



UW-Oshkosh Review

The Case for Change: GPO Reserves are Nearly Exhausted

The current state review of financial health, enrollment trends, and operations aligns with the understanding of UW-Oshkosh’s leadership – that without significant and immediate change, including the Institutional Realignment Plan (IRP), the future of the institution is at risk.

UW-Oshkosh’s mission is to provide a high-quality liberal arts education that prepares leaders in a diverse and global society



UW-Oshkosh is a long-serving institution in the northeast Wisconsin economy, **strategically located** between Green Bay, Milwaukee, and Madison, and embedded **within a rich employer ecosystem**. UW-Oshkosh provides a **research-enhanced education** and values shared governance, inclusive excellence, and sustainability.

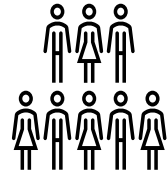


With an **academic portfolio that is well-aligned to the regional workforce**, a **strong location**, and **nationally recognized D3 athletics** programs, UW-Oshkosh has the foundational assets it needs to reset its fiscal trajectory through focused improvements.

...but challenges including declining UG enrollment, lower retention, and financial instability threaten its future;



Declining UG enrollment FTE (-31.9%¹ from Fall 2011-2023), competition from Fox Valley Technical College, and a shrinking pool of HS graduates **threaten UW-Oshkosh’s student base**.

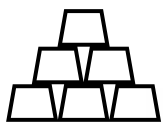


Retention has emerged as a significant challenge in recent years. While Fall '23 retention improved to 72.3%, student support personnel were heavily impacted by IRP reductions, leading to a revised approach to student supports.

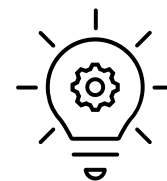


Reductions in revenue due to enrollment declines, along with rising costs in several areas, **created a structural deficit at UW-Oshkosh** (estimated at \$15M at the beginning of FY24) while **reserves have largely been depleted**, prompting a restructuring initiative to close the gap.

thus, UW-OSH should follow through on its restructuring and academic realignment plans while refreshing its strategic focus



UW-Oshkosh has implemented an Institutional Restructuring Plan (IRP) that uses various voluntary retirement incentives (VROIP), layoffs, furloughs, elimination of open positions, and academic workload adjustments to address its structural deficit (leaving a \$3.1M deficit for FY24), while spending down most of the tuition fund reserves. Additional savings will be needed for FY25 and beyond.



Fresh approaches to student recruitment and retention are needed to help secure a viable future for UW-OSH. The academic portfolio may need refinement and the institution could consider being more transfer-friendly. A unique academic identity as an experiential-based learning institution may be a way to leverage local employers and communicate value to prospective students.

1. VROIP stands for Voluntary Retirement Option Incentive Plan
Source: * Includes undergraduate enrollment FTE across main campus, Fox Cities, and Fond Du Lac.

The Path Forward Should Leverage Strengths and Address Challenges

Absent change, the current external environment, coupled with internal operating model issues, makes overcoming the ongoing structural deficit challenging; similarly, top line pressure and limited expendable balances make investing in growth difficult.

The Path Forward Should Leverage Strengths...



Will to Make Transformational Change

UW-Oshkosh leaders were responsive and decisive in addressing the structural deficit by accelerating a restructuring plan to enable employees to transition without a prolonged process.



Desirable Location and Employer Base

Embedded within a rich employer ecosystem, UW-Oshkosh can continue to grow its experiential-based education as a unique brand among other UW comprehensive universities



Strong Portfolio Aligned to Workforce

UW-Oshkosh has a well-developed academic portfolio with strong professional programs in nursing, business, education, engineering and others that align with regional workforce needs



Large Dual-enrollment Population

UW-Oshkosh has the largest dual-enrollment program among UW campuses, serving ~5,000 high school students. Improving the yield of these students will be critical to future success.



Successful D3 Athletics Programs

With 49 national championships, UW-Oshkosh is a D3 powerhouse with recent Advancement wins to support new athletic facilities.

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

Declining UG Enrollment	<ul style="list-style-type: none"> Since Fall 2011, UW-OSH's UG FTE enrollment has declined 31.9% from 12,321 to 8,388 as of Fall 2023, including main campus, Fox Valley, and Fond Du Lac. Significant declines have resulted in closure of in-person instruction at Fond Du Lac as of June 2024.
Limited State Appropriations	<ul style="list-style-type: none"> The <i>Wisconsin State Journal</i> reports WI ranks 43rd in state funding / student¹. Future state budgets, regulatory complexity, and economic uncertainty add further risk to UW-Oshkosh's long-term outlook as the institution has become increasingly dependent on State Appropriations.
Leading in the Aftermath	<ul style="list-style-type: none"> Given the restructuring efforts, faculty, staff, and students have a sense of uncertainty for what UW-Oshkosh will look like as transformations take place. Some inaction as many wait for the "dust to settle" is both natural and likely.
Reversing Retention Trends	<ul style="list-style-type: none"> Since Fall '18, UW-OSH's retention declined from 77.9% to 67.8% as of Fall '22. While Fall '23 retention improved to 72.3%, student support personnel were impacted by IRP reductions. A fresh look at the support strategy is needed.
Legacy Reputation Issues	<ul style="list-style-type: none"> Many stakeholders cited a weakened reputation due to historic challenges with the management of the Foundation, and/or a reputation among students as a 2nd choice school.
Data-informed Decisions	<ul style="list-style-type: none"> Many stakeholders observed a lack of data analytics infrastructure as a key operating model challenge to overcome. Leadership across the University should consider embracing data in decision making.

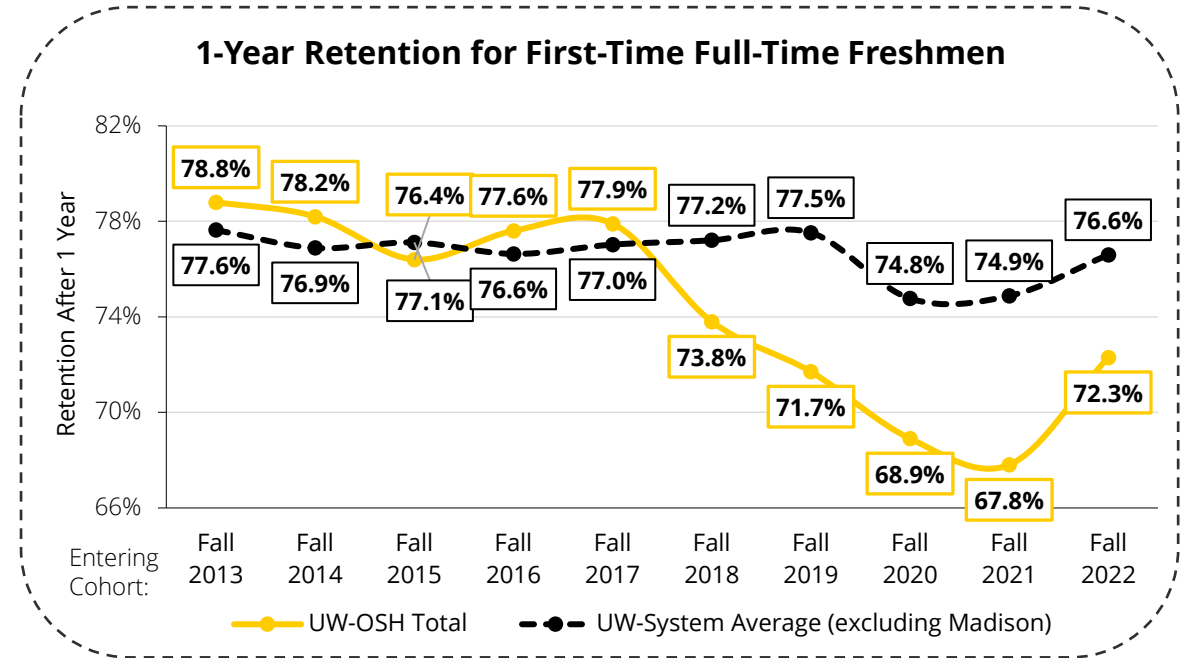
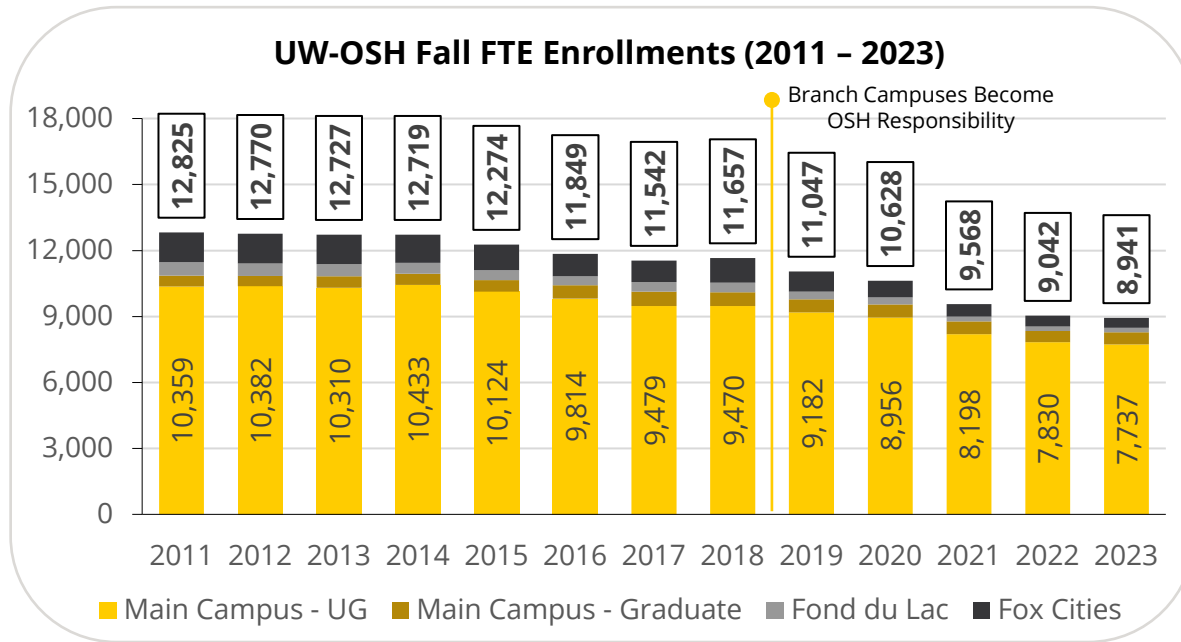
External Market Pressures

Internal Operating Model Challenges

¹ Source: Wisconsin State Journal; State funding for Universities of Wisconsin ranks 43rd in nation as tech college spending outpaces it, report shows

Declining Enrollment and Retention Has Driven Top Line Pressure

Declining FTE enrollment from a peak of 12,825 in Fall '11 to 8,941 in Fall '23, combined with retention rates that declined 6% from historic highs, has led to a compounding negative impact on revenues and applied significant pressure to UW-Oshkosh's financial position.



UW-OSH's enrollment has been in steady decline....

- From Fall 2011 to Fall 2016, enrollment at UW-Oshkosh main campus remained above 10,400 FTEs, reaching a peak of 10,949 FTEs in Fall 2014. Since Fall 2014, UG enrollment at UW-OSH has declined more than 2,650 students, or 3.0% per year on average. Over the same period, Graduate enrollment has remained relatively flat.
- In Fall 2011, Fox Cities and Fond du Lac had 1,354 and 608 Student FTEs, respectively. From Fall 2014 to Fall 2023, Fox Cities fell from 1,277 to 454 Student FTEs, and Fond du Lac fell from 493 to 197 Student FTEs which has led to the closing of in-person instruction on that campus.

...while retention has weakened from historic highs

- Retention rates for first-time, full-time (FTFT) freshmen fell 10 percentage points from Fall 2018 (77.9%) to Fall 2022 (67.8%).
- While retention for the Fall 2022 cohort (into Fall 2023) improved to 72.3%, student support services personnel were reduced through the IRP, prompting an ongoing re-examination of UW-Oshkosh's approach to student supports.

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

Program and Workforce Alignment

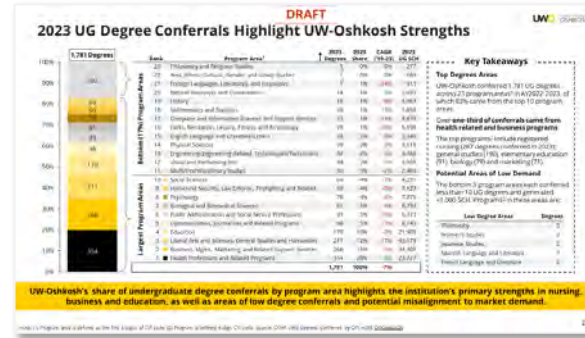
UW-Oshkosh's academic portfolio demonstrates strong alignment to labor market demands...

Occupational Group / Title	Annual Openings	OSH UG Degrees
Business and Financial Operations	5,714	
Management Analysts	1,780	✓
Market Research Analysts & Marketing	1,693	✓
Human Resources Specialists	1,655	✓
Logisticians	586	✓
Management	4,975	
General & Operations Managers	2,608	✓
Financial Managers	680	✓
Medical & Health Services Managers	616	✓
Construction Managers	553	✓
Industrial Production Managers	518	✓
Computer and Mathematical	3,490	
Software Dev., Software QA Analysts [...]	2,961	✓
Web Developers & Digital Interface Designers	529	✓
Architecture and Engineering	2,213	
Industrial Engineers	946	
Mechanical Engineers	774	
Civil Engineers	493	
Community and Public Services	1,116	
Substance, Behavioral, and Mental Health Services	65	✓
Child, Family, & Healthcare Social Workers	47	✓
Healthcare Practitioners	104	✓
Healthcare Practitioners	1,077	
Clinical Laboratory Technicians	103	✓
Nurse Practitioners	104	✓
Sales and Related	1,139	
Sales Reps, Wholesale & Manufacturing	439	

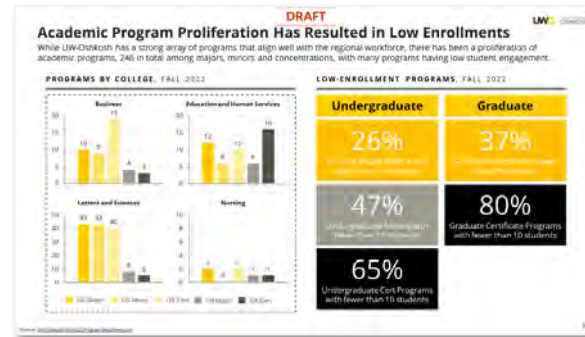
In AY2023, UW-Oshkosh conferred UG degrees that prepared graduates for approximately **80% of the 'Wisconsin Top 20 Hot Jobs'**, demonstrating strong alignment to the WI labor market.

Degree Conferrals and Credit Hour Production

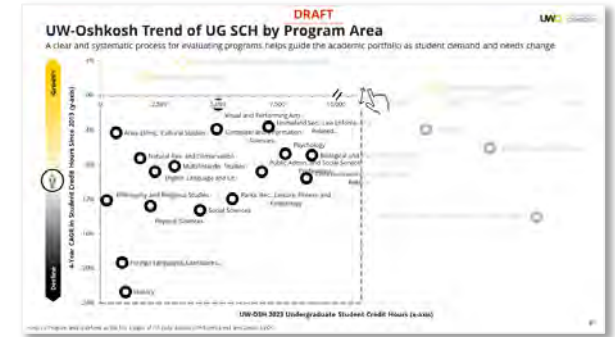
...but trends in degree conferrals, SCH, and program engagement may signal an opportunity to realign the academic offering with student demand



At the same time, many UW-Oshkosh undergraduate program areas¹ have seen **declines in student credit hour production over the last five years** from AY 2018-19 to AY 2022-23



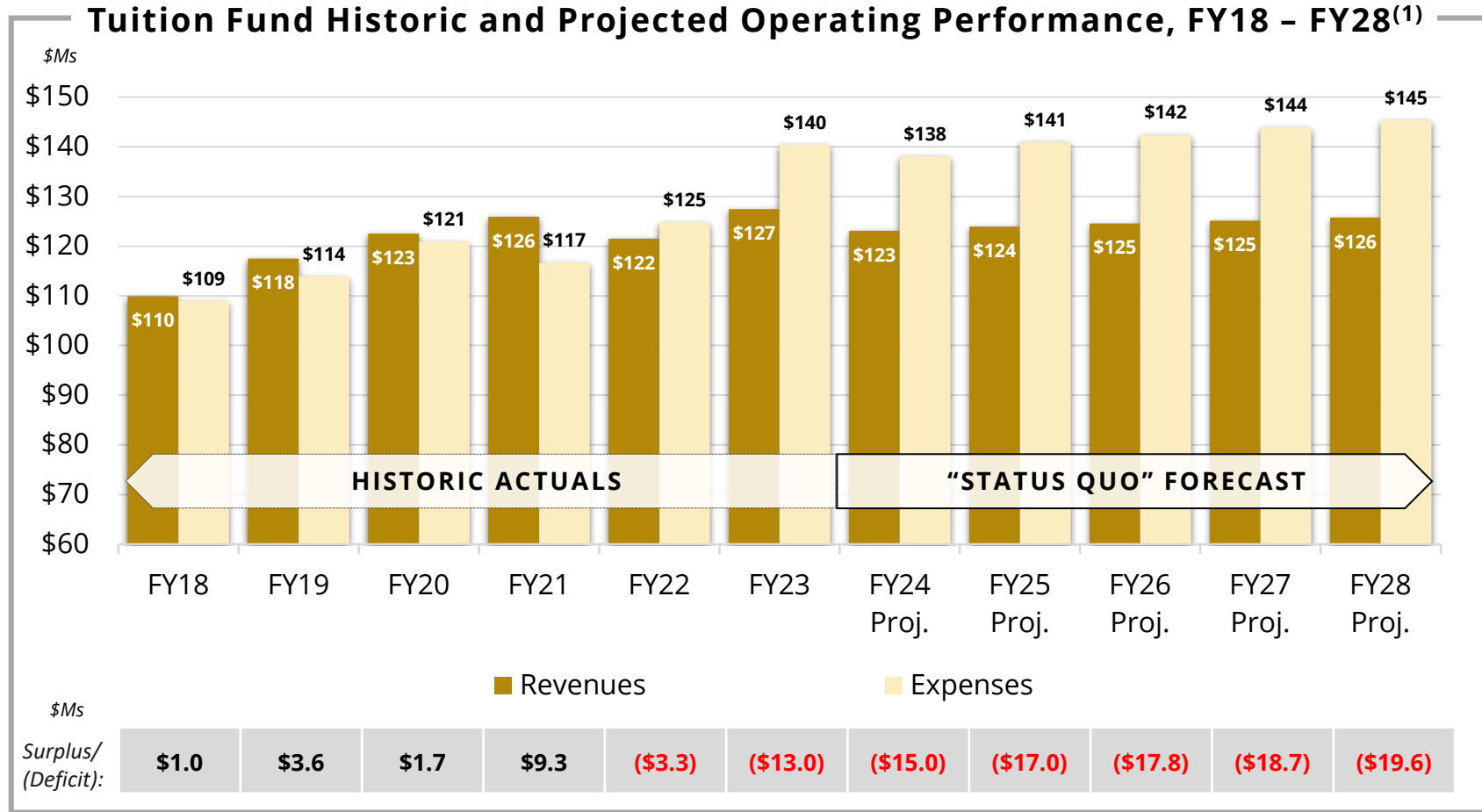
While UW-Oshkosh's UG conferrals highlight the campus' strengths in nursing, business and education, the institution has **experienced a 24% decline in total conferrals** since AY 2018-19 (or -7% CAGR)



Finally, while UW-Oshkosh has a strong array of programs that is well aligned with the regional workforce, **many programs have low student engagement**

“Status Quo” Baseline Financial Forecast Results

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



KEY DRIVERS



Enrollment Declines

Given lower enrollment levels this Fall, as well as the closing of Fond du Lac, enrollment is modeled to decline -1.1% to 8,941 FTE in FY24 to tie to Fall '23 actuals, then forecasted to slightly decrease further in FY25 before remaining flat through the remaining years of the ‘Status Quo’ forecast.



Expense Growth

While expense growth was limited in recent history due to vacancy savings and slower increases during the pandemic, costs tied to rising Salaries, Wages, and Benefits (1.5% FY23-FY28 CAGR), as well as Supplies (2.4% FY23-FY28 CAGR), rebounded significantly in FY23, and are expected to continue to grow modestly in the out years.

UW-Oshkosh is at a critical moment in its history as persistent structural deficits signal the need for quick and decisive decision-making to chart a course back to financial sustainability before the remaining resources are fully depleted.

“Status Quo” Baseline Tuition Fund Balance Forecast

UW-Oshkosh’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 in one year (Fiscal Year End 2024), reinforcing the ‘Case for Change’ at the institution.

Projected Financial Impact on Tuition Fund Equity Balance

UW-Oshkosh Tuition Fund Equity Balance Baseline Projections						
UW-Oshkosh (\$Ms)	FY End 2023 Actual	FYE24 Proj.	FYE25 Proj.	FYE26 Proj.	FYE27 Proj.	FYE28 Proj.
Beginning Tuition Fund Equity Balance	\$16.8	\$3.8	(\$11.2)	(\$28.2)	(\$46.0)	(\$64.7)
Change in Net Assets	(\$13.0)	(\$15.0)	(\$17.0)	(\$17.8)	(\$18.7)	(\$19.6)
Ending Fund Equity Balance	\$3.8	(\$11.2)	(\$28.2)	(\$46.0)	(\$64.7)	(\$84.3)
Cumulative Impact on Fund Balance	---	(\$15.0)	(\$32.0)	(\$49.8)	(\$68.5)	(\$88.1)

TAKEAWAYS



Current Fund Equity Balance

A sustained structural deficit was buoyed by COVID-19 aid in recent years; however, a sharp rise in expenses in FY22 and declining revenue has depleted the equity in the tuition fund to \$3.8M at FYE23, its lowest levels in recent history.



Enrollment Drives Decline

Falling enrollment in tandem with higher structural expenses is the main driver of the deficit. UW-OSH must right-size operations at the institution given the size of the current student body to resolve the existing structural deficit and preserve fund equity.



Liquidity Strain

Given the immediacy of the situation and time frame within which reserves will fully erode, UW-Oshkosh must take significant action in the immediate future.

If the Tuition Fund Equity balance falls at this rate, UW-Oshkosh will not be able to meet current obligations and will need support from the wider UW System to fund operations.



UNIVERSITY
OF WISCONSIN OSHKOSH

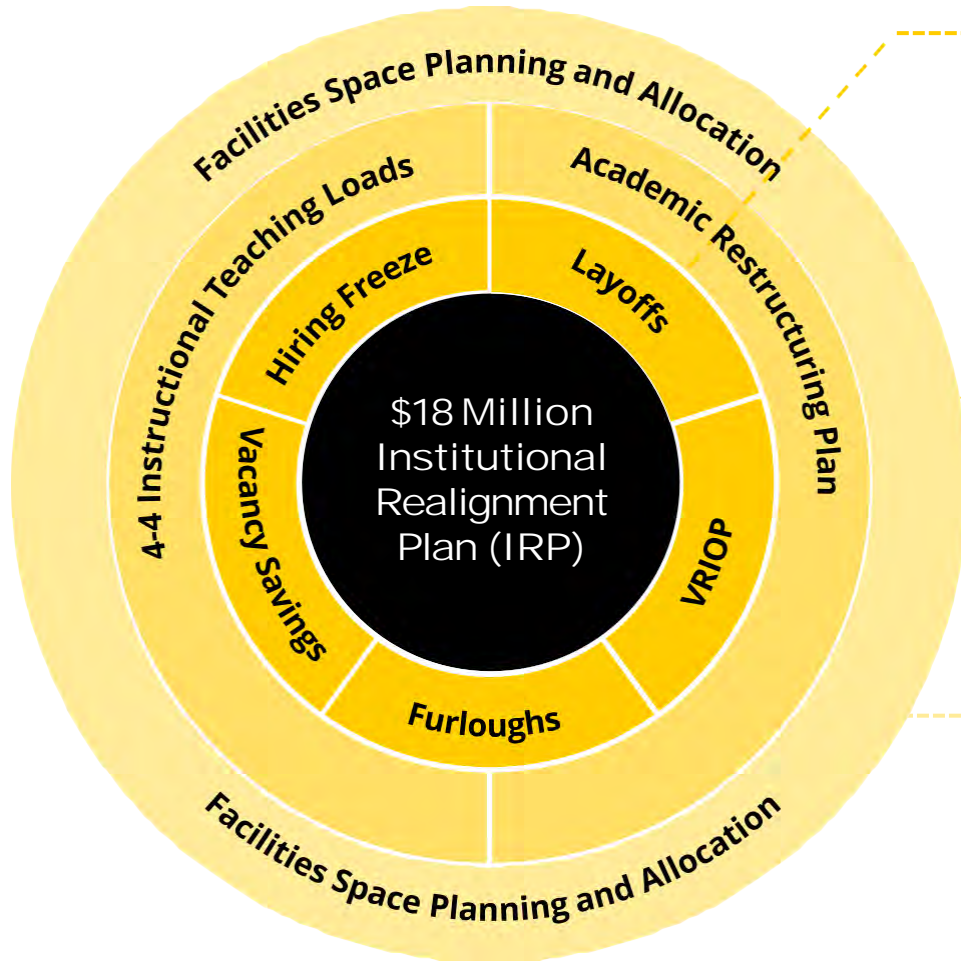


UWO: EARLY IDENTIFICATION & ACTION

- UWO internally identified our structural deficit and corresponding Institutional Realignment Plan (IRP) in July-August of 2023; Presented options to Universities of Wisconsin leadership on July 25, 2023.
- Engaged campus through email communications, town halls, and significant dialogue with shared governance groups through the summer months and into the academic year.
- Utilized Fall semester opening meetings to share detailed presentations that offered a deep-dive into our structural deficit and our identified path forward.
- Built IRP that prioritized our educational mission and the quality of the student experience.

OSH 2024 Institutional Realignment Plan

UW-Oshkosh's Institutional Realignment Plan (IRP) was established to eliminate an estimated \$18M structural deficit across the institution through targeted cost reductions to help stabilize, reshape and realize a more durable future.



WORKFORCE REDUCTIONS ~ \$3.75M (FY24) & \$12.56M (FY25)

- UW-Oshkosh's IRP resulted in ~250 position reductions (17% of workforce), generating an anticipated \$12.56M in annual savings by FY 2025. This includes 140 layoffs, 76 voluntary retirements from the Voluntary Retirement Incentive Option Plan (VRIOP) and elimination of 34 vacant positions. In FY 2024, this plan will provide about \$3.75M in savings inclusive of the offset by the cost of the VRIOP, which is estimated at \$0.54M.
- A tiered system of intermittent furloughs has also been implemented from September 2023 to June 2024, expected to provide approximately \$2.1M in temporary savings in FY 2024.

ACADEMIC WORKLOAD & RESTRUCTURING ~ \$1.9M (FY24) & ~ \$4M (FY25)

- While UW-Oshkosh's IRP did not remove any faculty positions, it did increase average teaching loads to 4-4 (classes per term) from 3-3 to reduce part-time faculty expenses. Beginning in Spring 2024, this is estimated to provide \$1.9M in savings in FY 2024.
- The ongoing Academic Restructuring Plan includes consideration of two restructured academic models, which are expected to provide between \$1.5M to \$1.75M in savings.

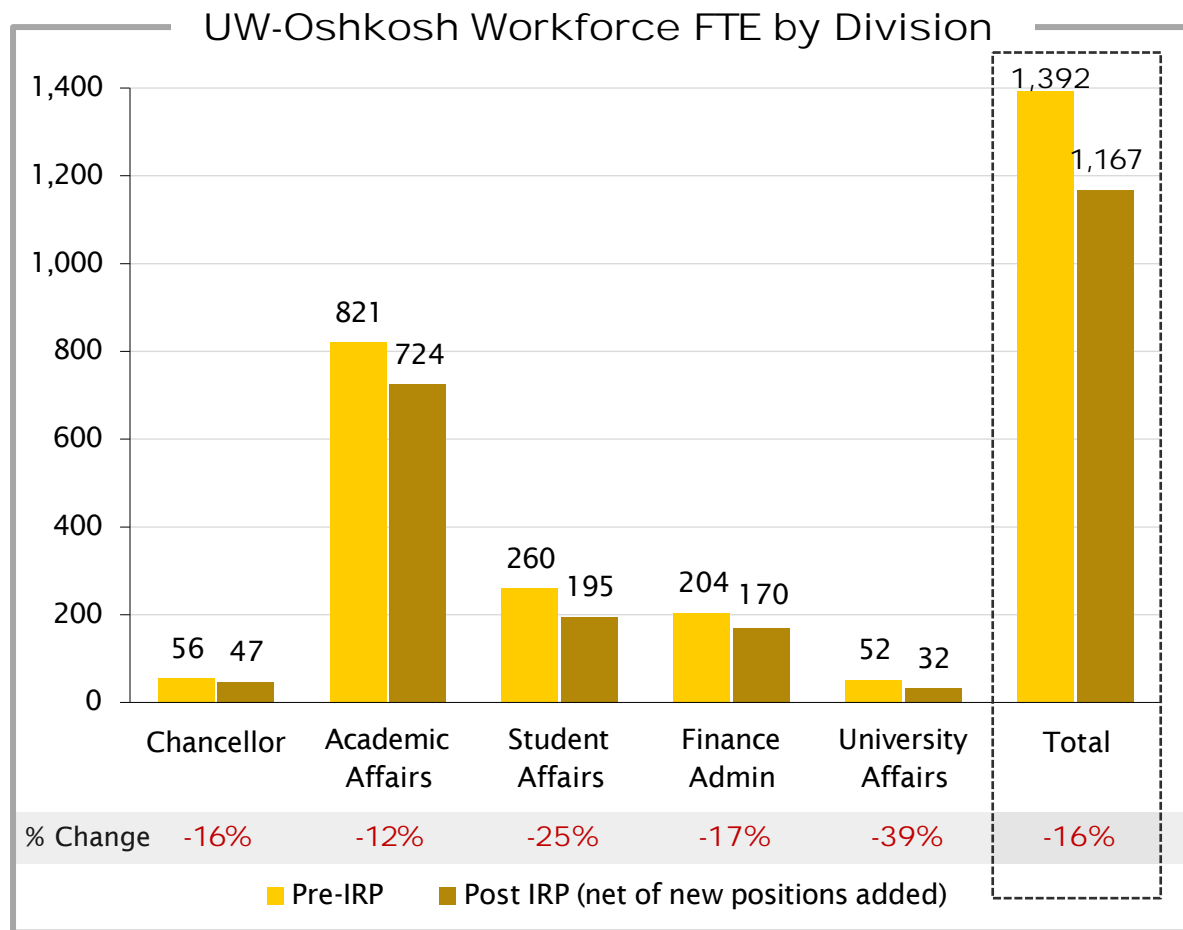
Other Operational Savings ~ \$4.2M (FY24)

- For FY24, an adjustment of \$3M is being pulled from the GPR budget from state appropriations, and \$1.2M is being pulled from the remaining FY24 budget due to a mid-year recast based on actual expenses through December - largely accredited to a hiring freeze.
- Additional savings from facilities consolidation is possible; however, not yet planned.

The IRP produced substantial cuts but has not yet achieved the \$18M in planned savings. Additional savings from Academic Restructuring are needed to balance the FY25 budget. Further cuts may be needed if enrollment and retention does not stabilize.

IRP Workforce Reductions and Key Considerations

Through a combination of layoffs, voluntary retirements and elimination of vacant positions, UW-Oshkosh's IRP is anticipated to result in 242 FTE reductions (~17% of workforce) and a total workforce reduction of 225 FTE (~16% of workforce), net of 17 new positions added.



Chancellor's Division

A majority of cuts within the Chancellor's Division occurred within marketing and communications and institutional research departments, which could be a potential risk area amidst academic restructuring and rebranding efforts.

Academic Affairs

With the elimination of continuing ed/community programming, a majority of academic affairs cuts occurred in online and continuing education. Ensuring a smooth transition of these programs to respective academic units is critical.

Student Affairs

Student Affairs had the 2nd largest decline in FTE (25%), driven by reductions in student outreach and retention, residence life, and academic support. With the recent trend of declining retention, this will be a key risk area to monitor.

Finance and Administration

A majority of layoffs and elimination of limited/vacant positions occurred within IT, while several voluntary retirements occurred within facilities management administration and custodial services.

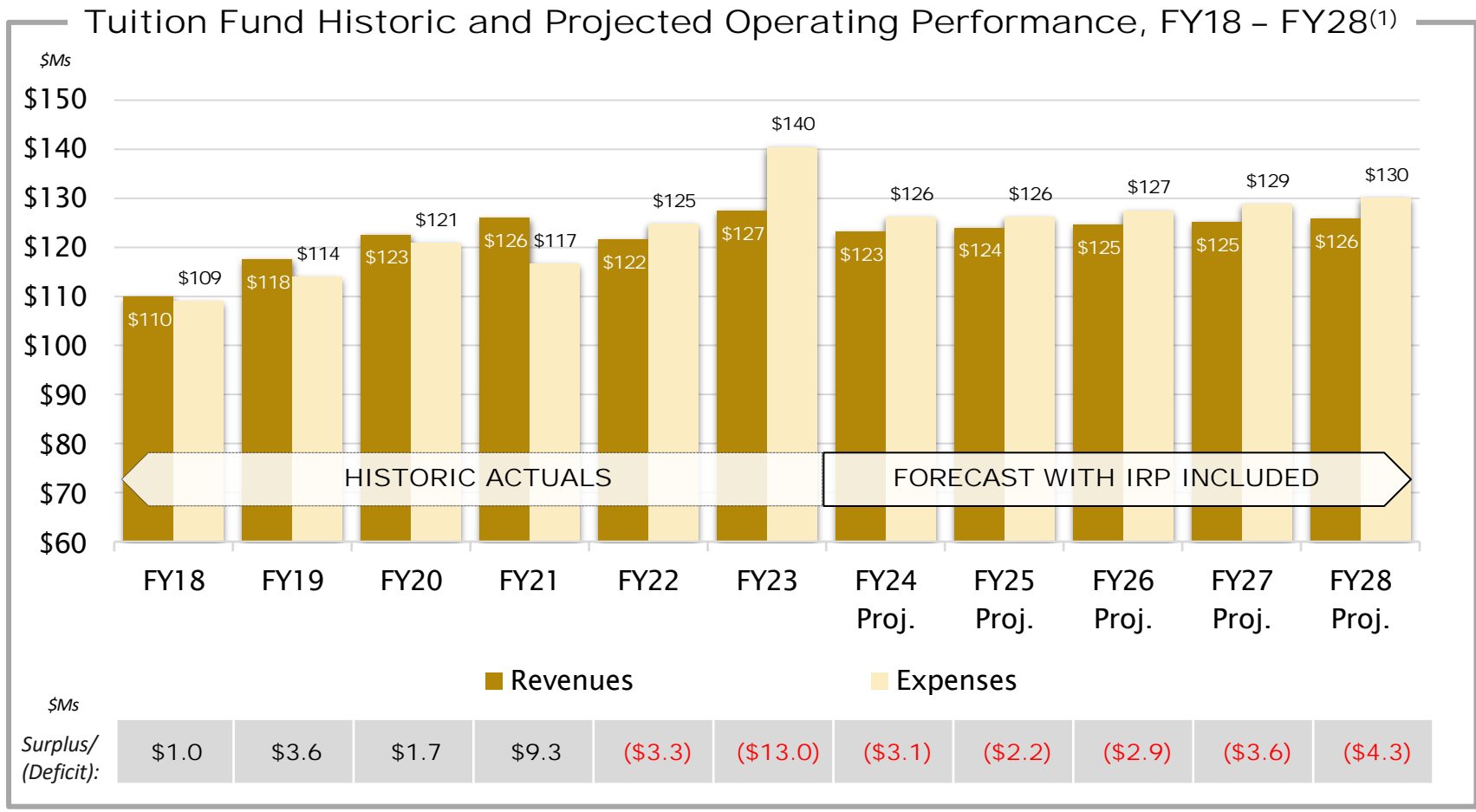
University Affairs

With the largest decline in FTE (39%), University Affairs saw significant cuts across university affairs and advancement. Although advancement has been challenged in the past with foundation issues, stakeholders noted recent progress prior to the IRP. With these reductions, UW-Oshkosh will likely be challenged in its ability to achieve new advancement targets going forward.

UW-Oshkosh will need to assess service levels in various areas that may have been impacted disproportionately by the workforce reductions (e.g., Student Affairs), due to the consequences of the open VROIP policy, hiring freeze, and ongoing voluntary departures.

Baseline Financial Forecast Results with IRP Included

The IRP has meaningful impact on UW-Oshkosh's fiscal trajectory, including improving the projected FY24 deficit to -\$3.1M from the prior "Status Quo" forecast of -\$15.0M. However, with only \$3.8M in reserves at FYE23, these results will still largely erode reserves.



KEY DRIVERS



FY24 Expense Savings
 The Baseline Forecast Results with IRP included assume \$11.9M in savings during FY24. This includes \$5.6M ongoing savings from IRP/ VRIOP (\$3.7M) and the 4-4 workload (\$1.9M) as well as \$6.3M one time savings from furloughs (\$2.1M), an adjustment of GPR budget expenditures (3.0M) and other mid-year adjustments attributed to the hiring freeze (\$1.2M).



FY25 Expense Savings
 The forecast results with IRP included assume \$14.5M total ongoing savings as of FY25 (over the status quo) forecast based on full implementation of the IRP/VRIOP savings (\$12.6M) and continuation of the 4-4 workload (\$1.9M).

While the IRP will significantly improve UW-Oshkosh's fiscal trajectory in FY24, a \$3.1M remaining deficit will substantially drain the remaining tuition fund reserves, placing an urgent focus on balancing the FY25 budget.

Baseline Tuition Fund Balance Forecast with IRP Included

Meaningful changes from the IRP have adjusted the financial trajectory of the institution, yet the planned Academic Restructuring must yield the intended cost savings in FY25 to enable UW-Oshkosh to balance its short-term budget and rebase for the future.

Projected Financial Impact on Tuition Fund Equity Balance

UW-Oshkosh Tuition Fund Equity Balance Baseline Projections						
UW-Oshkosh (\$Ms)	FY End 2023 Actual	FYE24 Proj.	FYE25 Proj.	FYE26 Proj.	FYE27 Proj.	FYE28 Proj.
Beginning Tuition Fund Equity Balance	\$16.8	\$3.8	\$0.8	(\$1.4)	(\$4.4)	(\$8.0)
Change in Net Assets	(\$13.0)	(\$3.1)	(\$2.2)	(\$2.9)	(\$3.6)	(\$4.3)
Ending Fund Equity Balance	\$3.8	\$0.8	(\$1.4)	(\$4.4)	(\$8.0)	(\$12.3)
Cumulative Impact on Fund Balance	---	(\$3.1)	(\$5.3)	(\$8.2)	(\$11.8)	(\$16.1)

TAKEAWAYS



IRP Had Meaningful Impact
With workforce reductions and workload adjustments in FY24, UW-Oshkosh has substantially changed the trajectory of its financial situation; however, more work needs to be done.



Academic Savings Needed
With only \$0.8M in reserves projected at FYE24, the Academic Restructuring Plan is urgently needed as tuition fund reserves will be fully depleted in FY25 with a forecast deficit of \$2.2M

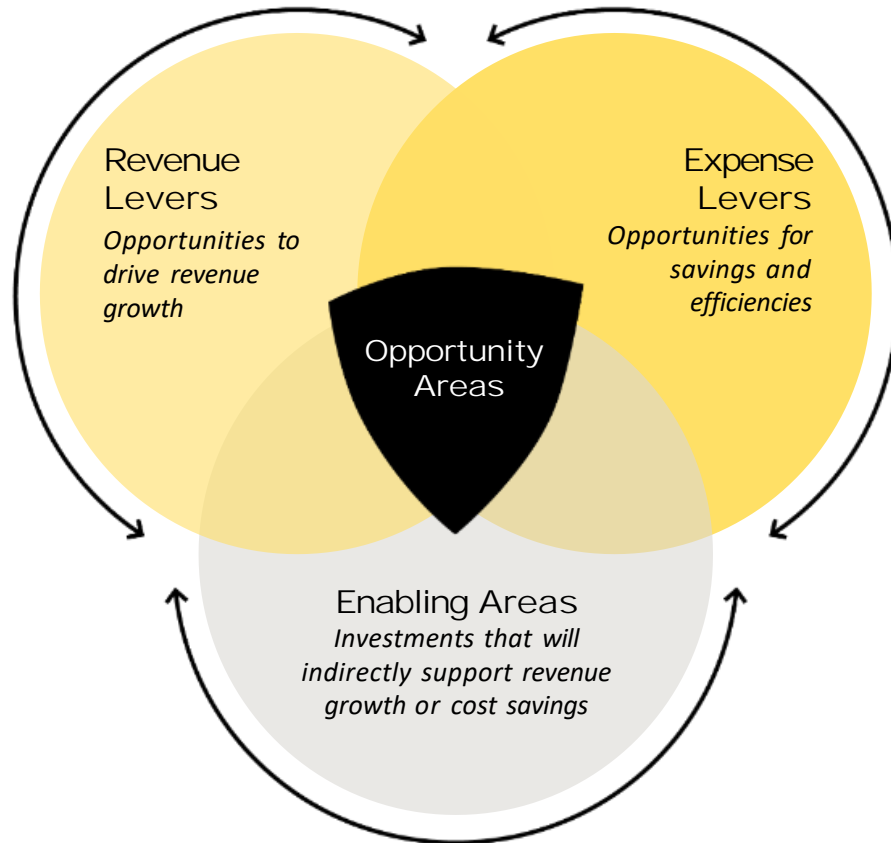


Stabilizing Enrollment and Retention is a Must
The most significant assumption of this model is that enrollment and retention is stabilized after multiple years of decline. Without that revenue base, more actions will be needed.

Without additional cost savings, currently planned in the form of Academic Restructuring, UW-Oshkosh continues to face a deficit which will deplete reserves by FY25. Underlying revenue assumptions based on stabilized enrollment and retention must be realized.

UW-Oshkosh Opportunity Overview

Through a review of the qualitative information and insights gathered through interviews and analysis of the quantitative data provided by both UW-Oshkosh and the UW System, the following five opportunities were identified.



#1 Implement Academic Restructuring Plan to Streamline Academic Administration | Evaluate effectiveness of proposed academic restructuring plans to identify a “best path forward” to realize substantial cost savings while also preparing academic units for future success.

#2 Expand Experiential Learning as a Core Element of the Student Experience to Improve Outcomes | Leverage UW-Oshkosh’s rich employer ecosystem across manufacturing, education and healthcare industries¹ to expand experiential learning as a core element of the student experience (e.g., opportunities for service-based learning, paid and unpaid internships).

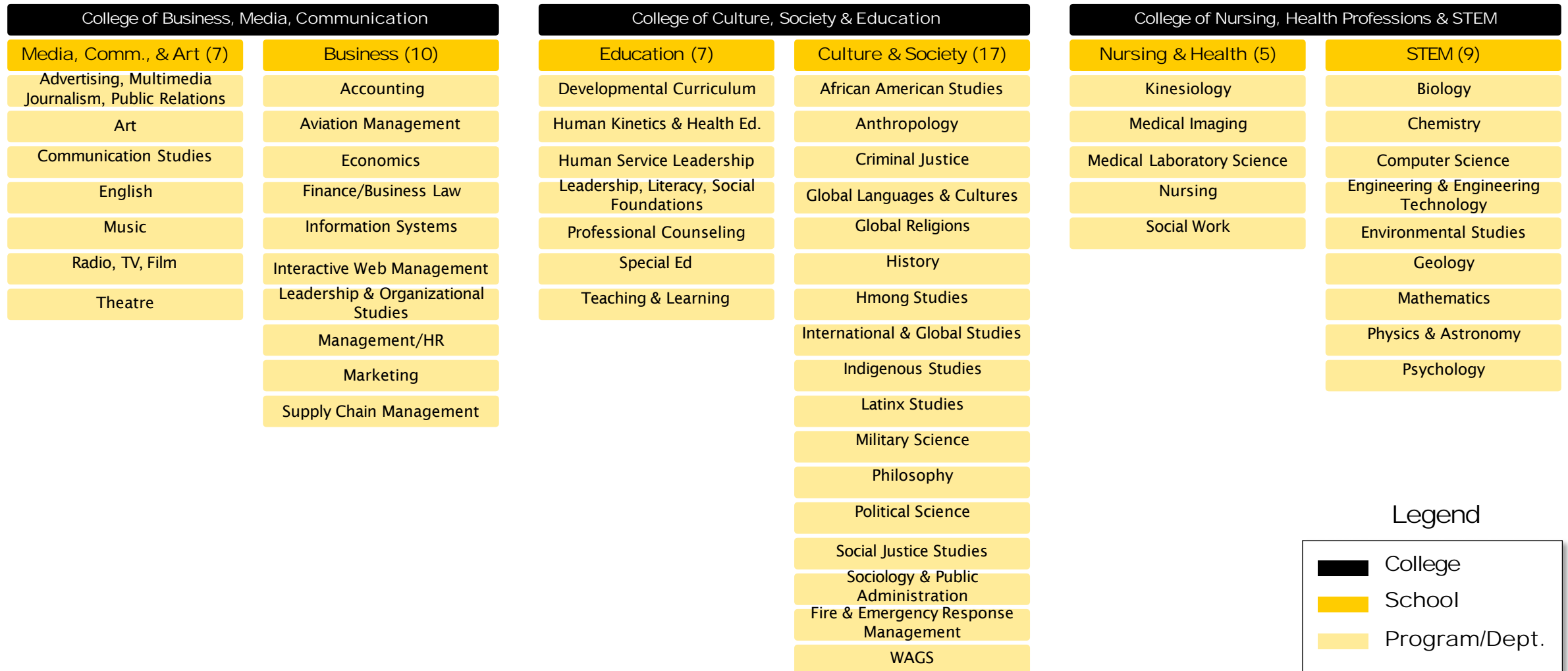
#3 Create Stronger Pathways to Improve Dual Enrollment Yield | Collaborate with local school districts to develop stronger pathways for dual-enrolled high school students to improve the yield of this targeted population (e.g., UW-Green Bay’s Rising Phoenix program enables students to earn an associate of arts degree while in high school²).

#4 Enhance Student Success Ecosystem to Improve Retention | Identify potential gaps in the student success ecosystem (across people, process and technology) based on evolving student needs to target intervention.

#5 Utilize Data Driven Decision Making to Create a Culture of Accountability | Mature utilization of Salesforce, Navigate and other recently acquired tools, while placing data at the center of decision-making processes for expense management and investment.

Assess Academic Alignment of the Proposed Model A: 3 Colleges | 6 Schools

The proposed “Career Clusters” model organizes 55 total departments/programs into 6 Schools within 3 Colleges.



Legend

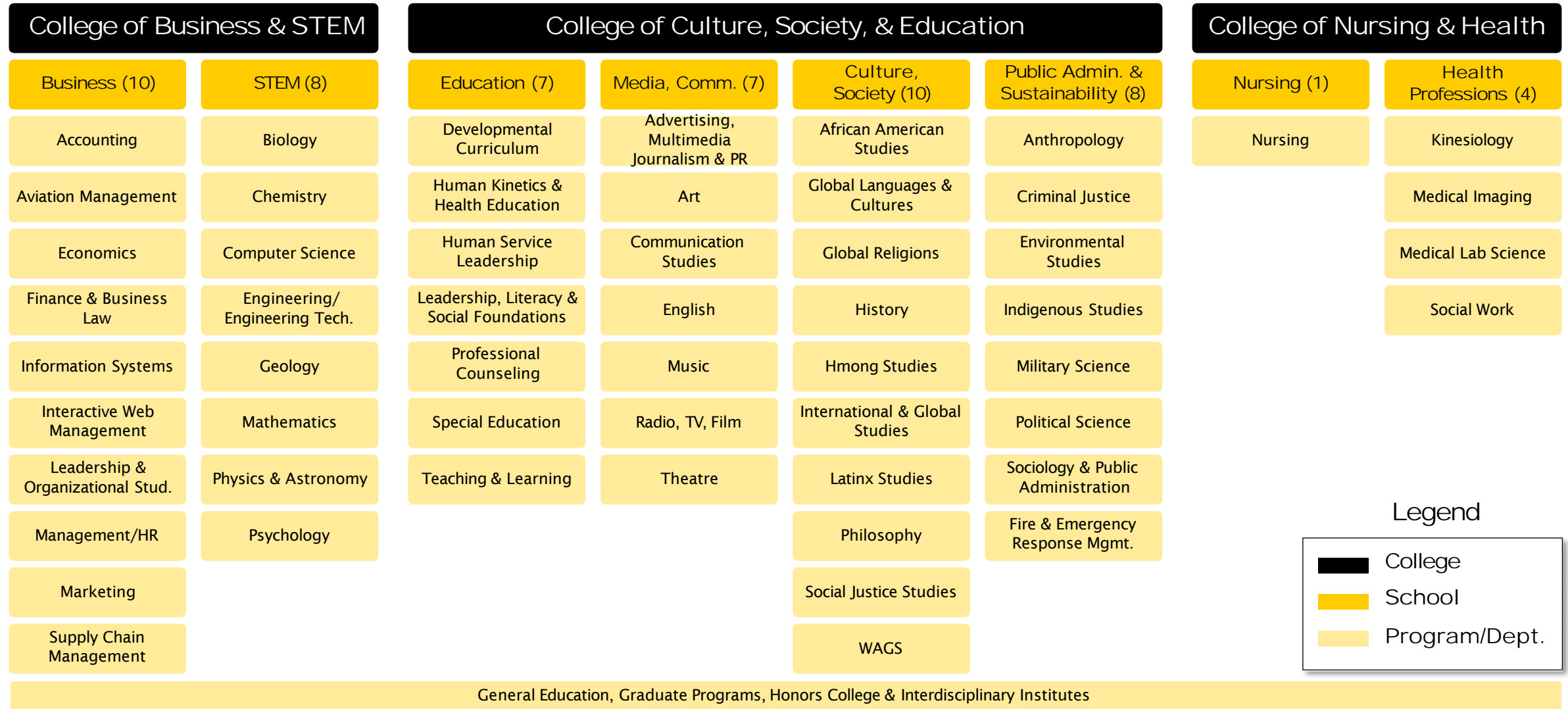
- College
- School
- Program/Dept.

General Education, Graduate Programs, Honors College & Interdisciplinary Institutes

Key Consideration: While interdisciplinary programs and collaborations can emerge across colleges, programs with natural overlap in course requirements, content, and career application should be considered high-potential partners to embed within the same college and/or school.

Assess Academic Alignment of the Proposed Model B: 3 Colleges | 8 Schools

The proposed 3 Colleges model organizes 55 total departments/programs into 8 Schools.



Legend

- College
- School
- Program/Dept.

Key Consideration: While interdisciplinary programs and collaborations can emerge across colleges, programs with natural overlap in course requirements, content, and career application should be considered high-potential partners to embed within the same college and/or school.



Phase 2 of IRP

- Additional strategies are being pursued to increase revenue and decrease expenses at UWO:
 - Formal process *Position Accountability & Integrity Review* to guarantee position control and budget savings from Phase 1 of IRP
 - Continued internal review of cost centers for strict budget control
 - Engaging in Master Facilities Planning to include: building closures/demolitions, sale of property, centralization of space control, and new contract pricing/practices for external events
 - On-going evaluation of vendor contracts, with considerations for additional outsourcing of auxiliary services (e.g. bookstore)
- The target for these savings is \$1M-3M.



SUMMARY

- UW Oshkosh will eliminate its structural deficit by the end of FY25 based on the initiatives outlined pending:
 - Successful completion of Phase 2 of IRP
 - Enrollment stability
 - Commitment to maintaining reductions that result from both phases of IRP and Academic Restructuring efforts
- Our metrics are straightforward and easily measured:
 - Decreased personnel costs
 - Modest increases of revenue and decreased expenses through Phase 2 efforts of IRP