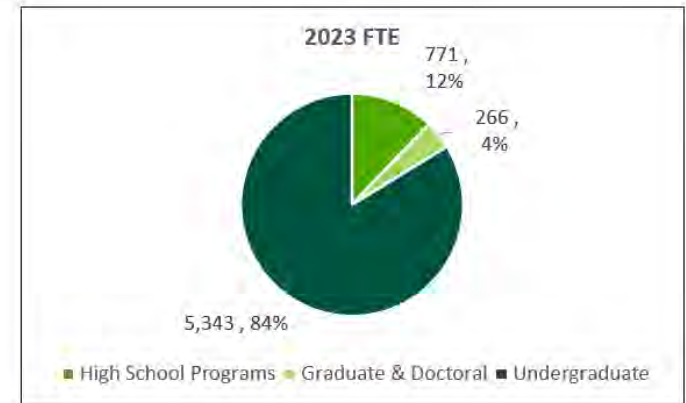
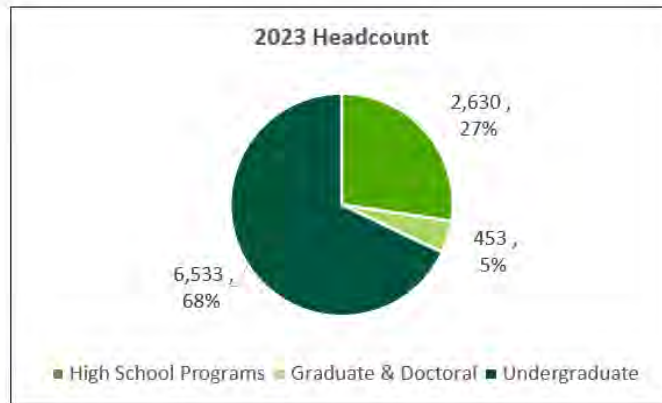
| UW-Green Bay - Consolidated Fund Balance Summary March 2024 | Annual FTE Change> | | | | | | | | | |
|---|------------------------|------------------------|------------------------|------------------------|---------------------------|---------------------|---------------------|---------------------|---------------------|------|
| | | (25) | 339 | (56) | 259 | (10) | 31 | 11 | 31 | |
| | Actual 2019 2020 | Actual 2020 2021 | Actual 2021 2022 | Actual 2022 2023 | Projected 2023 2024 | Projected 2024-2026 | | Projected 2026-2028 | | |
| | 2024 | 2025 | 2026 | 2027 | 2028 | 2024 | 2025 | 2026 | 2027 | 2028 |
| Actual Total Student FTE | 6,124 | 6,099 | 6,438 | 6,382 | | | | | | |
| Projected Total Student FTE | | | | | 6,641 | 6,630 | 6,661 | 6,672 | 6,702 | |
| Tuition Revenue (Fund 131 & 189) | 39,546,190 | 41,558,219 | 43,022,362 | 42,913,785 | 46,533,473 | 48,313,150 | 49,498,324 | 51,056,389 | 52,094,323 | |
| One-Time Tuition Revenue | 1,000,000 | 2,741,291 | 3,389,597 | 1,200,657 | 2,905,123 | 2,844,500 | 1,956,500 | 1,456,500 | 1,456,500 | |
| Tuition Required (Expenses) | (40,180,994) | (41,321,018) | (44,489,265) | (45,319,775) | (47,999,276) | (49,040,798) | (49,695,660) | (50,723,116) | (51,853,287) | |
| Planned spending of carryover funds | | | | | (2,227,012) | (1,938,614) | (1,753,614) | (1,681,724) | (1,681,724) | |
| Tuition Surplus (Deficit) | 365,196 | 2,978,492 | 1,922,694 | (1,205,333) | (787,691) | 178,238 | 5,550 | 108,050 | 15,812 | |
| GPR Base Funding (Fund 102, 103, 402, 403, 406) | 43,662,909 | 45,540,504 | 45,782,791 | 45,987,573 | 48,024,017 | 49,988,839 | 50,748,306 | 51,522,963 | 52,313,113 | |
| One-Time GPR Funding (Cut) | 2,081,861 | 424,881 | 741,104 | 43,412 | 1,863,109 | 40,774 | 40,774 | 40,774 | 40,774 | |
| GPR Spending (excluding fringe benefits) | (42,841,538) | (44,426,466) | (48,831,746) | (51,021,125) | (48,773,698) | (49,912,570) | (50,669,759) | (51,442,092) | (52,229,872) | |
| Unfunded Mandates | (485,607) | (755,217) | (807,159) | (962,734) | - | | | | | |
| Change in GPR Funding (Use of Carryover) | 2,417,625 | 783,702 | (3,115,010) | (5,952,874) | 1,113,428 | 117,042 | 119,321 | 121,645 | 124,015 | |
| <i>Change in Tuition Fund Balance</i> | <i>2,782,822</i> | <i>3,762,194</i> | <i>(1,192,316)</i> | <i>(7,158,207)</i> | <i>325,737</i> | <i>295,280</i> | <i>124,871</i> | <i>229,695</i> | <i>139,827</i> | |
| Tuition Fund Balance | \$ 12,330,906 | \$ 16,093,100 | \$ 14,900,784 | \$ 7,742,577 | \$ 8,068,315 | \$ 8,363,595 | \$ 8,488,466 | \$ 8,718,161 | \$ 8,857,988 | |

Assumptions

- FY25 and forward - 2% tuition increase and 2% pay plan
- Increase of additional tuition to \$16/credit in FY26 and \$20/credit in future years
- No additions or reductions in faculty or staff positions
- Slow decrease of funds transferred from Continuing Education to tuition fund



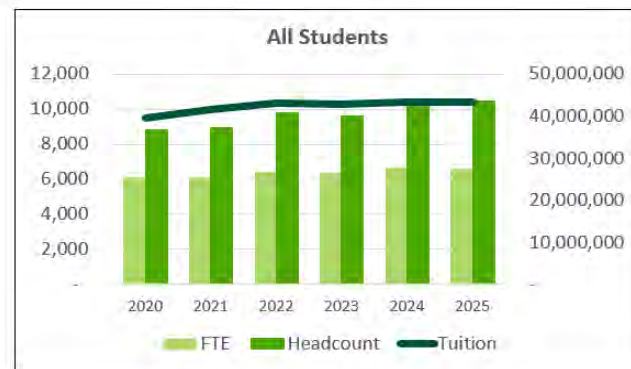
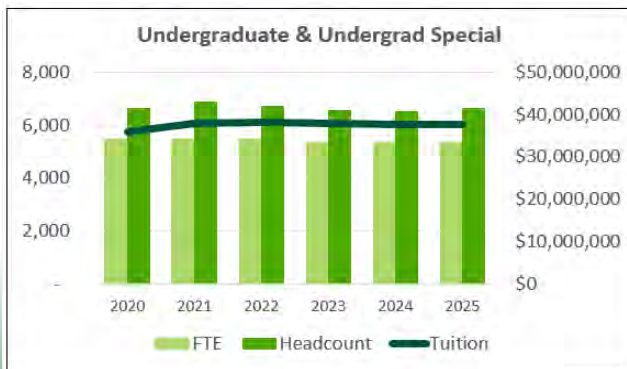
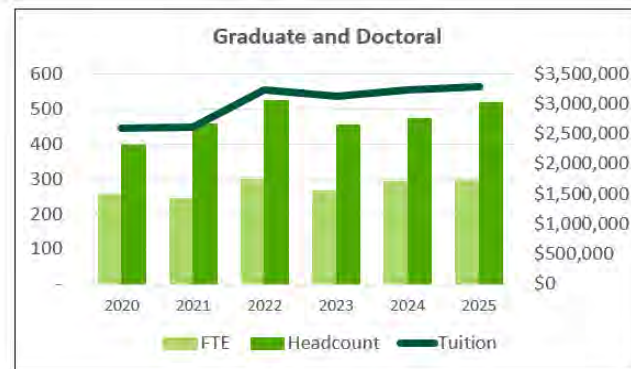
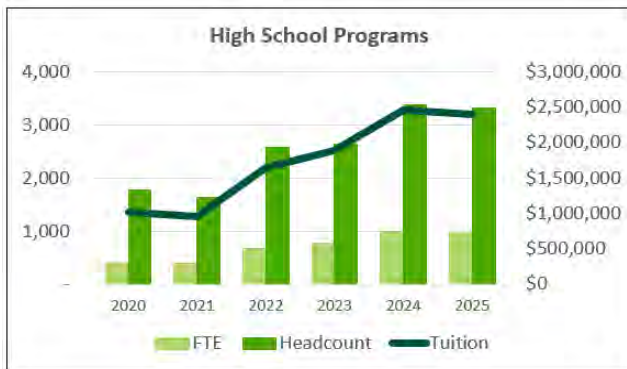
Enrollment and Revenue by Student Type



2023 actuals data



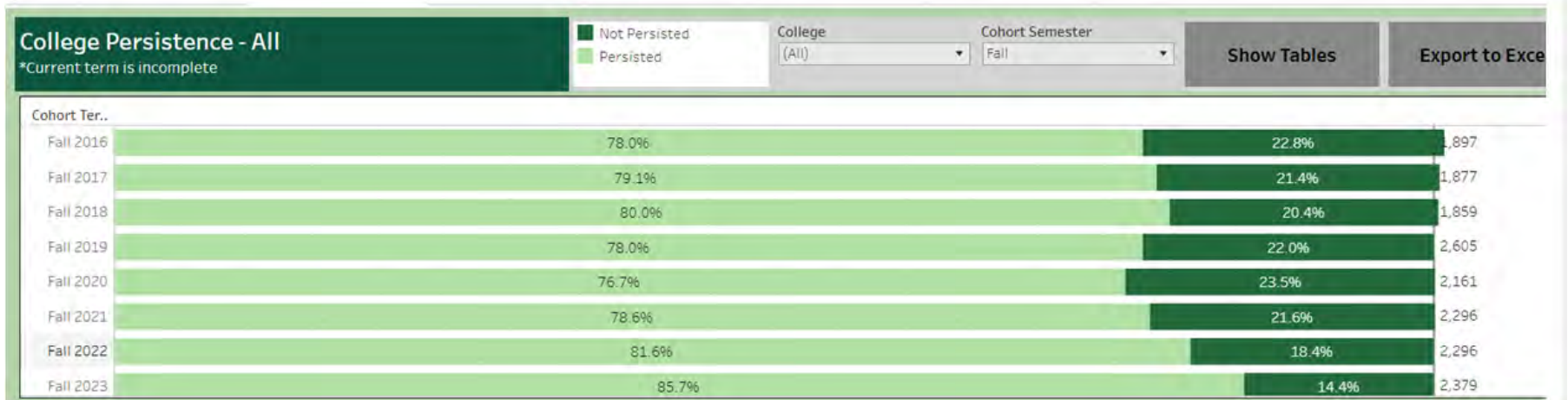
Overall Enrollment and Tuition Trends



FY20-FY23 are actuals, FY24-FY25 are projections



Persistence Rates



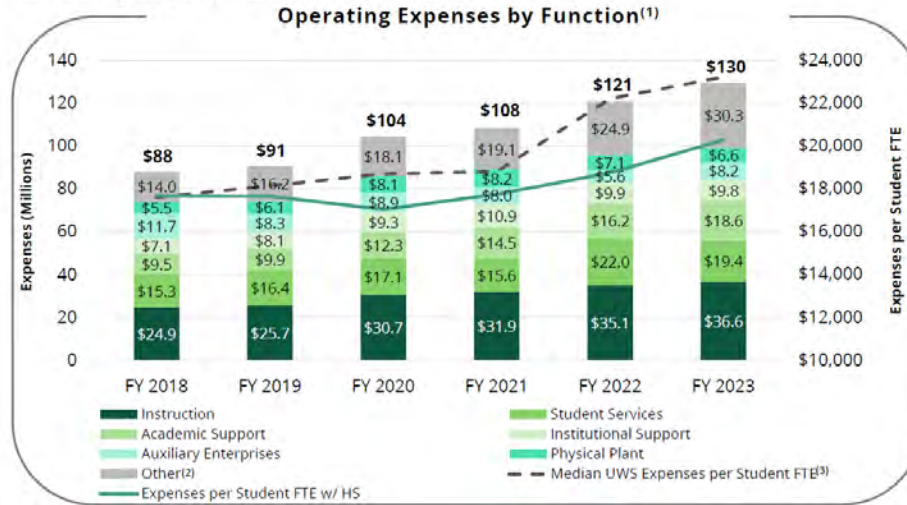
Campus Efficiency

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Less Costly HS Students Keep Green Bay Below UWS Expense Medians

Since branch campus financial consolidation in FY20, operating expenses have increased both on a gross and per student FTE basis. While UW-GB's per student operating expenses are lower than the UW median, managing the cost structure will be critical for maintaining this performance post-pandemic.



KEY TAKEAWAYS

- Losing Efficiency**
 On a per student basis, UW-GB's expenses have been rising considerably in recent years, though still remain below the Universities of Wisconsin system median.
- Rising Student Costs**
 Since FY20 Instructional, Student Services, and Academic Support costs have notably risen. Instruction expenses increased by \$5.9M, Student Services by \$2.3M, and Academic Support by \$6.4M as the cost of providing needed services for a new student mix across campuses continues to increase.
- Aligning Expenses with Student Body**
 As the High School population grows, cost management will need to be monitored closely as these students generated \$1.9M in 2023 at a cost of \$1.4M, resulting in a margin of \$500K.

Green Bay is one of the more efficient and effective campuses at managing costs in the Universities of Wisconsin, as demonstrated by Expenses per Student FTE at ~\$2,930 lower than the Universities of Wisconsin median (excluding Madison).

Source: Universities of Wisconsin Audited Financial Statements; Notes (1): Reflective of Universities of Wisconsin Program Codes; Other Includes: Public Service, Research, Financial Aid, and Depreciation; Includes Expense Accounts: Salaries, Benefits, Scholarships and Fellowships, Supplies and Services, Other Operating Expense, Depreciation; Branch campus populations coming in FY20; Note (2): COVID Emergency Grants & Income Continuation Payments in 'Financial Aid', per UW System Scholarship Allowance Campus Submissions file, were \$6.2M in FY22, \$0.8M in FY21, and \$1.0M in FY20; Note (3): Median UWS Expenses excludes Madison



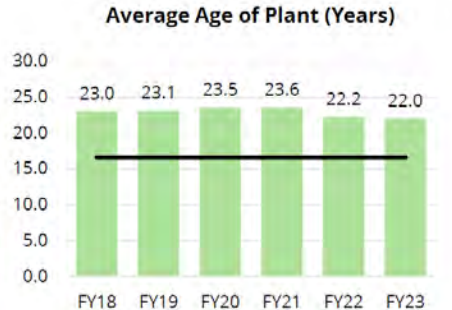
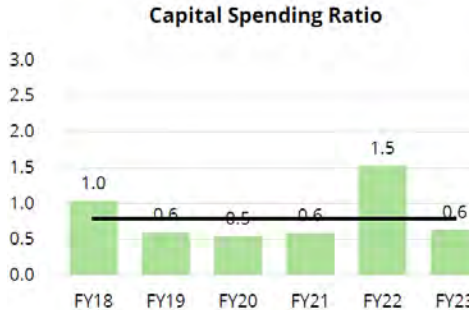
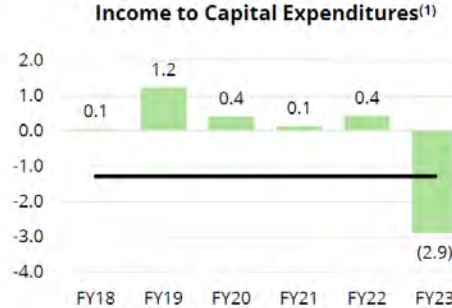
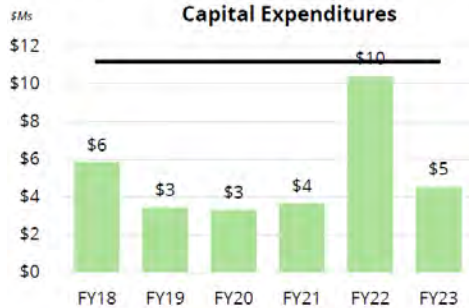
Student to Faculty ratio at UW-Green Bay

23:1



Capital Investment

Capital Expenditures Summary



KEY TAKEAWAYS

Low Capital Spend

Total capital expenditures at Green Bay have been relatively low in recent years, outside of larger spend in FY22, which was supported by \$12.6M in Capital Appropriations collectively received over FY21 and FY22.

Aging Facilities

In four of the past six years, Green Bay has had depreciation outpace capital spend, signifying aging facilities. This is illustrated by a very high Average Age of Plant of 22.0 years in FY23, which is well above the UW System median.

Operations Supporting CapEx

Over the coming years, it will be important for Green Bay to ensure appropriate investments are made in the campus as facilities continue to age.

— UW System FY23 Median⁽²⁾

note (1): Reflects Income (Loss) before Capital & Endowment Additions; Note (2): Includes GBY, excludes Madison; Source: UW System Audited Financial Statements by Institution



Strategy Moving Forward

- Further leverage Dual Enrollment and Continuing Education
- Continue to evaluate discontinuation of low enrolled programs and strategically add new programs to the program array
- Phoenix Innovation Park
- Strategically add Division 1, non-scholarship sport(s)
- Shift in Advising and Career Services

