



UW-Platteville Review

The Case for Change: Current GPO Reserves are Nearly Exhausted

The current state review of financial health, enrollment trends in recent years, and operations aligns with the understanding of Platteville’s leadership - that without significant and immediate change, the future of the institution is at risk.

Despite persistent challenges, Platteville’s mission and values ring true: students come first



When Platteville leaders and stakeholders from across the institution were asked what they thought Platteville did best, the answers revealed a common refrain: Platteville prides itself on its mission of ‘serving all Wisconsinites’ and that it values putting students first



This stated value of putting students first is evidenced by the numbers – as of Fall 2023, the freshmen to sophomore retention rate was 3rd best among the Universities of Wisconsin*, as well as the 2nd most consistent from Fall 2016 to Fall 2023

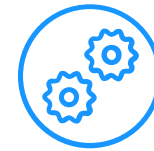
...but this mission and values are facing several challenges, resulting in a projected FY24 deficit around \$7.0 million



Many stakeholders interviewed observed that the institution operates in silos – with some institutional pockets being more concerned about protecting their own budgets instead of approaching challenges as a single institution



From Fall 2014 to Fall 2023, total student FTEs have decreased by nearly 32% (including main campus and branch campuses), leading to diminishing tuition revenues and heavy top line pressure



Legacy operational structures – e.g., FTE counts, duplicative services, and incremental budgeting practices, have kept Platteville from right-sizing expenses, thus leading to widening deficits

...therefore, Platteville should immediately right-size the institution and its operations to continue fulfilling its mission



Fall 2023 enrollment figures show signs of (short-term) relief; however, without significant changes across the institution, Platteville has less than 1 year of GPO fund reserves



Given Platteville’s structural deficit, deferred maintenance costs, high staff to student ratio, and recent inability to drive tuition revenues – now is the time to chart a bold path forward to build a foundation for the long-term success of the University

The Path Forward Should Leverage Strengths and Address Challenges

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

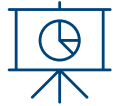
The Path Forward Should Leverage Strengths...

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



Willingness to Tackle Challenges Head-On

Both academic and administrative stakeholders recognized the challenges facing Platteville. Rather than shy away from difficult decisions, current leadership is committed to making the necessary choices to secure Platteville's future.



Data-Informed Decision Making

Platteville has already made substantial progress and is continuing to build cross-functional data capabilities that enable leaders across campus to not just have access to the necessary data, but to also trust the reliability of that data to inform decisions.



STEM as a Core Strength at Platteville

Many interviewees stressed the value of PLT STEM degrees to students, highlighting the institution's affordability, educational quality, and experiential learning opportunities.



Pioneer Pride

Every stakeholder interviewed was clearly proud of the work they do to support Platteville and its students. The facts speak for themselves - with donations setting records the last four years, 'Pioneer Pride' is truly a core strength.

Declining Enrollment

- Since Fall 2014, Platteville's main campus UG enrollment has declined by 26% while the graduate student body has shrunk by more than 43%
- Notably, Richland fell to ~50 Student FTEs and has moved fully online while Baraboo Sauk is down to 165 FTEs - one third of its size from the early 2010s

Limited State Appropriations

- The *Wisconsin State Journal* reports WI ranks 43rd in state funding / student¹
- Future state budgets, regulatory complexity, and economic uncertainty add further risk to Platteville's long-term outlook as the institution has become increasingly dependent on State Appropriations

Piloting the Ship Through the Storm

- Given the layoffs and reorganization decisions already taken by Platteville's leadership, faculty, staff, and students may be wary that deficit-reduction efforts could negatively impact student success and the future of Platteville.

Siloed Operations and Budgeting

- Stakeholders observed that there is (historically) little collaboration across campus, with some leaders more worried about protecting their own budgets than the overall wellbeing of the institution

Balance Sheet Impact

- As the operating deficit has persisted in recent years, cash and investments have remained low in relation to a high debt load (e.g., significant capital lease obligations for Roundtree and Bridgeway) and below UW peers

Leaving the Past Behind

- **Having made a series of hard choices to address the projected FY24 - FY25 deficit**, the institution has an opportunity to envision a new future. *Who is Platteville? What size institution (i.e., student enrollment) should Platteville be in the future? What mix and level of programs should it offer?*

External Market Pressures

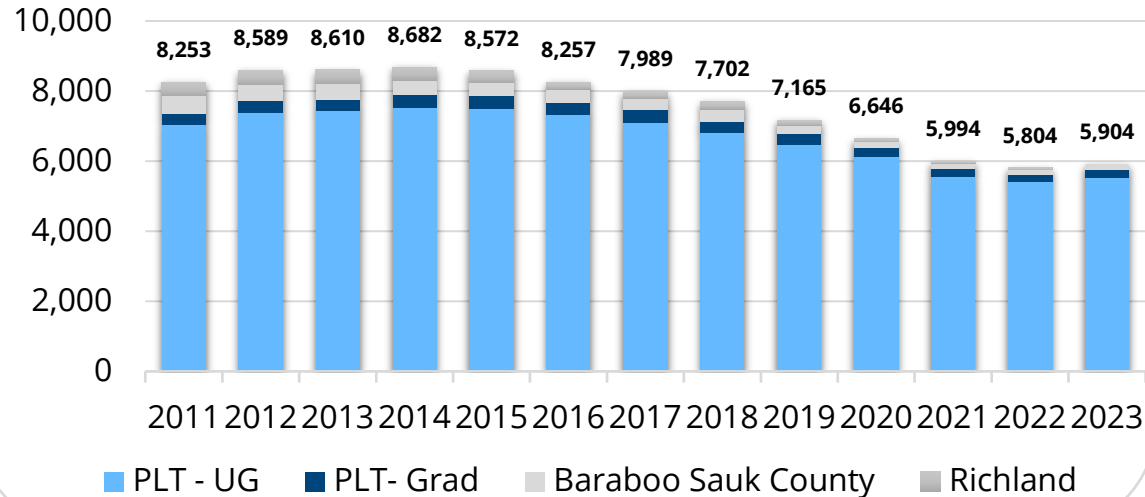
Internal Operating Model Challenges

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

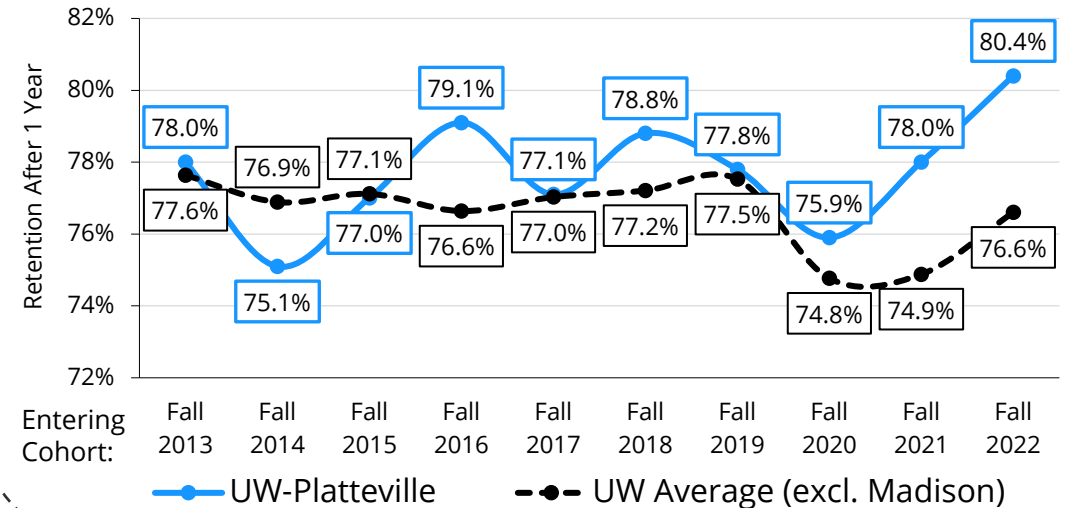
Strong Retention can Support Platteville's Path to Regrowing Enrollment

Platteville has demonstrated marked success in its retention of students; now, a renewed focus should be directed toward recovering losses in enrollment as these two metrics are the factors that most directly impact Platteville's ability to generate and grow revenues.

PLT Fall FTE Enrollments (2011 - 2023)



1-Year Retention for First-Time Full-Time Freshmen (2013 - 2022)



Platteville's enrollment has been in decline....

- In Fall 2023, Platteville reported 5,904 enrolled FTEs—94% of these students are undergraduates on PLT's main campus, 3% are graduates, and the remaining 3% are Baraboo Sauk students (Richland branch closed in 2023).
- Although Platteville's enrollment increased +1.7% in Fall 2023, the campus has faced heavy top line pressure, and its current enrollment stands at just 68% of totals recorded during its peak: 8,682 FTEs in Fall 2014.
- Since Fall 2014, undergraduate enrollment at Platteville has declined nearly 2,000 students, or 3.3% per year on average. Over the same period, graduate enrollment declined by nearly 150 FTEs to 195 student FTEs in Fall 2023.

....but is supported through strong retention

- Despite falling enrollment, Platteville's retention for first-time, full-time freshmen has been an institutional strength, averaging 77.7% over the last 10 years.
- Platteville's focus on the student experience has led the institution to record retention rates that, on average, track 1.1% higher than the Universities of Wisconsin average. Platteville's retention rate has accelerated positively following the pandemic, coming in nearly 4% higher than the UW* average.
- As entering class sizes have shrunk, it only becomes more important that Platteville continue to monitor these rates and build upon previous successes.

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

Program and Workforce Alignment

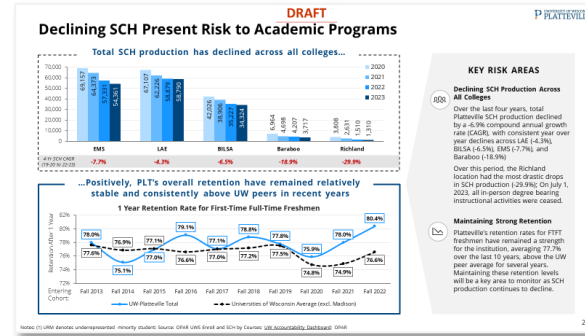
Platteville's academic portfolio demonstrates strong alignment to labor market demands...

Occupational Group / Title	Annual Openings	PLT Degrees
Business and Financial Operations	5,714	
Management Analysts	1,780	✓
Market Research Analysts and Marketing	1,693	✓
Human Resources Specialists	1,655	✓
Logisticians	586	✓
Management	4,975	
General and Operations Managers	2,608	✓
Financial Managers	680	✓
Medical and Health Services Managers	616	✓
Construction Managers	553	✓
Industrial Production Managers	518	✓
Computer and Mathematical	3,490	
Software Dev. and Software QA Analysts [...]	2,961	✓
Web Developers and Digital Designers	529	✓
Architecture and Engineering	2,213	
Industrial Engineers	946	✓
Mechanical Engineers	774	✓
Civil Engineers	493	✓
Community and Social Service	1,616	
Substance, Beh...	765	✓
Child, Family, ar...	447	✓
Healthcare Socia...	404	✓
Healthcare Pra...	107	
Clinical Laborato...	503	✓
Nurse Practitior...	504	✓
Sales and Relat...	439	
Sales Represent...	439	✓

In AY 2023, Platteville conferred degrees that prepared graduates for approximately **70% of the 'Wisconsin Top 20 Hot Jobs'**, demonstrating **strong alignment** to the WI labor market.

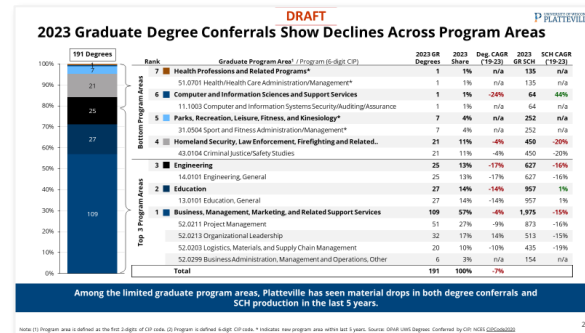
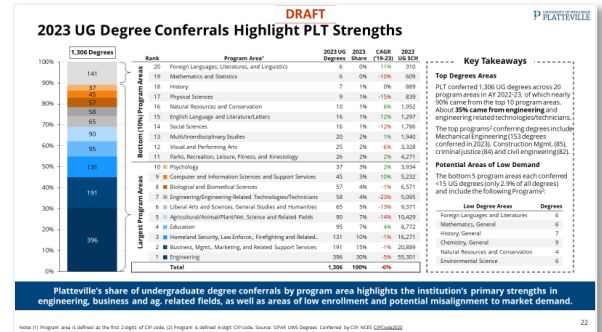
Degree Conferrals and Credit Hour Production

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



As have degree conferrals across many of Platteville's undergraduate academic degree program areas

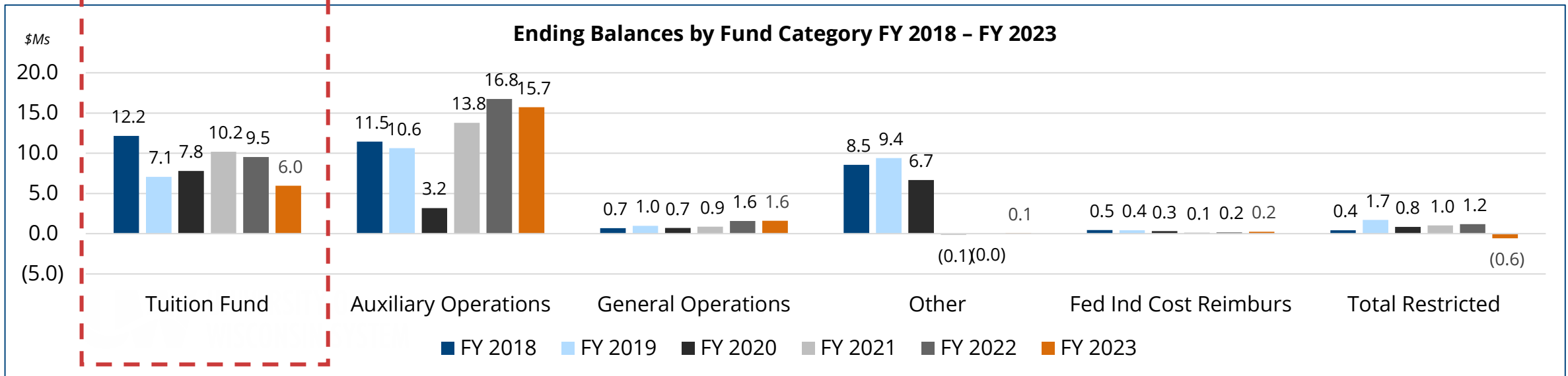
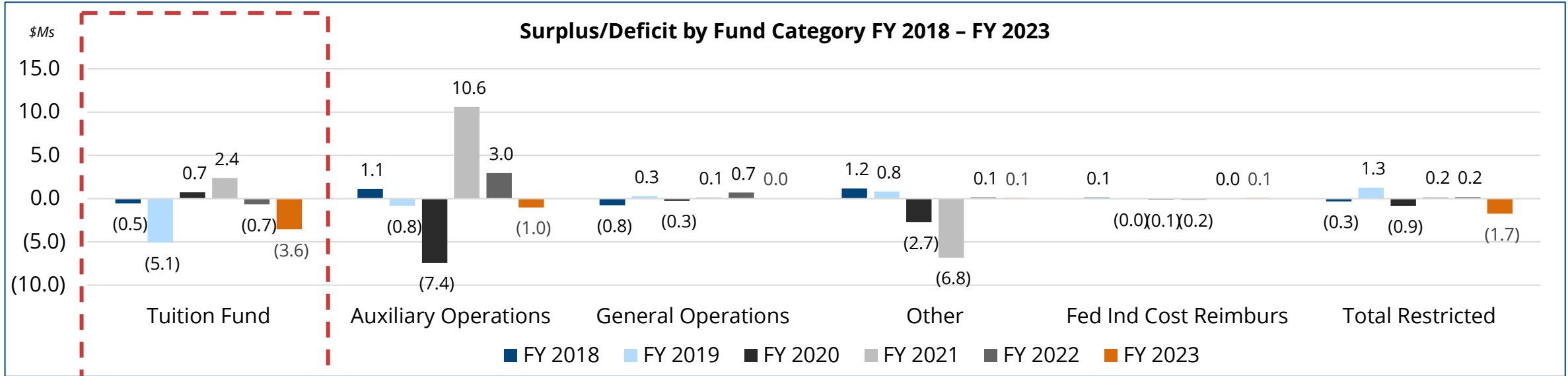
SCH production has declined across all Platteville colleges, including EMS, LAE, BILSA and Baraboo Sauk County



Moreover, trends are worse for Platteville's graduate studies, with **all degree program areas** analyzed showing declines in degree conferrals

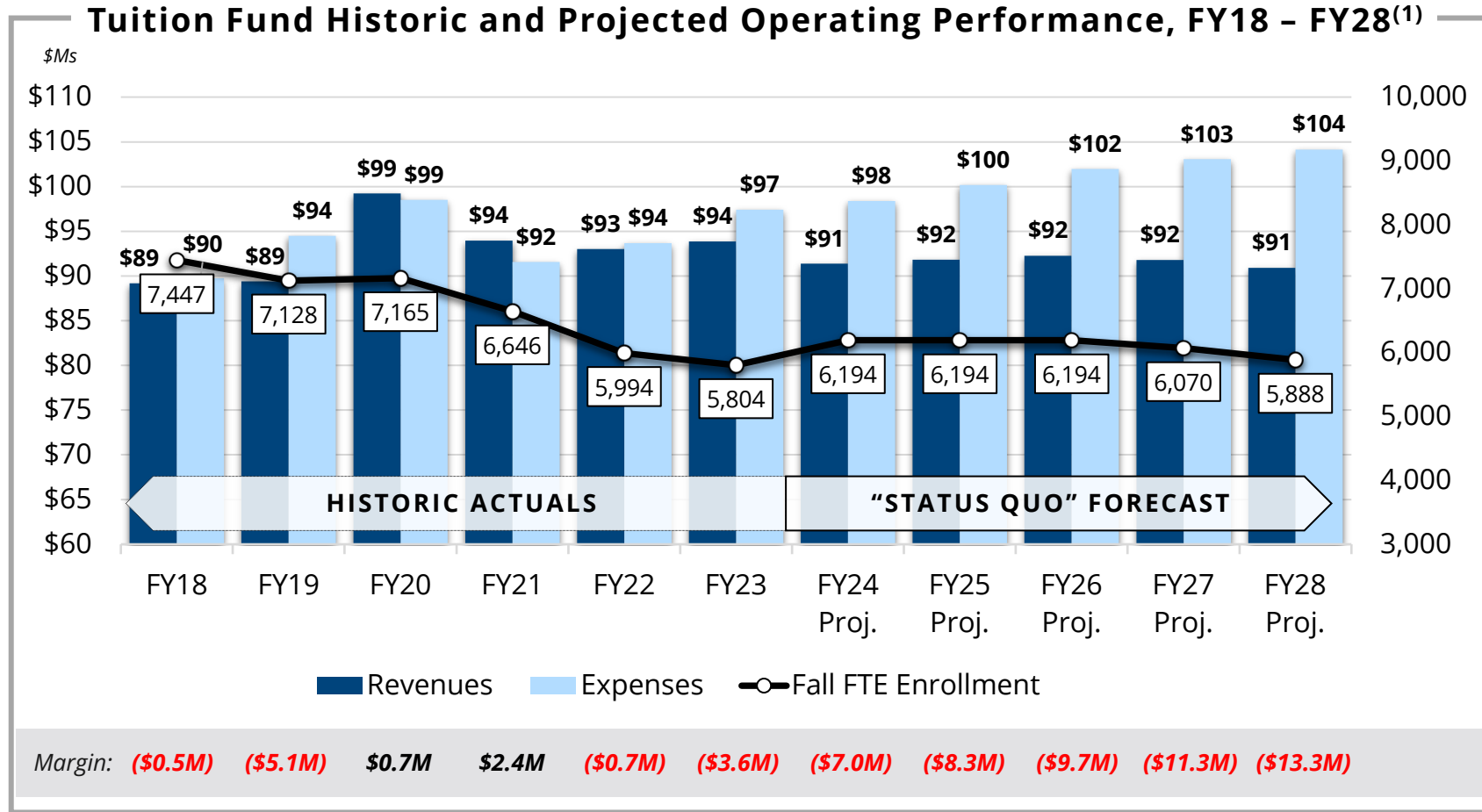
Overall Structural Deficits Have Been Masked by Federal COVID-19 Aid

Due to the \$3.6M deficit in FY23, Platteville's tuition balances have fallen to \$6.0M, even after a \$1.5M inflow transfer from the Auxiliary Fund. Given the limited Tuition Fund balance and magnitude of the deficit, PLT should take significant actions in the near term.



“Status Quo” Baseline Financial Forecast Results

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



KEY DRIVERS



Stagnating Enrollment Will Continue to Pressure Revenues

Enrollment is modeled to hold approximately stable in the near term at 6,194 FTEs through FY26 (Fall 2025). However, enrollment is forecasted to decline to under 5,900 FTEs by FY28 given shifting demographics, declining number of Wisconsin high school graduates, and falling participation rates.



Expenses Forecast to Grow Moderately

While expenses were relatively lower in recent years (compared to expenses in FY20), partially due to vacancy savings and slower expense increases during the pandemic, costs tied to rising Salaries, Wages, and Benefits (2.0% FY23-FY28 CAGR), as well as Supplies (3.0% FY23-FY28 CAGR), are expected to rebound and increase in the future.

Platteville 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

Platteville’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 Fiscal Year End 2024, reinforcing the ‘Case for Change’ at the institution.

Projected Financial Impact on Tuition Fund Equity Balance

Platteville Tuition Fund Equity Balance Baseline Projections						
Platteville (\$Ms)	FY End 2023 Actual	FYE24 Proj.	FYE25 Proj.	FYE26 Proj.	FYE27 Proj.	FYE28 Proj.
Beginning Tuition Fund Equity Balance	\$9.5	\$6.0	(\$1.1)	(\$9.4)	(\$19.1)	(\$30.4)
Change in Net Assets	(\$3.6)	(\$7.0)	(\$8.3)	(\$9.7)	(\$11.3)	(\$13.3)
Ending Fund Equity Balance	\$6.0	(\$1.1)	(\$9.4)	(\$19.1)	(\$30.4)	(\$43.6)
Cumulative Impact on Fund Balance	---	(\$7.0)	(\$15.4)	(\$25.1)	(\$36.3)	(\$49.6)

TAKEAWAYS



Current Fund Equity Balance

Platteville has \$6.0M in equity in the tuition fund at FYE23. After being buoyed by federal COVID-19 aid in recent years, the \$3.6M deficit in FY23 depleted this balance to its lowest levels in recent history.



Enrollment Drives Decline

Falling enrollment, in tandem with rising expenses, are the main drivers of the deficit. Platteville should seek to align operations at the institution to the 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, Platteville should take significant action in the immediate future.

Recognizing the ongoing structural deficit, Platteville leadership has already taken a number of steps to re-align operations, expenses, and the organizational structure to reflect the current and near-term forecast enrollments.

Source: University of Wisconsin GL Data; Reflects Tuition Funds; Reflects Actuals and AJE Ledgers



Re-organization Guiding Principles

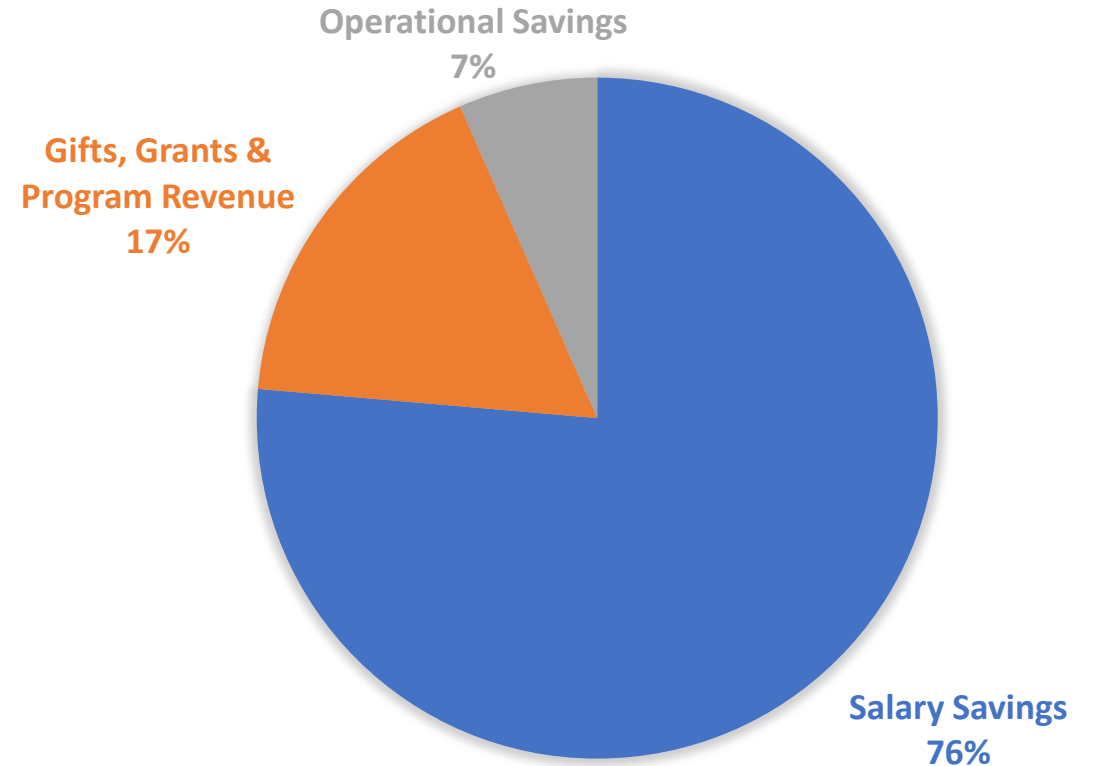
- ❑ Preserve key student-facing services & programming
- ❑ Align or eliminate redundant services
 - ❑ Identify and implement efficiency improvements
- ❑ Align “Administration & Academic Leaders” and “Non-Instructional Academic Staff” levels to enrollment levels
- ❑ Strengthen opportunities to drive increased revenue



Impact by Action Taken

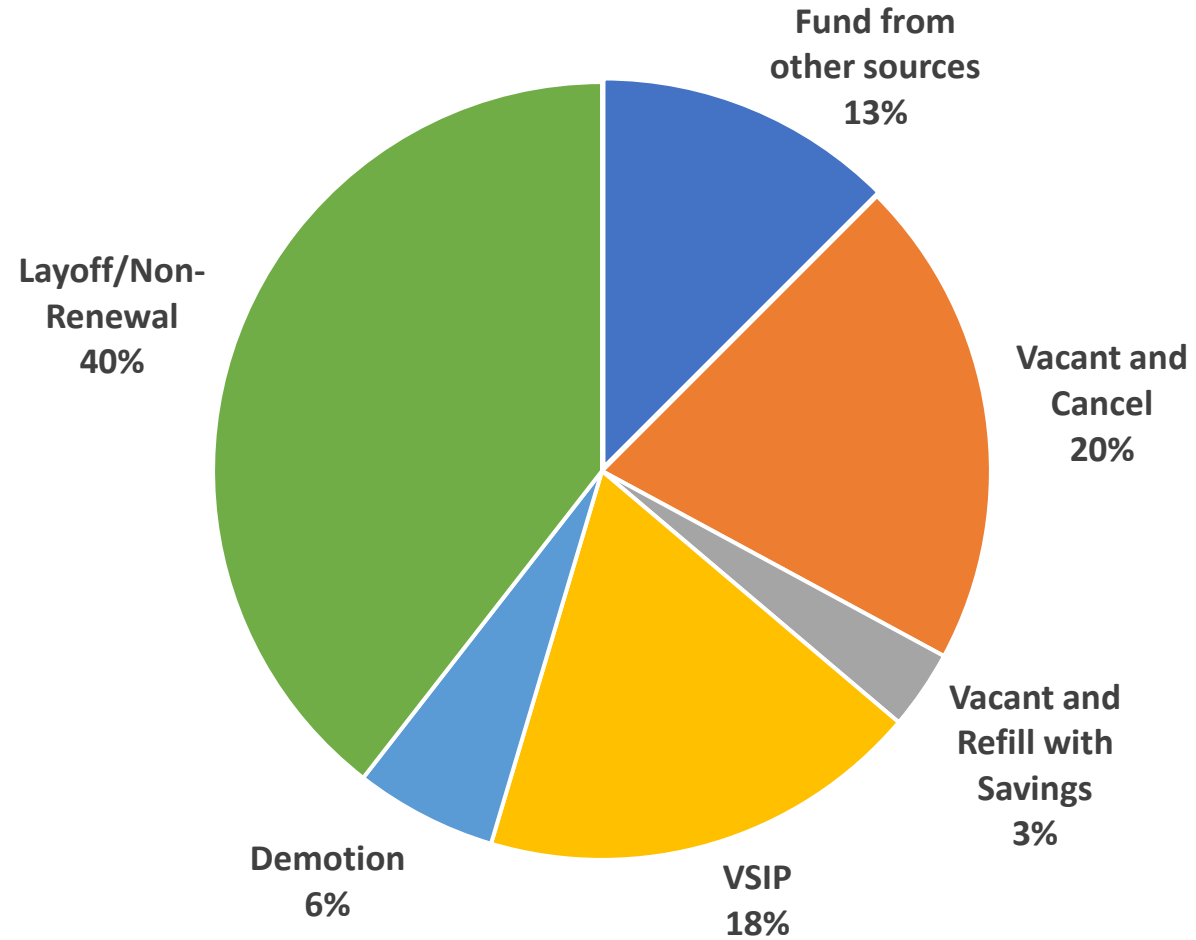
GPR/Tuition Funding Saved (in Fall 2023 effort)

Salary Savings	\$6,928,221
Gifts, Grants & Program Revenue	\$1,545,583
Operational Savings	\$598,400
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	\$9,072,204

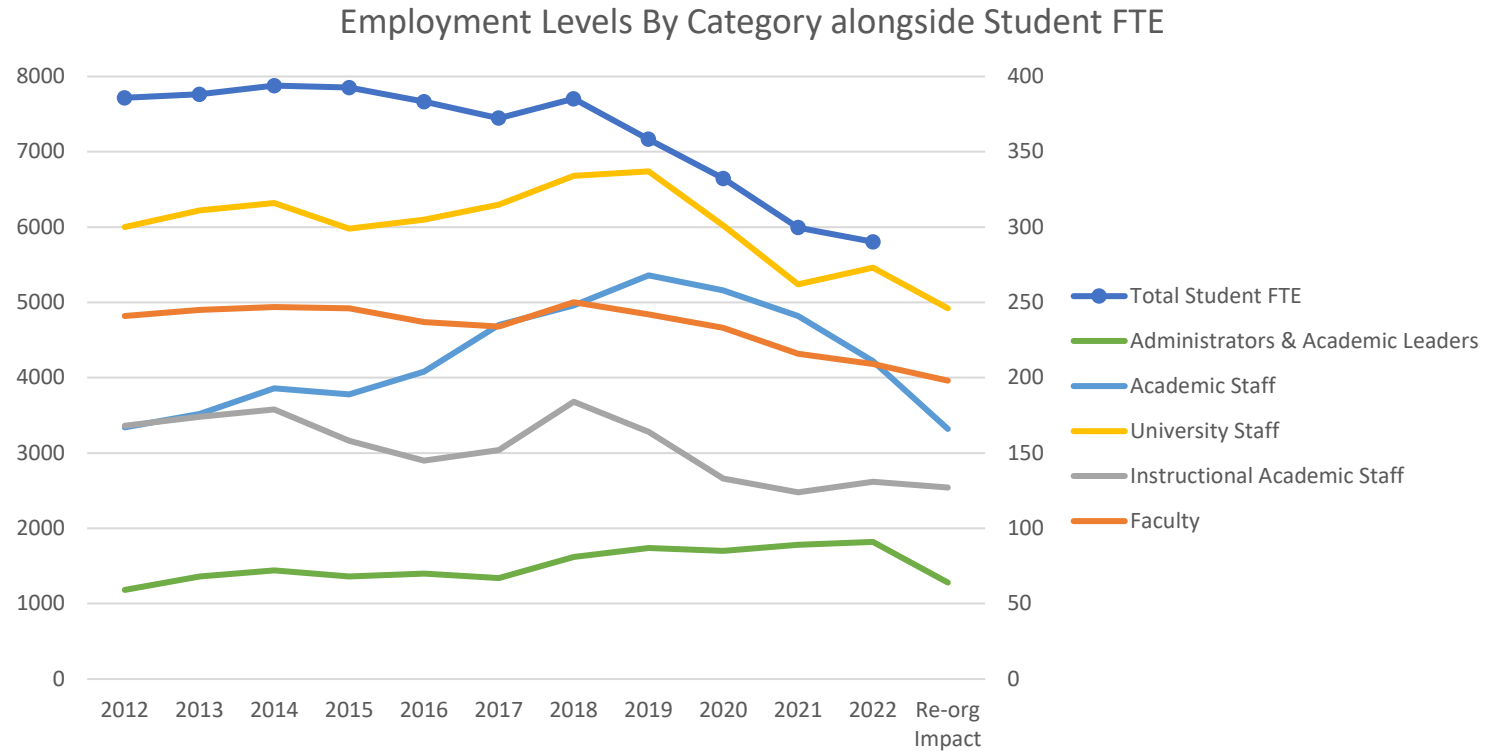


Impact on Employees

Percentages of Total Position Reduction



Employment Levels by Category (FY2012 through re-org)



Enrollment FTE change:
-24.79%

Employee category	Faculty	Instructional Academic Staff	University Staff	Non-Instructional Academic Staff	Administrators & Academic Leaders
FY12-22 change	-13.28%	-22.02%	-9.00%	26.35%	54.24%
Correction Factor	-4.56%	-2.38%	-9.00%	-27.54%	-45.76%



Pioneering Forward...

Work already underway



#1 – Diversify Enrollment Strategy



#2 – Leverage Pioneer Pride



#3 – Develop a Policy-Based Approach to Academics



#4 – Determine the Best Fit for Baraboo Sauk County



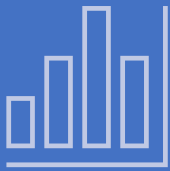
#5 – Renew the Organizational Culture

Pioneering Forward...

#1 – Diversify Enrollment Strategy



Continue to optimize application processing



Connect enrollment projections to WICHE data



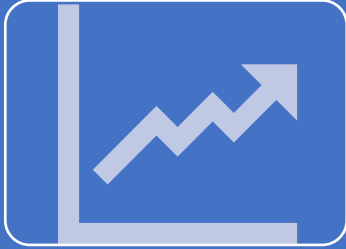
Collaborate with regional partners



Utilize Direct and (potentially) Guaranteed Admission opportunities

Pioneering Forward...

#2 – Leverage Pioneer Pride



Record Fundraising

- FY23 \$8.5M+
- FY24 on track to surpass that with a goal of \$10M



Launching \$60M Comprehensive Capital Campaign



Engaging alumni in Strategic Planning

- 800+ Survey responses

Pioneering Forward...

#3 – Develop a Policy-Based Approach to Academics



Established an academic program review dashboard



Re-energized the APC process



Continuous evaluation of Program Array

Pioneering Forward...

#4 – Determine the Best Fit for BRB



Working closely with Sauk County partners



Re-imagining facility use



Establishing Advisory Committee

Pioneering Forward...

#5 – Renew the Organizational Culture



Wellness Goal



Re-org symposium



Horizontal Collaboration



Process Improvement Initiatives