UW-Whitewater Financial and Strategic Assessment

Opportunity Report

Updated April 2024

Opportunity Report Table of Contents

The main objective(s) of this report are to 1) review the business cases for the prioritized opportunity catalog and 2) discuss next steps for the project.

Contents

University of Wisconsin Whitewater

Project Objective:

The **main objective** of the project is to assist the Universities of Wisconsin in addressing the following questions:

Financial Health Assessment

- *What is the current operating performance on each campus and what do current revenue and expense trends portend for future performance?*

- *How diversified are the campus revenue streams and what strategies are in place to manage costs?*

- *How strong is each campus' balance sheet?*

Operational Review

- *Are non-academic programs effective in meeting student recruitment, retention, and success?*

- *Do administrative services effectively support the mission and are they delivered effectively?*

- *Is the current academic portfolio aligned to student demand and the needs of the region and state?*

- *Are there mission-aligned revenue opportunities that the institution is not pursuing that could materially impact the overall financial position?*

Project Overview

In July 2023, the Universities of Wisconsin kicked off an effort to conduct a financial and strategic assessment across its 12 member institutions (excluding UW-Madison) to guide a path toward a more sustainable future.

Approach:

The work at each campus is guided by **2 phases**, grounded in strong collaboration with leadership.

1 Current State Assessment

- **~20 interviews** to contextualize potential strengths, challenges and opportunities
- **Financial health analysis** to assess revenue and expense trends, tuition pricing, ratios (CFI, etc.) and pro-forma financials
- **Operational assessment** to assess operational efficiencies and/or deficiencies
- **Academic program analysis** to reflect the current state of program demand in the context of state needs

2 Future State Opportunities Development

- **Development of opportunity catalog** to promote a more sustainable future, taking into account the unique culture and context of each campus
- **Leadership workshop** to prioritize which opportunities the institution wants to continue evaluating with an eye toward implementation

Focus Area of this Report

Executive Summary and Opportunity Catalog

The Current State Assessment Highlights a Case for Change

The current state review of financial health, enrollment trends, and operations suggests that UW-Whitewater is on a trajectory of financial unsustainability and opportunities to improve financial performance should be explored.

Whitewater's mission is to be a preeminent academic institution and core economic and cultural driver for the region
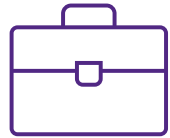
Whitewater is a **top contributor to state workforce demand** in the areas of **business and education** and prepares students for success – certifying the most teachers and having the largest business school in the state

Whitewater combines affordability with student success, as the University has one of the **lowest tuition rates among the UW campuses** and 99% of Warhawks either attend graduate school or receive a job in their field of study post-graduation

...but several disruptors are challenging the status quo and suggest Whitewater is on a path of financial unsustainability

Declining total FTE enrollment (-18.4% from Fall 2016-23) and a shrinking HS graduate population in the state, combined with limited state funding, are **creating top line pressure**

Meanwhile employee turnover, salary competition and compression, and aging facilities are **challenging Whitewater's mission delivery**
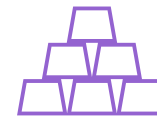
Although Whitewater had an enrollment uptick of 301 students in Fall 2023 (3.2% growth), the institution faces **a small deficit of $0.5M in FY23 in the tuition fund that is projected to grow as COVID-19 funds are no longer available to fill budget gaps** and expense growth outpaces revenue growth

...therefore, it's critical to evaluate transformative opportunities to enable Whitewater to continue to thrive in the future

Absent change to the status quo, Whitewater will **struggle to resolve its structural deficit** as the state participation rate declines and the traditional college applicant pool shrinks; these trends **could result in limited tuition fund balances within the next 4-6 years**

Given Whitewater's structural deficit, rising expenses, and the potential for unforeseen events (e.g., economic contraction, unplanned CapEx) **the time for change is now** to solidify a sustainable future for the University
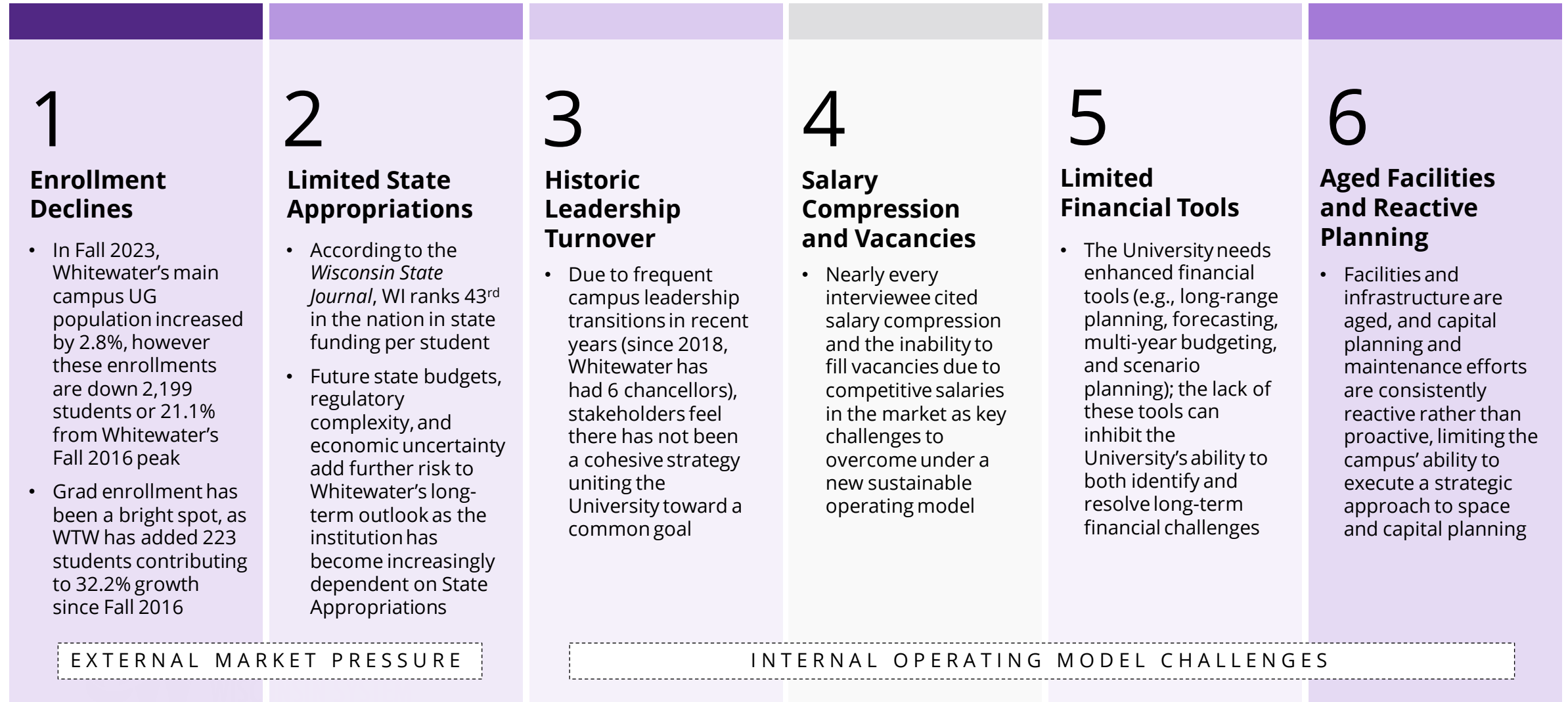
The Path Forward Should Leverage Institutional Strengths...

Through interviews with ~20 stakeholders, the following strengths and themes emerged that can serve as a foundation to help UW-Whitewater drive necessary change in the future and achieve the vision of its strategic plan.

1 Commitment to Mission

Stakeholders, both academic and administrative, consistently **emphasized their belief in the University mission** and how that mission should serve as a north star, guiding the campus to resolve current challenges and position Whitewater for success.

2 Strong, Energized Leadership

Although Whitewater has seen frequent leadership changes, new leadership is galvanizing the culture to move forward productively, with interviewees expressing a **growing sense of optimism in the current Chancellor and the cabinet to drive change**.

3 Warhawk Brand Value

Whitewater is well-known for its business, education, and athletics programs, which serve as a platform to **extend the Warhawk brand beyond the Whitewater region.**

4 Recognition of Case for Change

Interviewees spoke candidly about the challenges that have resulted in deficits and **understand that each unit on campus should play a role in breaking the status quo** for Whitewater to continue to deliver on its mission.
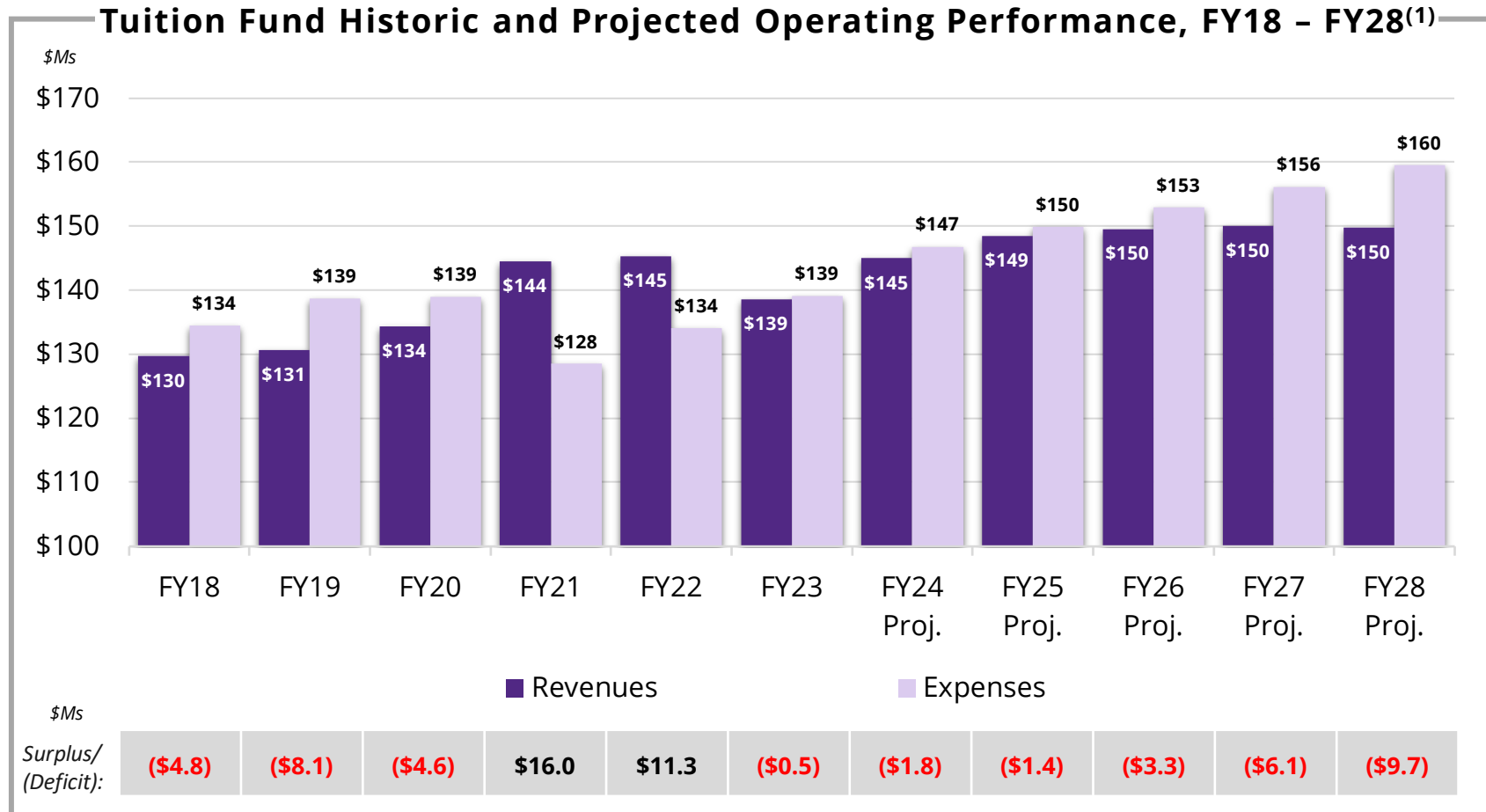
...And Seek to Address Existing External and Internal Challenges

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

1
Enrollment Declines

- In Fall 2023, Whitewater's main campus UG population increased by 2.8%, however these enrollments are down 2,199 students or 21.1% from Whitewater's Fall 2016 peak

- Grad enrollment has been a bright spot, as WTW has added 223 students contributing to 32.2% growth since Fall 2016

2
Limited State Appropriations

- According to the *Wisconsin State Journal*, WI ranks 43rd in the nation in state funding per student

- Future state budgets, regulatory complexity, and economic uncertainty add further risk to Whitewater's long-term outlook as the institution has become increasingly dependent on State Appropriations

3
Historic Leadership Turnover

- Due to frequent campus leadership transitions in recent years (since 2018, Whitewater has had 6 chancellors), stakeholders feel there has not been a cohesive strategy uniting the University toward a common goal

4
Salary Compression and Vacancies

- Nearly every interviewee cited salary compression and the inability to fill vacancies due to competitive salaries in the market as key challenges to overcome under a new sustainable operating model

5
Limited Financial Tools

- The University needs enhanced financial tools (e.g., long-range planning, forecasting, multi-year budgeting, and scenario planning); the lack of these tools can inhibit the University's ability to both identify and resolve long-term financial challenges

6
Aged Facilities and Reactive Planning

- Facilities and infrastructure are aged, and capital planning and maintenance efforts are consistently reactive rather than proactive, limiting the campus' ability to execute a strategic approach to space and capital planning

EXTERNAL MARKET PRESSURE

INTERNAL OPERATING MODEL CHALLENGES

"Status Quo" Baseline Tuition Fund Financial Forecast Results

Whitewater is at a critical moment in its history as persistent structural deficits signal the need for innovative strategies to chart a course back to financial sustainability before the structural deficit widens.

Tuition Fund Historic and Projected Operating Performance, FY18 – FY28[1]

$Ms

	FY18	FY19	FY20	FY21	FY22	FY23	FY24 Proj.	FY25 Proj.	FY26 Proj.	FY27 Proj.	FY28 Proj.
Revenues	$130	$131	$134	$144	$145	$139	$145	$149	$150	$150	$150
Expenses	$134	$139	$139	$128	$134	$139	$147	$150	$153	$156	$160

■ Revenues   ■ Expenses

$Ms

Surplus/ (Deficit):	($4.8)	($8.1)	($4.6)	$16.0	$11.3	($0.5)	($1.8)	($1.4)	($3.3)	($6.1)	($9.7)

KEY DRIVERS

Net Tuition Fees
Net tuition revenues are expected to grow by ~$8 million from FY23 to FY28. Much of this growth occurs in the near-term due to WTW's uptick in enrollment for the Fall of 2023, before the traditional HS student population begins to shrink in '25/'26 and beyond.

Expense Growth
While expenses have remained relatively flat dating back to FY18 due to vacancy and other COVID savings, the expense base is projected to steadily grow over time as a result of rebounding supply spend, aging building/ infrastructure, and a need to raise salaries and wages.

The Baseline Model forecasts worsening operating performance through FY 2028 resulting in a cumulative deficit of $22.4 million.

Source: University of Wisconsin GL Data; Note (1): Reflects Tuition Fund dollars which is Fund Sources: 1. State Appropriations 2. Tuition and Fees; Reflects Actuals and AJE Ledgers and Data as of 8/10/2023; Totals may not foot due to rounding

"Status Quo" Baseline Tuition Fund Balance Forecast

Whitewater's annual forecasted changes in net assets are projected to have a negative impact on the University's Tuition fund equity balance, significantly deteriorating the balance over time.

Projected Financial Impact on Tuition Fund Equity Balance

Whitewater ($Ms)	FY End 2023 Actual	FYE24 Proj.	FYE25 Proj.	FYE26 Proj.	FYE27 Proj.	FYE28 Proj.
Whitewater Tuition Fund Equity Balance Baseline Projections						
Beginning Tuition Fund Equity Balance	$30.3	$29.8	$28.0	$26.6	$23.2	$17.1
Change in Net Assets	($0.5)	($1.8)	($1.4)	($3.3)	($6.1)	($9.7)
Ending Fund Equity Balance	$29.8	$28.0	$26.6	$23.2	$17.1	$7.4
Cumulative Impact on Fund Balance	---	($1.8)	($3.2)	($6.5)	($12.7)	($22.4)

TAKEAWAYS

Current Cash Balance
WTW had $29.8M in equity in the tuition fund at FYE23. This balance has been bolstered by COVID-19 Aid in recent years, enabling WTW to increase balances from a low of $2.9M at FYE20.

Liquidity Strain
As the fund equity balance declines, Whitewater's ability to spend on initiatives and make strategic investments becomes increasingly constrained over time.

Cash Runway
Continued negative operating results will erode the fund equity balance over time. Optimizing operations and resolving the structural deficit will be critical for lengthening that runway and gaining long-term fiscal stability.

A combination of operational alignment and prudent, thoughtful investments will need to made and carefully monitored to put the institution on a path to long term fiscal sustainability.
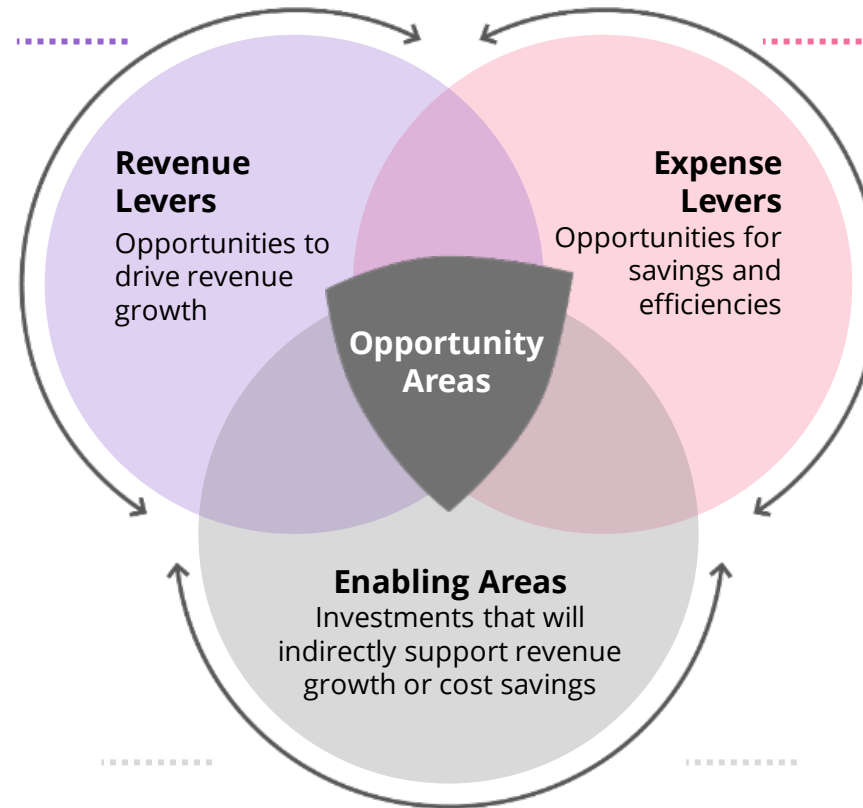
Whitewater Opportunity Areas

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

#1 Improve Retention by Enhancing the Student Journey

As retention has declined in 4 of the last 5 years by a total of nearly 5% for first-year full-time freshmen, Whitewater should build on its strategic actions targeted at student success. By aligning specific strategies to target student market segments, Whitewater has an opportunity to strengthen revenues.

#2 Diversify Enrollment Strategy

With more people questioning the value of higher education, declining high school graduates, and shifting segments within the target student market, Whitewater should continue to diversify its enrollment strategy to serve *All Wisconsinites;* however, the university cannot serve all segments fully, so strategic choices and tradeoffs will be necessary.

Revenue Levers
Opportunities to drive revenue growth

Expense Levers
Opportunities for savings and efficiencies

Opportunity Areas

Enabling Areas
Investments that will indirectly support revenue growth or cost savings

#3 Develop a Policy-Based Approach to Academic Portfolio

To serve students' evolving needs while ensuring financial sustainability, Whitewater should evaluate program demand and cost-effectiveness in its academic portfolio. Developing a nimble, policy-based approach with greater accountability allows for investment in priority and growth areas.

#4 Leverage Rock County to Achieve WTW's Strategic Vision

There is an opportunity to shift thinking around the role of Rock County *to become a more integral part of Whitewater* that can be leveraged to further the mission and strategic plan.

#5 Create a Culture of Urgency and Accountability

Enabling success of the change initiatives and opportunities to narrow Whitewater's structural deficit requires a culture of urgency and leadership accountability. This includes leveraging data-informed decision making and rigorous performance management.

Balancing Strategic Initiatives with Limited Resources

Given several opportunity areas, yet limited resources, Whitewater should make strategic choices about which market segments to pursue. Continuing to shift to a culture of data-informed decisions, by developing the discipline to identify and stop activities that are not aligned to the strategic plan, will be central to Whitewater's success.

Define Scope of Services

- **Define Student Market:** Determine the market segments Whitewater will pursue or invest resources in

- **Align Academic Programs:** Assess alignment of current academic and student support programs with the expected student mix

- **Acknowledge Resource Constraints:** Acknowledge the reality of limited resources, including financial resources, human capital, and time

Leverage Data For Decision Making

- **Focus on Strategic Enrollment Management:** Deploy recruitment efforts around the defined student markets

- **Prioritize Student Success Efforts:** Gear efforts to maximize retention by student segments

- **Optimize Programs:** Invest resources in programs that align with the needs and demands of students and the job market

Sunset and Optimize What is Not Working

- **Drive Accountability:** Align financial resources to optimize allocations based on needs and priorities in relation to measurable KPIs

- **Leverage ALL Resources:** Further integrate Rock County into the strategic plan for Whitewater's success

- **Evaluate Programs:** Regularly assess the performance of existing student success and academic programs to determine their continued relevance and value
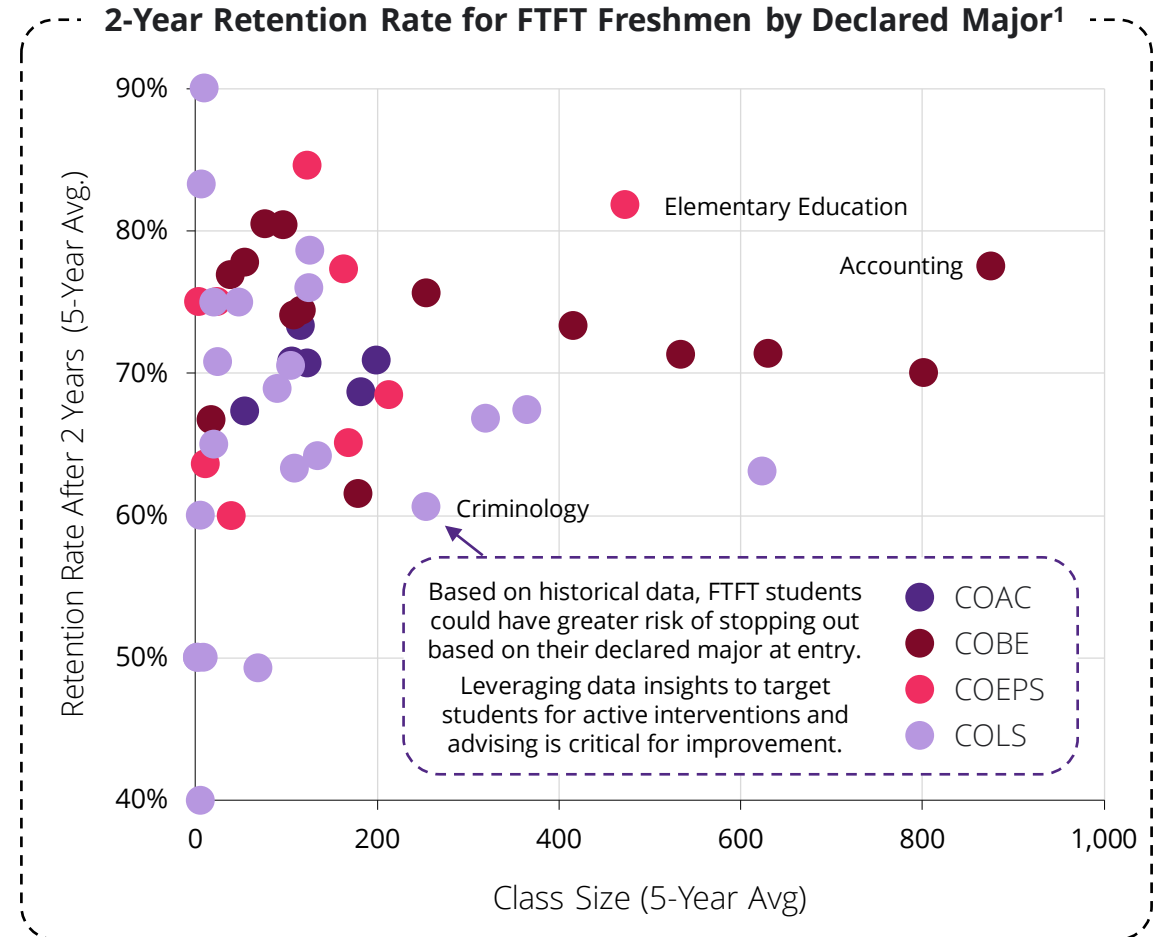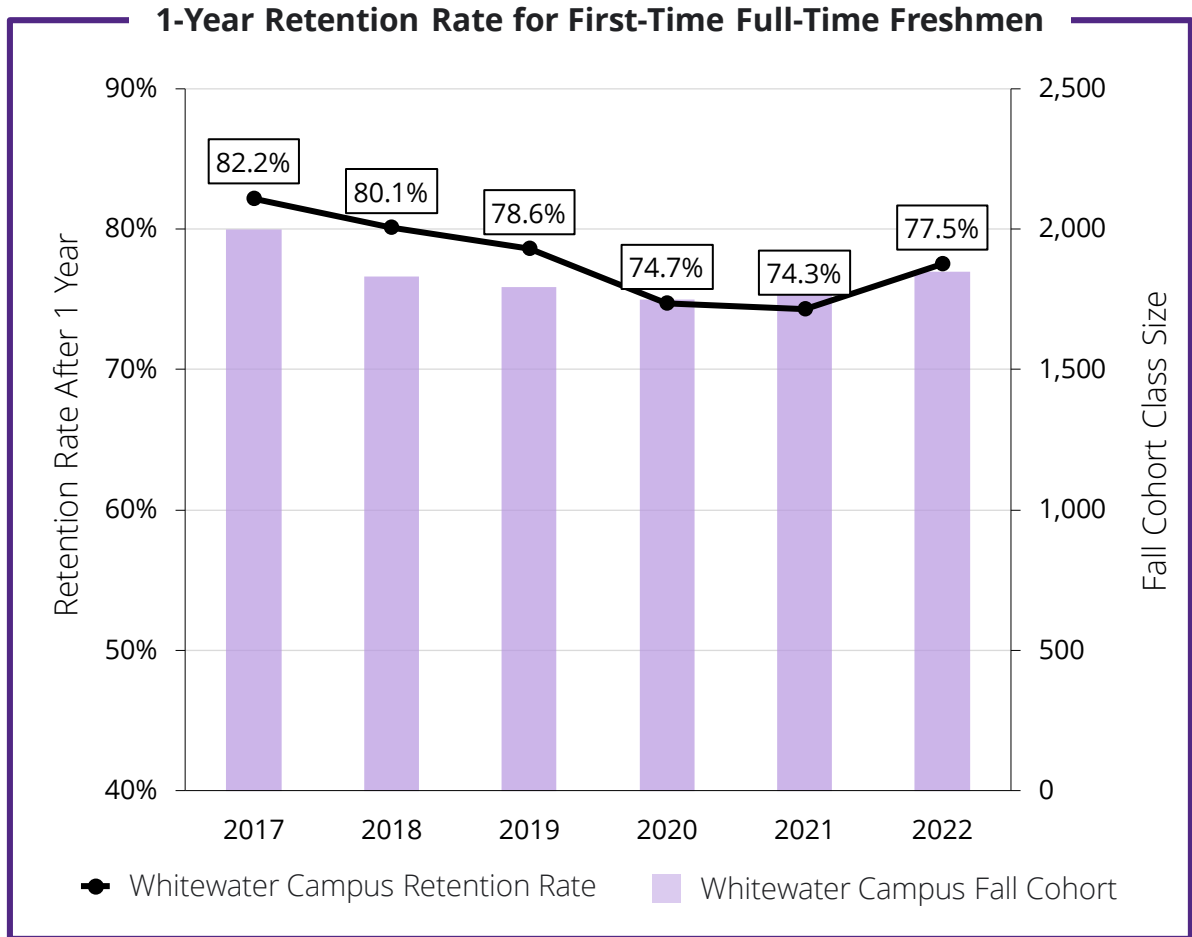
Whitewater's resources are stretched; to be successful, the University will need to make hard choices to align human resources, time, and funding to the highest and best use.

Business Case #1: Improve Retention by Enhancing the Student Journey

Declining Retention is a Key Risk to Academic Programs and Revenue

The following charts depict historical retention rates for first-time, full-time (FTFT) Fall cohorts among the Whitewater Campus. Over the last five years, Whitewater experienced a nearly 5% drop in the retention rate for freshmen students.

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

- **82.2%** (2017)
- **80.1%** (2018)
- **78.6%** (2019)
- **74.7%** (2020)
- **74.3%** (2021)
- **77.5%** (2022)

Left axis: Retention Rate After 1 Year (40%–90%)
Right axis: Fall Cohort Class Size (0–2,500)

Legend: ● Whitewater Campus Retention Rate   ▭ Whitewater Campus Fall Cohort

2-Year Retention Rate for FTFT Freshmen by Declared Major[1]

Axis: Retention Rate After 2 Years (5-Year Avg.) vs Class Size (5-Year Avg)

Labeled points: Elementary Education, Accounting, Criminology

Legend:
- COAC
- COBE
- COEPS
- COLS

Based on historical data, FTFT students could have greater risk of stopping out based on their declared major at entry.

Leveraging data insights to target students for active interventions and advising is critical for improvement.

Although Whitewater has implemented several actions to improve outcomes, recent data suggests there is more work to be done to improve retention and return it to historical rates.

Whitewater has Identified Six Strategic Actions Targeted at Student Success
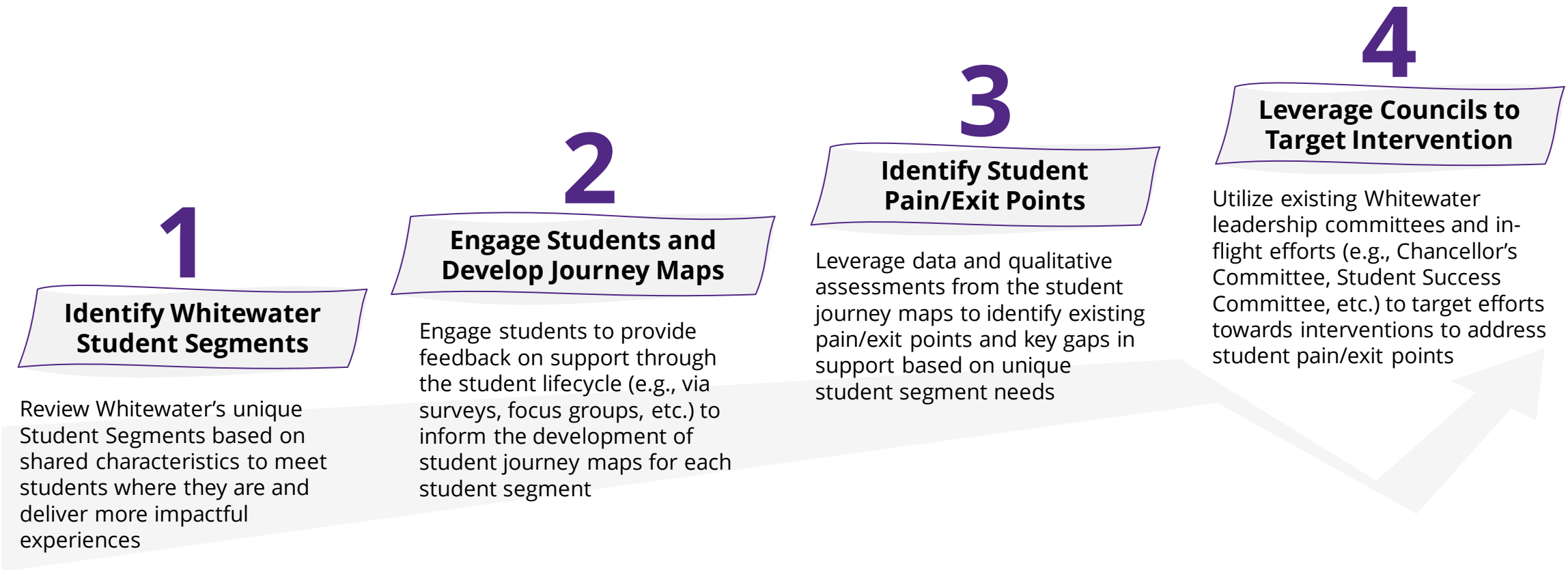
Student success and retention have been key areas of focus for strategic planning efforts. Recently, Whitewater's Strategic Planning and Budget Committee (SPBC) identified six actions for improving student success over the next five years (2023-2028).

WHITEWATER STRATEGIC ACTION ITEMS FOR STUDENT SUCCESS:

ESTABLISH CHANCELLOR'S COMMITTEE AND STUDENT SUCCESS COUNCIL
These groups will be charged with developing an institution-wide, collaborative student success network where all community members have the professional development opportunities to improve student success outcomes.

ESTABLISH A ONE-STOP SHOP FOR STUDENTS
This resource will provide easy access to student services, particularly those that support academic attainment.

UTILIZE STUDENT SUCCESS COACHES
These individuals will support students' academic and personal goals.

DEVELOP AN INSTITUTION-WIDE ADVISING MODEL
Whitewater will identify a single individual who, in collaboration with advising coordinators and others on campus, will have clear responsibilities for ensuring the advising model uses shared objectives and processes and ultimately supports student success.

HOLD AN ANNUAL STUDENT SUCCESS CONFERENCE
Each year, this event will highlight successful initiatives and identify further areas of improvement as the institution increases opportunities for student success.

IMPROVE STUDENT SUCCESS PROCESSES
Whitewater will establish a task force to examine specific student success opportunities. Initially, this group will review registration holds and student debt trends and work to enhance student social mobility.

Source: Whitewater 2023-2028 Strategic Plan

Engaging Students to Identify Pain / Exit Points is Critical for Success

In addition to the strategic actions outlined in Whitewater's 2023-2028 strategic plan, engaging students to identify pain/exit points will be critical for success.

1

Identify Whitewater Student Segments

Review Whitewater's unique Student Segments based on shared characteristics to meet students where they are and deliver more impactful experiences

2

Engage Students and Develop Journey Maps

Engage students to provide feedback on support through the student lifecycle (e.g., via surveys, focus groups, etc.) to inform the development of student journey maps for each student segment

3

Identify Student Pain/Exit Points

Leverage data and qualitative assessments from the student journey maps to identify existing pain/exit points and key gaps in support based on unique student segment needs

4

Leverage Councils to Target Intervention

Utilize existing Whitewater leadership committees and in-flight efforts (e.g., Chancellor's Committee, Student Success Committee, etc.) to target efforts towards interventions to address student pain/exit points

A robust understanding of Whitewater's Student Segments, their unique needs, and pain / exit points along the student journey can enable the institution to better target intervention efforts and deliver more impactful student experiences.

Understanding Whitewater's Student Segments is a Key First Step

Understanding Whitewater's existing Student Segments and their unique needs is a critical first step to identifying potential gaps in support and opportunities to more effectively target and tailor retention and student success strategies.

WTW Total Enrollment By Full-time Status

- 2023, 77%
- 2022, 77%
- 2021, 78%

■ Full-Time ■ Part-Time
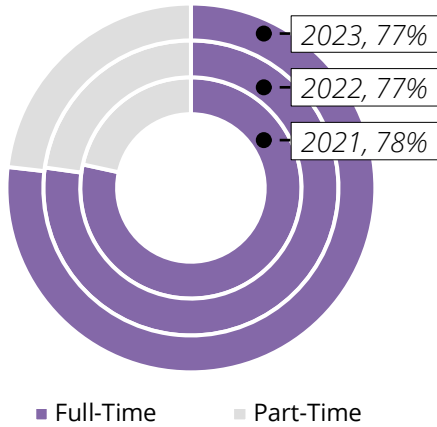
WTW Total Enrollment By Student Level

- 2023, 85%
- 2022, 85%
- 2021, 85%

■ Undergraduate ■ Graduate
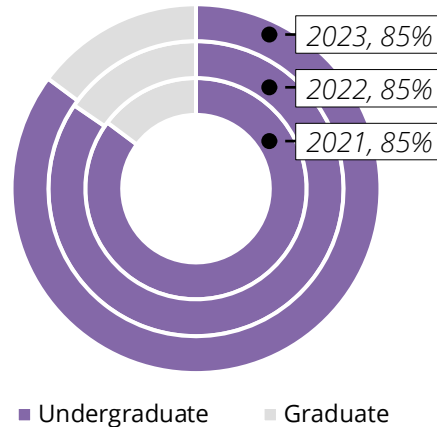
WTW Total Enrollment By Resident Status

- 2023, 81%
- 2022, 81%
- 2021, 82%

■ Resident ■ Non-Resident ■ Reciprocity
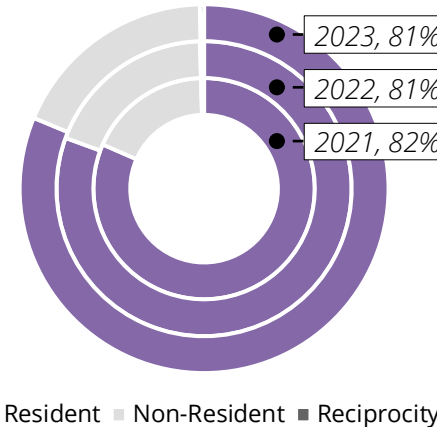
WTW Total Enrollment By URM Status

- 2023, 16%
- 2022, 15%
- 2021, 15%

■ URM ■ International ■ Non-URM
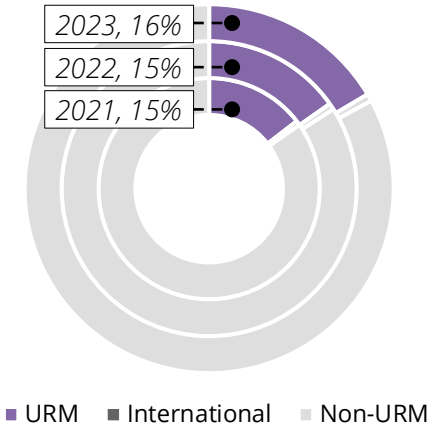
WHITEWATER STUDENT SEGMENTS:

- ■ Full-Time - Undergraduate, WI Resident
- ■ Full-Time - Undergraduate, Non-Resident*
- ■ Full-Time - Graduate, WI Resident
- ■ Full-Time - Graduate, Non-Resident*
- ■ Part-Time - Undergraduate, WI Resident
- ■ Part-Time - Undergraduate, Non-Resident*
- ■ Part-Time - Graduate, WI Resident
- ■ Part-Time - Graduate, Non-Resident*
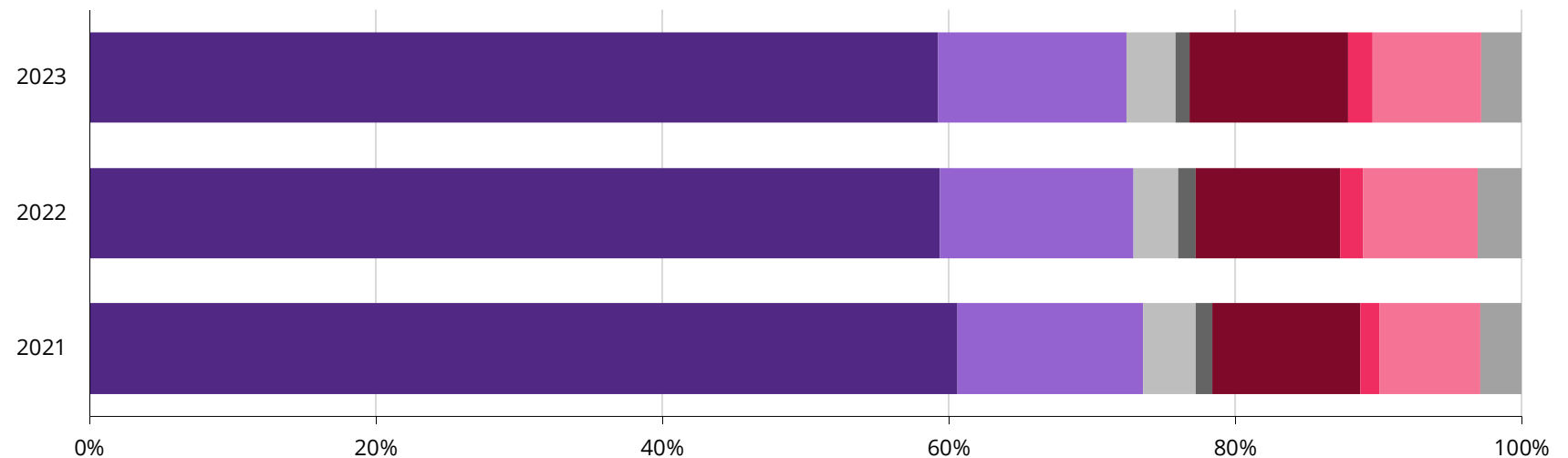
Notes: * For high level illustration purposes, Non-Resident* categories include MN Reciprocity students. Source: UW Accountability Dashboard, OPAR UWS Enroll and Credits by CIP

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Whitewater's Existing Student Segments

Existing Whitewater Student Segments
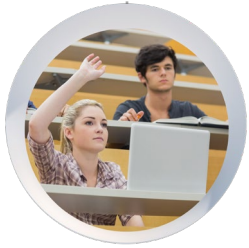
Full-time, Undergrad, WI Resident
Undergraduate students who are enrolled in courses full time and are Wisconsin residents

Full-time, Undergrad, Non-resident
Undergraduate students who are enrolled full time and are out-of-state students

Full-time, Undergrad, International
Undergraduate students who are enrolled full time and are international students

Full-time, Graduate, WI Resident
Graduate students who are enrolled in courses full time and are Wisconsin residents

Full-time, Graduate, Non-resident
Graduate students who are enrolled in courses full time and are out-of-state students
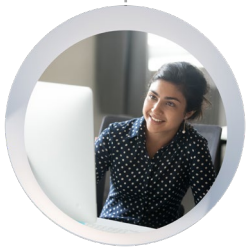
Part-time, Undergrad, WI Resident
Undergraduate students who are enrolled in courses part time and are Wisconsin residents

Part-time, Undergrad, Non-Resident
Undergraduate students who are enrolled part time and are out-of-state students

Part-time, Graduate, WI Resident
Graduate students who are enrolled in courses part time and are Wisconsin residents

Part-time, Graduate, Non-resident
Graduate students who are enrolled in courses part time and are out-of-state students

Notes: * For high level illustration purposes, Non-Resident* categories include MN Reciprocity students.

Assessing Student Journeys of Each Student Segment May Highlight Gaps

A student journey map like the one below holistically reviews the student lifecycle for unique student segments and can help identify strengths and/or gaps in student support as students make their way toward graduation.

ILLUSTRATIVE STUDENT JOURNEY MAP FOR ONE STUDENT SEGMENT:

Academic Program of Study

The academic phase of the student journey is where students can feel the most supported, especially through **strong connections with faculty**.

Students work with a limited number of Career Services staff for **hands-on guidance to plan for their future career**, including exploring jobs, internships, and other experiences to prepare for life after graduation.

Finishing Course of Study

Enrollment Actions

Student Life & Wellness

Supported — Full Support, Strong Support, Some Support

Unsupported — Gaps in Service, Student Difficulty, Lacking Support

Journey phases: Searching → Preparing → Learning → Orienting → Connecting → Future Planning → Moving On

Researching College Options

An institution's online presence is a key component of growing programs, however **accessing and searching for information online may be a challenge**.

Students may **strategize their academic plan and coursework,** selecting between core classes, and electives.

Course Registration & Degree-Planning

Co-Curricular Activities

Students engage in experiences to supplement learning beyond the classroom. Students join and lead **activities to network with other students and alumni and to explore career options and personal interests**.

Identifying touchpoints along the student journey where students may feel least supported can help institutions identify gaps and key exit points and more effectively focus resources for intervention and support.

Other Leading Practices Showing Success at Peer Institutions

Leading higher education institutions are deploying the following strategies to help students succeed and close service gaps.

Helping Students Develop Resiliency

- Leading institutions are focusing on developing student resiliency to help students succeed, both academically and post-graduation.
- Babson College's Foundations of Management and Entrepreneurship program **teaches students how to "fail forward"** by having first-year student teams create a business and take it through its entire lifecycle.
- Babson leadership believes this process of "learning to fail" has instilled resiliency in its students and has ultimately helped them achieve greater lifetime earnings than peers and a better ROI on their investment in education.

Harnessing Innovation to Improve Mental Health

- According to a recent survey of higher education presidents, nearly 75% rated mental health as the most pressing issue on their campus.
- The need for more counseling services has spurred institutions to think creatively about how to meet the increased demand and cut down on wait times, especially through technology.
- UArizona, for example, has implemented telehealth technology for remote counseling and is also implementing apps and **peer-to-peer networks where students certified in psychological first aid can offer virtual support** for other students.

Leveraging Analytics to Target Intervention

- Many institutions are investing in analytics to support data-driven student success insights.
- Monroe College uses analytics to provide a macro view of student performance and found red alerts such as a "C" in psychology that signal a student was at high risk of dropping out.
- University of Central Florida uses real-time Learning Management System (LMS) data on students' performance in specific courses to scale intervention efforts. **UCF states they can now predict with 90% accuracy a student's likelihood of success.** With data, UCF is designing actionable strategies to take to help students complete their degrees.

Targeting Inclusion for First-gen. Students

- Institutions are focusing on improving inclusion for first-generation students. Nationally, one-third of first-gen students drop out after 3 years.
- UCLA offers an Advancement Program to provide better access to academic, personal, and professional development through academic advising, peer learning, and workshops.
- UCLA has seen strong results from its **First Year Experience program, designed to build students' sense of belonging**, proficiency, and confidence through summer bridge programs, student mentorships, and orientation programs.

WTW Has an Opportunity to Drive Revenue Through Increased Retention

Whitewater has an opportunity to improve retention and drive increased revenue by enhancing the student journey through strategic actions and insights gleaned through success at other higher education institutions.

POTENTIAL IMPACT OF SCENARIO:

+2.5% Improvement to Retention to 80%

- Based on Fall 2023 cohort data, improving Whitewater's 1st year retention rate for FTFT freshmen by 2.5% to 80.0% has the potential to drive 46 more sophomore enrollments annually, or nearly 126 additional enrollments at steady state[1]. Based on current tuition rates, this has the potential to drive about $1,000,000 additional revenue at steady state.

+3.5% Improvement to Retention to 81%

- Similarly, improving the 1st year retention rate by 3.5% has the potential to drive 65 more sophomore enrollments annually, or nearly 176 enrollments at steady state[1]. Based on current tuition rates, this has the potential to drive about $1,500,000 revenue at steady state.

+4.7% Improvement to 2017-18 Peak 82%

- Finally, targeting a 1st year retention rate of 82.2% (historic peak) has the potential to drive 87 more sophomore enrollments annually, or nearly 237 enrollments at steady state[1]. Based on current tuition rates, this has the potential to drive about $1,950,000 revenue at steady state.

Hypothetical 1 Year Retention Rate for First-Time Full-Time Freshmen
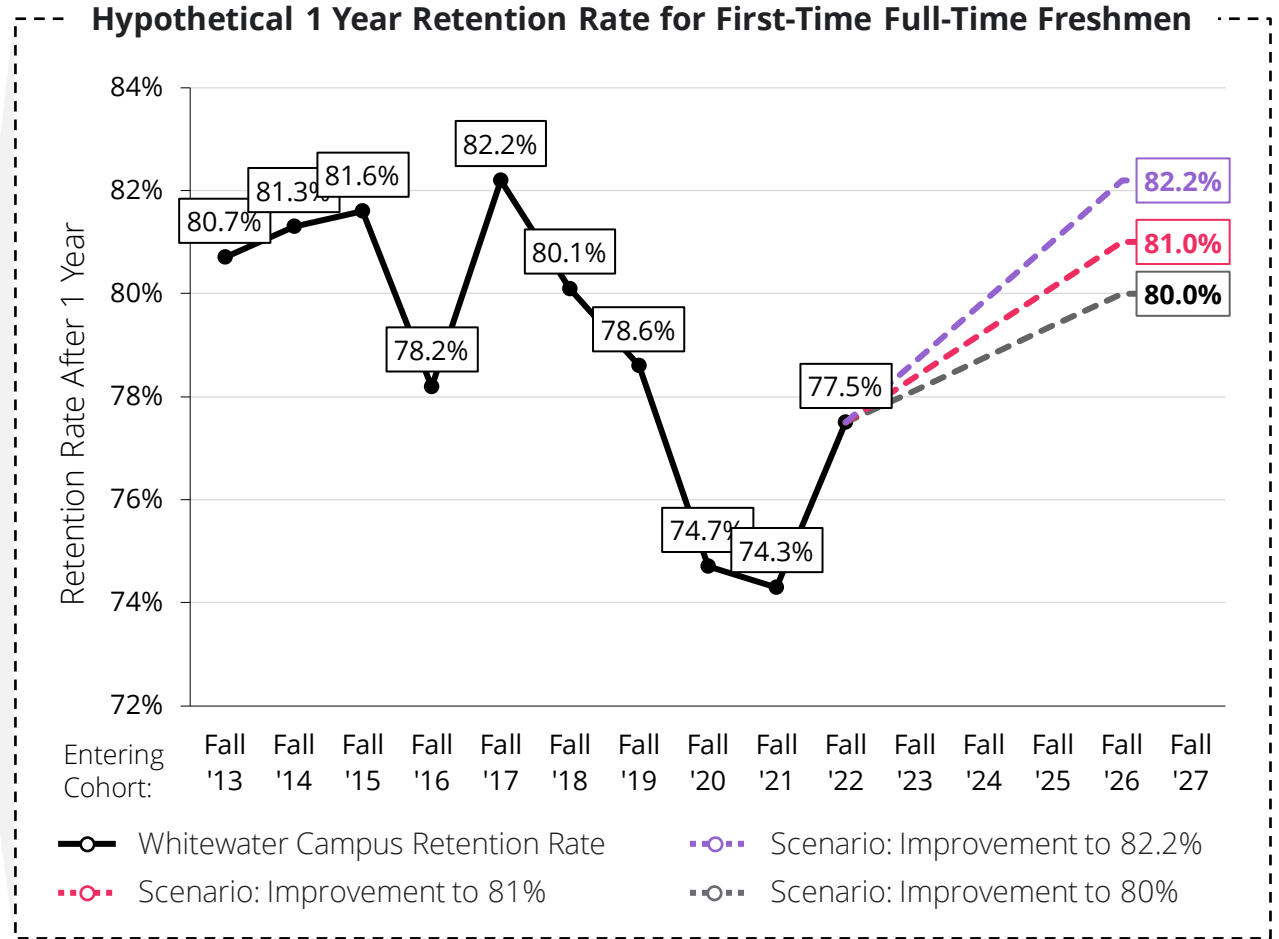
Improving Whitewater's freshmen retention rate by a target of 2-5% (i.e., back to historical levels) through strategic actions has the potential to drive nearly $1M to $2M in recurring revenue at steady state. However, this will require alignment of resources and engagement from staff to faculty – on all campuses – to achieve success.

Note: (1) Assumes no change to 2nd to 3rd and 3rd to 4th year retention rates, 89.2% and 93.1%, respectively as of the most recent year; assumes no change to fall cohort, 1,848 as of Fall 2022; and assumes no change to Whitewater undergraduate resident tuition and fee rate of $4,125.21 per semester as of AY2023-24.

Opportunity #1 Action Items

The table below outlines some of the key, high-level next steps that would need be taken to continue reversal of the trend of declining retention and aim for a return to the peak retention rate of 82% or higher.

Opportunity Delivery Check List

Project Initiation

Align the Chancellor's Committee, Student Success Council, Admissions, Enrollment and other stakeholders to the case for change	☑
Agree on institution-wide goals for improving retention, identifying success criteria; consider a base goal as well as a stretch goal, based on Whitewater's historical performance and peer current successes	☑
Establish transparent timelines for achieving goals and articulate critical milestones for checkpoints along the way	☑

Analysis and Design

Analyze current student body to identify student segments where targeted investments will have the highest impact	☑
Engage students to gather feedback on experiences through the student lifecycle (e.g., via surveys, focus groups, etc.)	☑
Use student feedback to develop journey maps (including pain/exit points) for each prioritized student segment	☑
Review any pain/exit points or other gaps by student segment and identify commonalities across segments	☑
Review gaps identified, assess if current strategies will address; where needed, design pilot intervention efforts and programming and identify efforts that are not having an impact and should be sunset	☑

Implement

Prioritize and implement pilot intervention efforts to address pain/exit points – and continuously monitor for change(s) in retention	☑
Leverage Rigorous Performance Management to evaluate and adjust intervention efforts as/if needed (expand high-performing interventions, terminate efforts that are not yielding results, etc.)	☑

Business Case #2: Diversify Enrollment Strategy

Diversify Enrollment Strategy: The Main Change Drivers

There are several noteworthy external pressures that demonstrate the opportunity and need for Whitewater to continue to broaden its student recruitment and enrollment approach to focus on growing demographics and non-traditional students.

1. High school graduation rates are on the decline

The total number of graduates completing high school in Wisconsin is forecasted to decline, with current projections showing over a -7.9% decline from 2020 to 2037.

2. The target market for students is changing

The demographic composition of the WI high school graduate body, the primary traditional source for full-time first-time college students, is undergoing rapid change, while at the same time, the number of Wisconsinites that have some college, no degree has grown at an average of over 3% YoY from 2018 – 2022, *rapidly* outpacing the state's overall population growth to comprise over 12% of the WI population.

Impact at WTW

- From peak total FTE enrollment in Fall '16 to Fall '23, Whitewater has lost nearly 2,200 students
- Out of the 2,200 students, **Whitewater lost students among key student segments that were otherwise growing across the state**
  - Over the same period, Whitewater also lost 60% of its international undergraduate student headcount
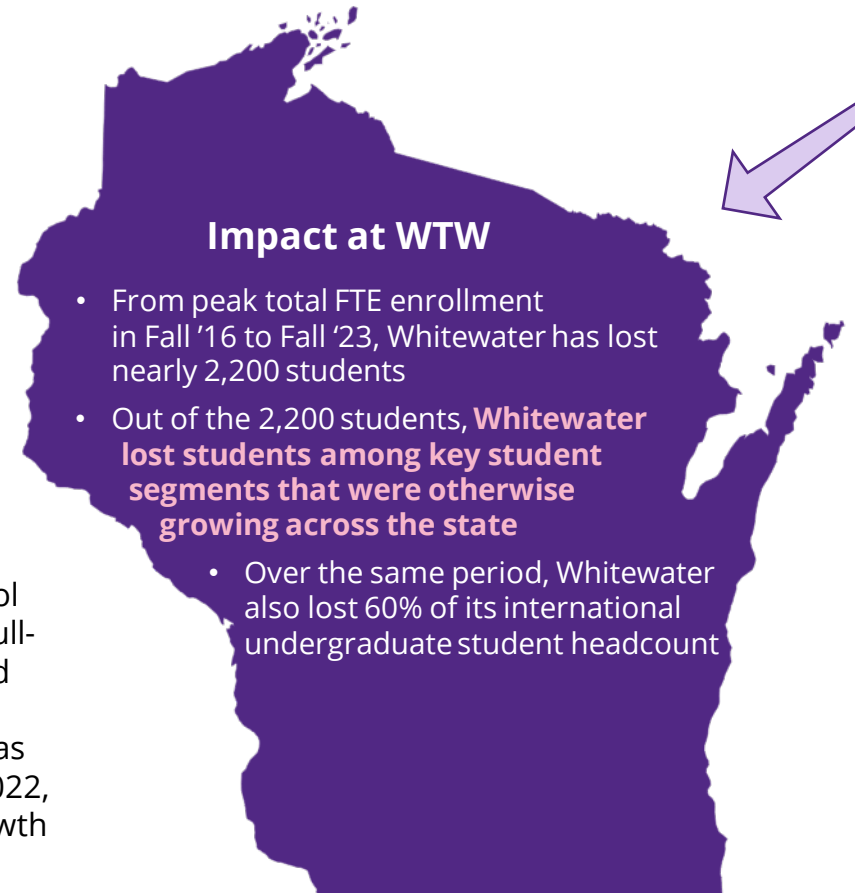
3. Perceptions of higher education

Externally, perceptions of the value of higher education have been declining, evidenced rather sharply by the *New York Times* which reported:

"...the percentage of young adults who said that a college degree is very important fell to 41 percent from 74 percent [...] now almost half of American parents say they'd prefer that their children not enroll in a four-year college."

Combined with the declining high school graduation rate, this shift in the perceived value of higher education poses a significant risk to the entire higher education sector.

Efforts Already Underway at Whitewater

Whitewater leadership has already taken several key steps towards addressing the student recruitment and enrollment challenges.

Serving all Wisconsinites

As laid out in the new Strategic Plan, Whitewater seeks to: "*Create an inclusive environment for student success.*"

The Whitewater Mission Statement further demonstrates the institution's commitment to the value of inclusion, echoing the 'Wisconsin Idea' and that Whitewater is an *inclusive educational community with a deep commitment to access that inspires us to serve students from diverse backgrounds, identities, and abilities.*

Supporting Transfer Students

Also detailed in the new Strategic Plan, Whitewater has identified 3 key action areas, each with several tactical actions, including: "*Identify[ing] clear transfer pathways for students*".

Furthermore, Whitewater's goal to enable clear pathways for transfer students is evidenced through efforts such as the 'Team Transfer', the 'Outstanding Transfer Student Award' and more.
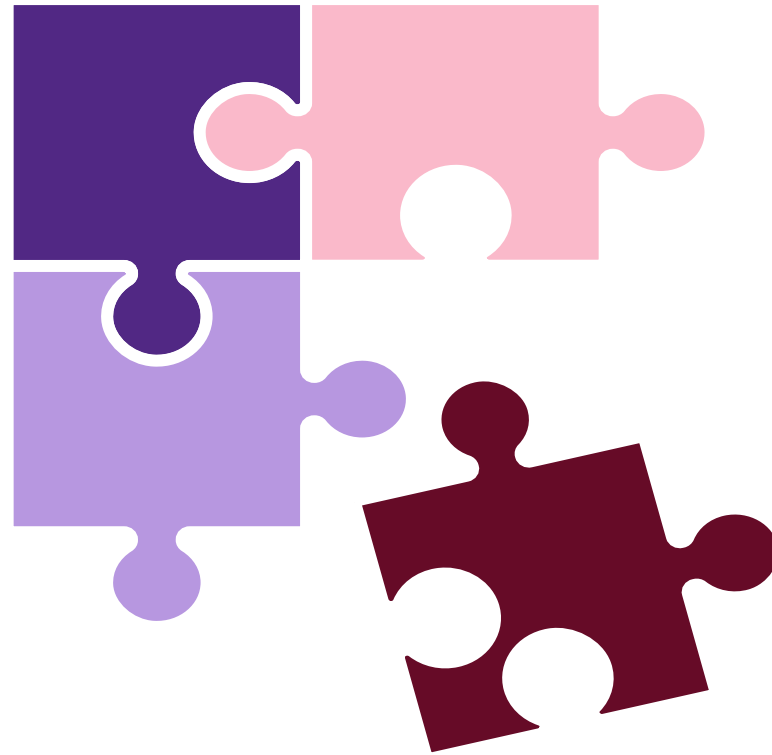
Removing Barriers to Entry

By waiving the application fee, Whitewater removed a barrier to entry, particularly for low-income students and families, and successfully increased the total number of applications received.

Given the UW single application, students now have an easier journey applying to their school(s) of choice in Wisconsin

Integration with Rock, plus the Guaranteed Transfer Program, has made it easier (and more affordable) for students to complete their four-year degree.

More to be done....

Despite these (and previous) efforts by Whitewater, enrollment figures have continued to decline the last several years, although there has been a recent uptick as of Fall of 2023.

Strategies to Increase Enrollment Among Wisconsinites

Given limited resources, Whitewater should prioritize strategies in which staff and resources can be leveraged or where little investment is needed to enhance enrollment and serve more Wisconsinites.

Hyper-Local Focused Recruiting	Identify target locales and deploy recruiting staff to focus on high schools and communities with key demographics and growing student segments
Target Messaging by Student Segment	Audit websites, communications, and other recruiting/enrollment materials to ensure that the message(s) make *all Wisconsinites* feel recognized
Understanding Needs by Student Segment	Engage with the existing student body, recent alumni, and employees to understand what attracted them to Whitewater and leverage those insights (note – this can be done in tandem with Business Case #1 efforts)
Leverage Infrastructure and Events	Leverage the Rock County campus, existing high school recruiting events, and similar assets to target adult and other non-traditional learners
Foster Current and New Partnerships	Collaborate with partners to build outreach and recruitment channels to identify transfer students, potential high school candidates, and non-traditional students such as stop-outs and adult learners

Positioning Whitewater to succeed in each of these opportunities requires a sense of urgency and Rigorous Performance Management[1], but by setting specific goals and measurable KPI targets, Whitewater will be able to identify strengths to further develop and areas for improvement.

Note: (1) See Business Case #5 for further information

Estimated Impact of Targeted Enrollment Efforts

By building on existing efforts while deploying rigorous performance management and data-driven decision making, the institution may be able to drive enrollment growth across student segments, resulting in noteworthy improvements to total enrollment.

POTENTIAL IMPACT:

With enrollment at Whitewater declining over the last several years (except for Fall 2023), and in the face of industry-wide challenges, fully reversing the downward trend - and _sustaining_ positive YoY enrollment growth - will be challenging. With that in mind, the estimated impact forecasts a range of possible growth scenarios.

Low Growth Target: +1% CAGR

While Whitewater achieved a 3.9% enrollment growth in Fall 2023, sustaining this rate may be challenging. As such, the forecast includes a 'low growth' scenario of 1% annual growth. Based on current tuition rates, this has the potential to drive a top line revenue impact of nearly $3 million.

Medium Growth Target: +2% CAGR

Similarly, as a more moderate goal, if Whitewater can sustain a 2% enrollment growth YoY, this has the potential to drive a top line revenue impact of nearly $6 million.

Aggressive Growth Target: +3.1% CAGR

To achieve the Chancellor's stated goal of returning to 13,000 students, a sustained/average enrollment growth rate of 3.1% would be required over each of the next 4 years. Similarly, this has the potential to drive a top line revenue impact of about $9 million.

Hypothetical Impact of Targeted Enrollment Efforts
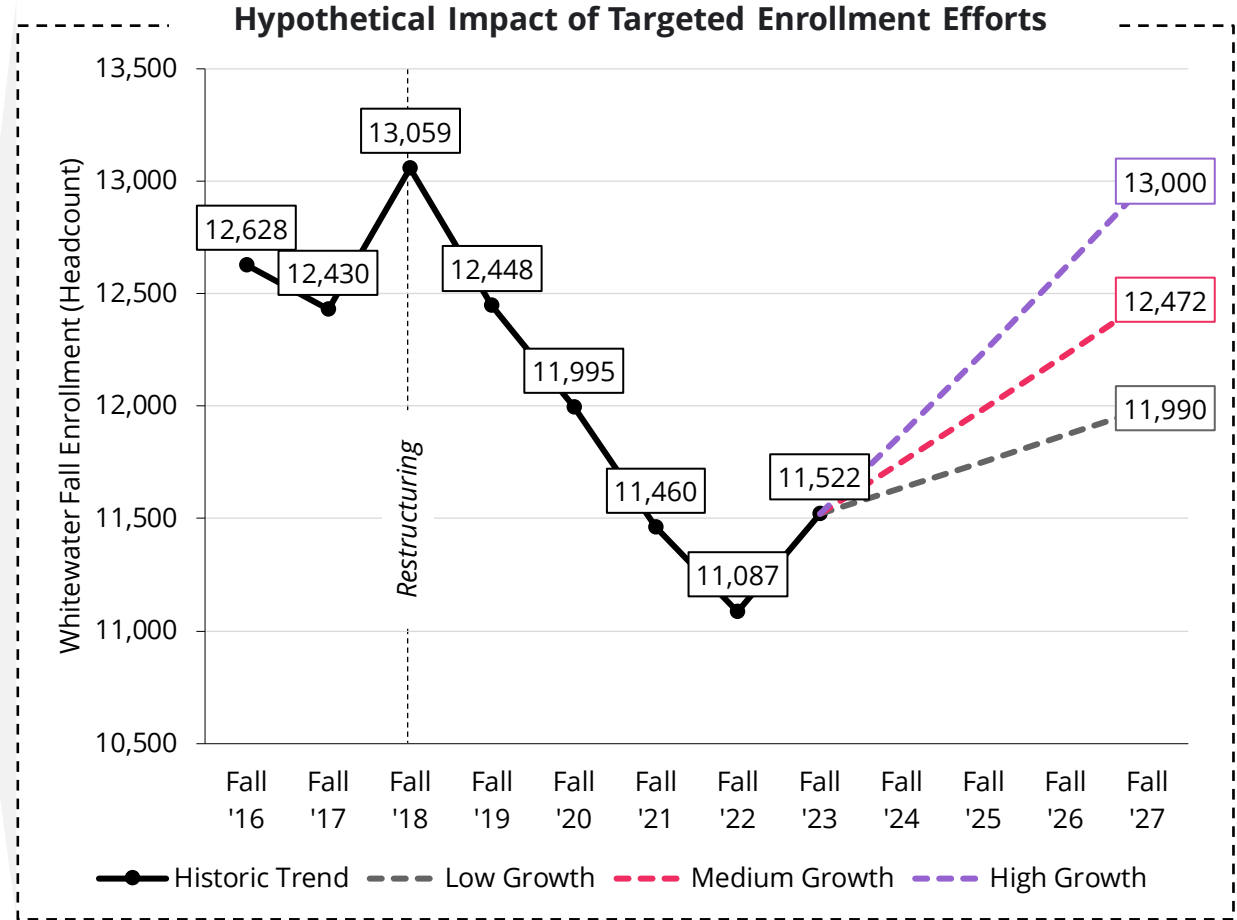
Refocusing Whitewater's enrollment strategy through strategic actions (e.g., targeting non-traditional students and growing student segments) has the potential to drive an estimated $3M to $9M in revenue by Fall 2027.

Opportunity #2 Action Items

In tandem with Business Case #1 focused on efforts to improve retention, Whitewater has the opportunity and capabilities to improve its enrollment by taking a focused look at its student segments, their needs, and *how* to best engage with each segment.

Opportunity Delivery Check List

Analyze Current Efforts

Catalogue current programs and efforts underway for student attraction and enrollment (namely – work with Admissions, Enrollment, and other key stakeholders to understand what the key drivers behind the Fall 2023 enrollment growth were ☑

Review return on investment (students enrolled per $ and/or per FTE) for recent student recruitment efforts (to enable leadership to make data-informed decisions about where to focus efforts going forward) ☑

Engage with current student body, namely key student segments, to assess 'Why did they choose Whitewater'? (in concert with Business Case #1) ☑

Design

Develop and refine priority and targeted student segments ☑

Out of the ROI analysis of current recruitment efforts - identify and expand high performing efforts ☑

For any low(er) performing recruitment areas, set goals for improving and identify success criteria ☑

Develop journey maps to include deep-dive focus on student experience, including pain / exit points, during attraction and recruitment ☑

Develop draft pilots tailored to address / mitigate each of the pain/exit points ☑

Implement and Monitor

Pilot intervention efforts to address top pain/exit points for students ☑

Assess pilot efforts to evaluate efficacy – and then expand pilot efforts or adjust tactics as needed ☑

Continuously monitor and adjust student recruitment efforts to align to Whitewater's needs, shifts in student segments, and overall performance (e.g., stop efforts that are not yielding both enrollment and positive revenue, and further invest in areas that are delivering by both measures) ☑

# Business Case #3: Develop a Policy-Based Approach to Academic Portfolio

Balancing Access to Education with Cost-Effectiveness

To serve the evolving needs of students while ensuring long-term financial sustainability, Whitewater's academic portfolio should balance access to education with program demand and cost-effectiveness.

1 **Declines degree conferrals and SCH production** across many undergraduate areas...

2 ...and **declines and variability in course section sizes** with several areas of potential under-enrollment...

3 ...and **variability in instructor teaching loads by subject** measured by SCH per FTE...
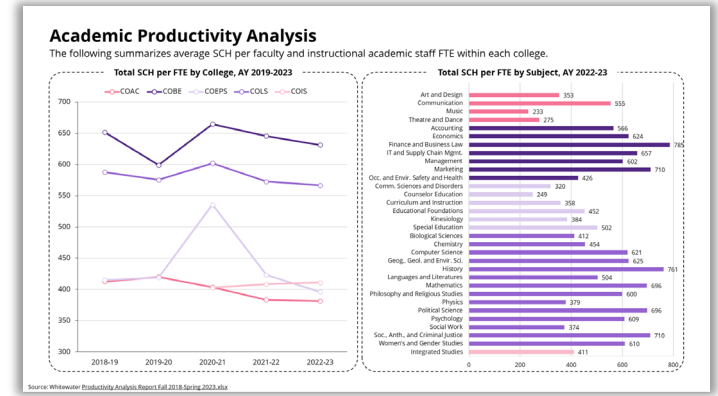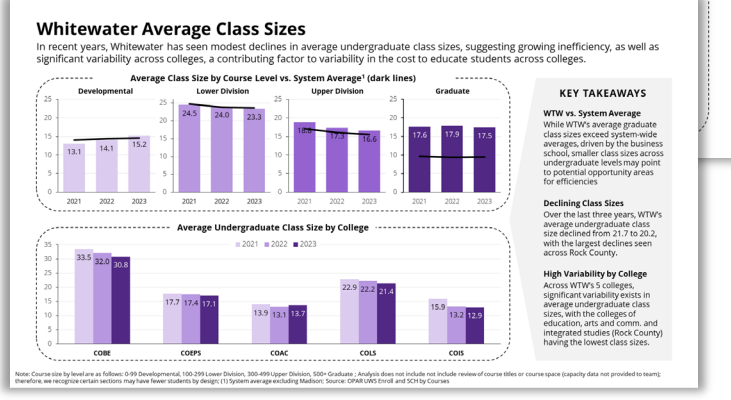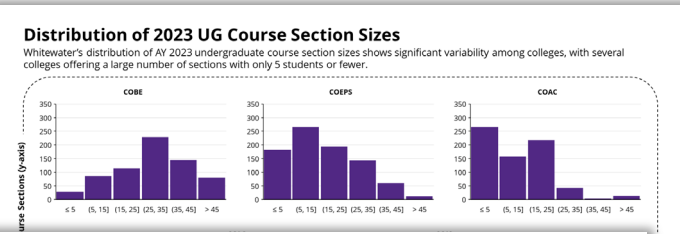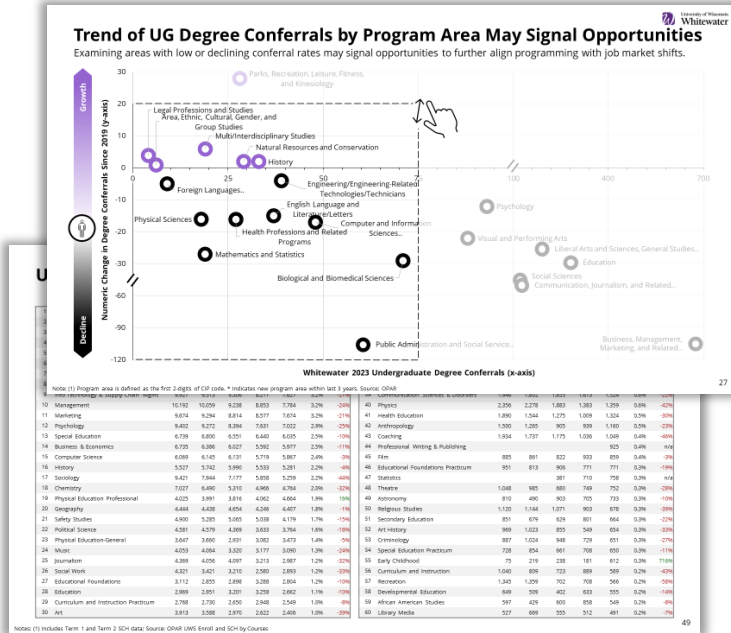
...suggest there is a need and opportunity for Whitewater to develop an agile and predictive process for maintaining the right mix of academic programs.

Note: Program area is defined as the first 2-digits of CIP code.

Developing a Policy-Based Approach to Program Array Can Enable Success

APPROACH OVERVIEW

Any efforts to review the academic portfolio and program array should be a *faculty-led process (UPARC)* – however, ultimate decision making may need to reside with the Chancellor, Provost, or other leadership.

ILLUSTRATIVE PROCESS FLOW FOR UNDERUTILIZED PROGRAM EVALUATION:

- Monitor
- Evaluate
- Adjust Incentives
- Optimize or Sunset
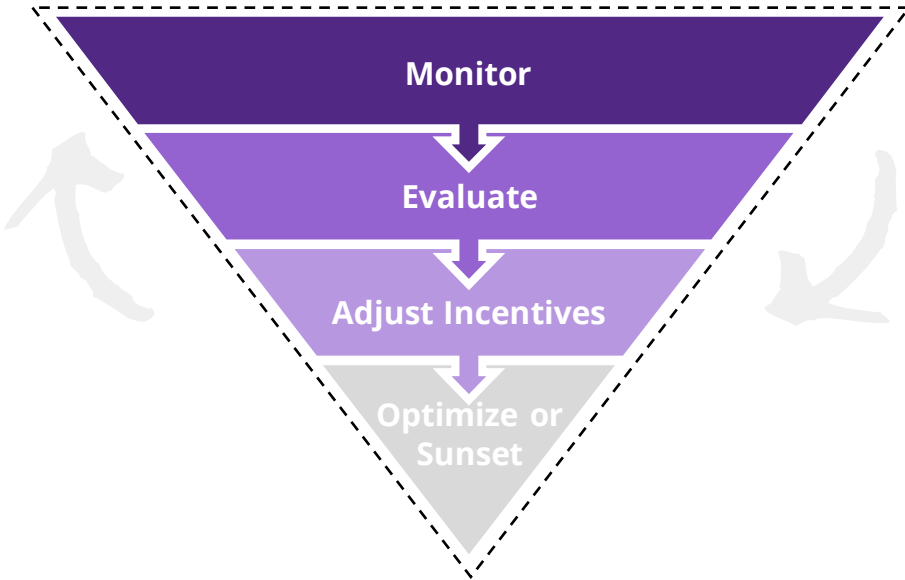
ILLUSTRATIVE KEY QUESTIONS

MONITOR: Does the program fail to meet minimum target KPI thresholds? (e.g., confer fewer than *xx* degrees per year, *x* years of declining degree conferrals, enrollment, and/or SCH, average class size below *xx, or* more than *xx*% of courses with fewer than *xx* students)

DEPENDING ON HOW FAR BELOW KPI TARGETS A PROGRAM IS, A DECISION SHOULD BE TAKEN AS TO WHETHER THE PROGRAM SHOULD BE:

➢ FLAGGED FOR ONGOING MONITORING, *or*

➢ FLAGGED FOR FURTHER EVALUATION *(move to next tier)*

EVALUATE: Does the program align to mission? (e.g., Whitewater mission or a high-demand workforce area?) Does the program generate research or material benefit not apparent in data?

➢ PROGRAM ALIGNS TO MISSION, FLIP BACK TO MONITOR

➢ PROGRAM DOES NOT ALIGN TO MISSION *(move to next tier)*

ADJUST INCENTIVES: If program-level financials do not show a surplus or indicate a path to generating a surplus, flag for incentive adjustment and further disinvestment

➢ INCENTIVE ADJUSTMENTS MAY INCLUDE REMOVAL OF COURSE RELEASES, ADMINISTRATIVE SUPPORT, CENTRAL FUNDING, OR OTHER INVESTMENTS

➢ IF ALL STRATEGIES FAIL, CONSIDER OPTIMIZING OR SUNSETTING PROGRAM

Developing a rigorous methodology and set of KPIs to evaluate the program array, including policy-based "triggers" for potential re-evaluation and/or disinvestment of underutilized programs, is critical to enabling greater success, accountability, and sustainable investment into areas of growth and high workforce demand.

Generating Savings by Reducing Low-Enrolled Section Offerings

Going a level deeper than evaluating entire academic program areas – reducing the number of course sections offered with low enrollment represents an opportunity for Whitewater to generate additional efficiencies and potential cost savings.

Approach Overview

- Evaluate average course sizes across Whitewater at a granular level (e.g., by level, college, program, etc.)

- Set 'low enrollment' thresholds that consider the context of the relevant college, program (major/minor), and alignment to institutional mission and/or state workforce needs

- Create a dashboard/reporting system that monitors course registration and section sizes each semester

- Using the dashboard/section size reporting, leadership can then make data-informed decisions on a periodic basis regarding number of course section(s) to offer

WTW 2022-23 Section Offerings Analysis[1]

Level	Average Class Size	Total Sections	Total Sections with <10 Students	% of Sections with <10 Students
Developmental	15.1	92	30	33%
Lower Division	22.5	2,521	506	20%
Upper Division	17.8	1,799	595	33%
Graduate	19.4	392	139	35%
Totals: *(all levels)*	**20.4**	**4,804**	**1,270**	**26%**

[1] *Excludes all sections with an enrollment value of 1 to exclude independent study or other similar courses from analysis*

If leadership can implement an actionable and systematic process to evaluate low enrollment courses, Whitewater can potentially generate significant savings to help resolve the budget deficit and strategically re-invest into higher priority programs and initiatives.

Note: Course size by level are as follows: 0-99 Developmental, 100-299 Lower Division, 300-499 Upper Division, 500+ Graduate; Analysis does not include not include review of course titles or course space (capacity data not provided); therefore, we recognize certain sections may have fewer students by design; Source: OPAR

Opportunity #3 Action Items

Whitewater can use the below steps as a guide to help implement a policy-based approach for evaluating the academic program array and add structure to the process with which decisions are made around the academic portfolio.

Opportunity Delivery Check List

Project Initiation

Charge Provost to identify co-sponsor(s) in Chancellor's Committee, Colleges, and budget committee(s) to set policy, governance structure, and periodic review cycles	☑
Share data with Chancellor's Committee and other stakeholders to align on needs and priorities (e.g., coordinate with Faculty to align on the business need and value of monitoring program enrollments and average course section sizes)	☑

Design Policy

|	
Led by the Provost, with faculty input, determine KPIs for policy-based academic program review (e.g., 80% of Whitewater courses should have course sections at or above enrollment of xx students)	☑
Set thresholds and policy-based "triggers" for potential investment, disinvestment, re-evaluation and/or monitoring	☑
Test approach with historical data and refine process as appropriate	☑
Document and communicate a clear, policy-based approach across the campus community	☑

Implement and Monitor

Conduct ongoing reviews of the academic portfolio to measure against KPI thresholds and highlight any low(er) performing areas	☑
Chancellor's Committee and leadership from Colleges to review identified low(er) performing areas to shift the number of course sections offered and adjust incentives (funding) for specific academic elements as/if necessary	☑
Continue to monitor programs and refine approach accordingly based on recorded outcomes (e.g., optimize and reduce programs that are not meeting criteria, and further invest in areas that are delivering by both measures)	☑

Business Case #4: Leverage Rock County to Achieve WTW's Strategic Vision

Rock County Has Experienced Consistently Declining Enrollment

Rock County lost nearly half of its student population from Fall 2012 to Fall 2023. In recent years, post restructuring, Whitewater has significantly decreased the employee footprint at Rock County in tandem with the declining enrollment.

Rock County Fall Headcount Enrollments (2012 – 2023)

Rock County Employee FTEs and Salary Spend[1]
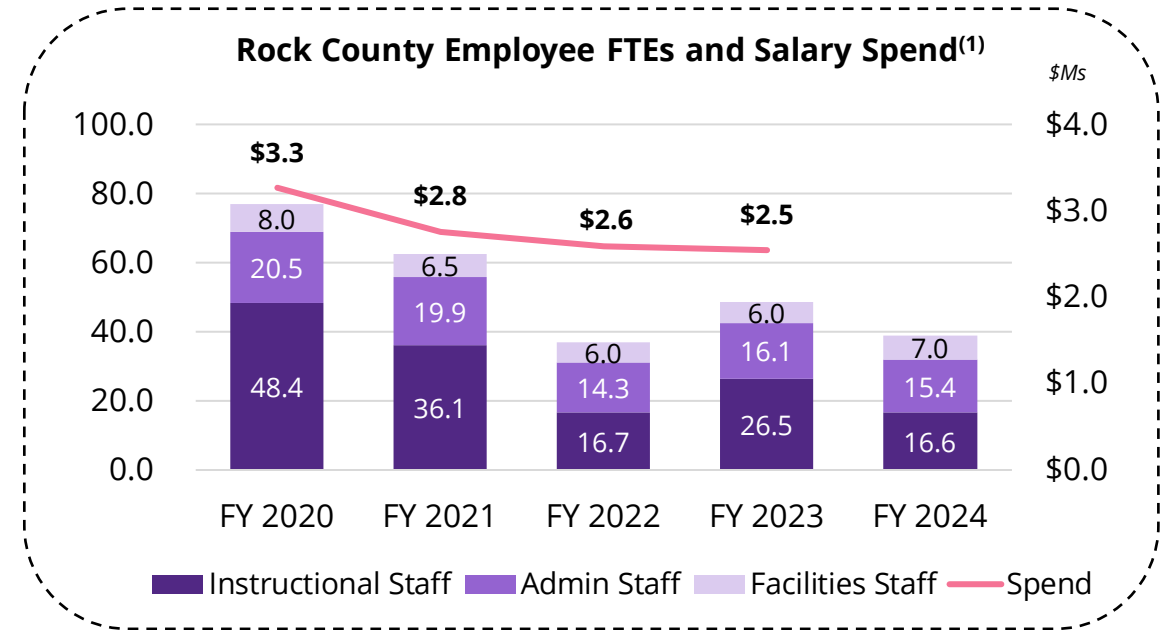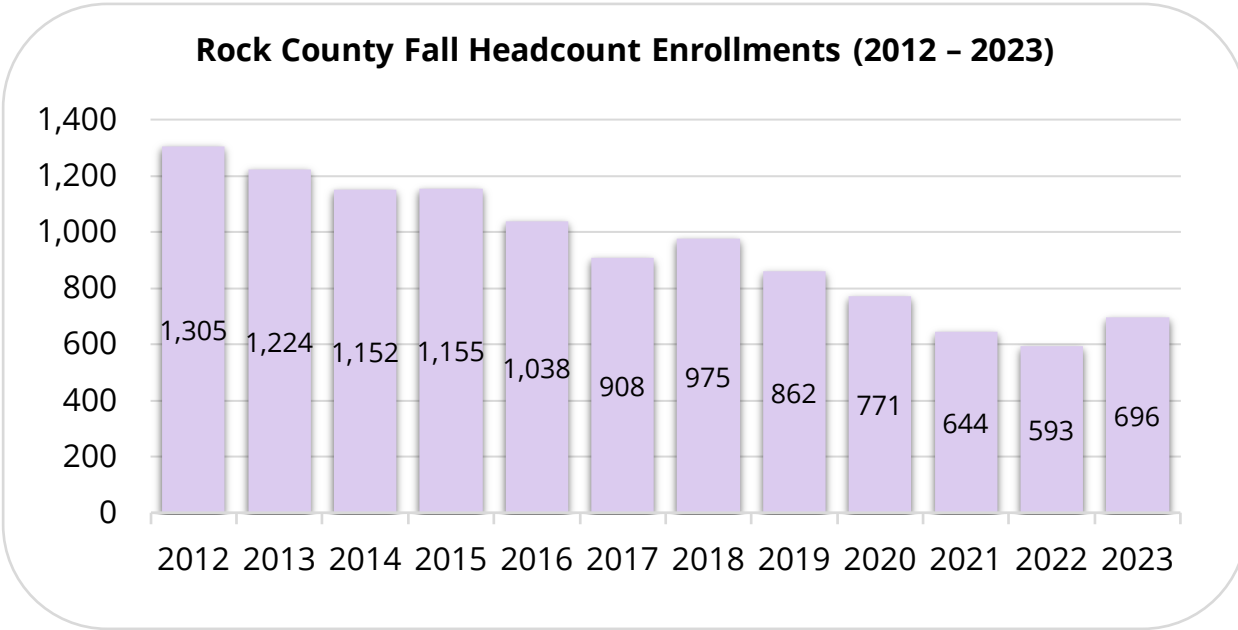
Rock County enrollment has fallen significantly....

- Operating revenues at Rock County have fallen from $4.2M in FY20 to $2.6M in FY23 as enrollment has declined precipitously since 2012, losing nearly half of the student population in that time.
- "Identify Clear Transfer Pathways for Students" and "Measure the value of our general education curriculum" are two specific initiatives in the 2023-2028 Whitewater Strategic Plan that mention COIS and highlight the opportunity to further integrate Whitewater and Rock County
- Recent strategies to bolster Rock County enrollments have included the Partners in Engineering Program at UW-Platteville launched in Fall 2020 as well as the Bachelor of Science in Nursing program in partnership with Edgewood.

...and employee count has decreased in tandem

- The total Expense spend per Student FTE at Rock County has increased from $8,437 in FY20 to $10,051 in FY23, an average increase of 6.0% per year.
- Salary spend per Student FTE has increased from $4,843 to $5,465 over the same period, an average increase of 4.1% per year.
- In FY20, when Rock County had 675 Student FTEs (862 headcount Fall 2019), the institution had ~20.5 'Administrative Staff' FTEs, or 32.9 Students per FTE. In FY23 there were 465 Student FTEs (593 headcount Fall 2022) and 15.4 'Administrative Staff' FTEs, or 28.9 Students per FTE

Potential Tactics to More Effectively Leverage Rock County

While the Rock County Division has traditionally operated at a break-even level, there is an opportunity to shift thinking of Rock County as a satellite campus managed separately to considering Rock County as an asset to help meet Whitewater's strategic goals.

Opportunity	Tactics
Integration of Academics: Can the academic offerings at Whitewater be leveraged to optimize faculty needed at Rock County?	• Programmatically, Whitewater should strive to create an integrated set of academic offerings and pathways at Rock County aligned to the ideal student mix for Whitewater. Doing this can serve as another key entry point into the Whitewater funnel, while also helping to keep students not yet prepared for Main Campus in the Whitewater pipeline • Flex course offerings, section offerings, course schedules, and modalities (synchronous, asynchronous, self-paced, etc.) in tandem with changing enrollments and academic portfolio/operations at the Main Campus to optimize the number of instructional staff needed to serve the Rock County student population, while better serving Rock County's target student population. Potential strategies include surveys of current students to identify times that are most convenient for non–traditional students (e.g., working adults) and grouping cohorts based on work schedule and class availability. • For example, Rock County can consider better utilizing Whitewater's teacher program to create an internal program, similar to the one that exists externally with Edgewater, to leverage Rock County as a place for aspiring teachers to begin their career journey before transitioning to Whitewater to complete their education and enter the workforce ***(Beaufort Community College Case Study)***
New Partnerships, Pathways, or Programs: Are there opportunities for Rock to create/expand on partnerships or to simplify and expand pathways between Main Campus and Rock County?	• Develop and/or build upon existing relationships with businesses to identify critical market needs. Partner with companies to increase opportunities for internship credit. ***(Iowa Association of Community College Case Study)*** • Leverage college-level agreements with regional/local businesses to broaden opportunities for students to engage with partners across the region ***(Baton Rouge Community College Case Study)*** • Expand early college programming in collaboration with local school districts to empower Rock County to serve as an immediate entry point into the state higher education system
Integration of Administrative Services: Are there opportunities to create a more seamless continuum of administrative services across Rock County and the Whitewater campus?	• Leverage the services being performed by Main Campus administrative staff to ensure a single administrative structure across all campuses, with a focus on services provided and campus needs: this may not reduce costs, but should work towards a more cohesive mindset across geographies • In FY24 Rock County has planned for 15.4 *'Staff'* FTEs at a rate of $0.9M, which does not include *'Faculty'* or *'Facilities'* employees[1]. These FTEs include Academic Advisor, Academic Program Specialist, Adm & Rctmt Coord I, Administrative Assistant II, Administrative Specialist, Associate Dean (B), Counselor, Dean, Lib II-Res, Learn & User Supp, Library Assistant III, Marketing Coordinator, Nurse Practitioner, and Stdnt Affairs Prog Spec • Re-evaluate the Rock County Facilities footprint as appropriate given existing leases

Notes: (1) Categorization of employees is a high-level estimate/approximation; FTE's sourced per UW System EPM Data and reflect UW Cat Total FTE; Spend reflects UW Cat Nw Rate Adj

Case Study: Student Pathways at Iowa Association of Community College

Iowa's community colleges created a statewide program in partnership with state, community, and business leaders to provide students with a clear pathway to advanced manufacturing jobs.

Iowa Association of Community College Trustees Overview

The Iowa Association of Community College Trustees (IACCT) was established in 1971 to serve Iowa's 15 community colleges and local elected boards to provide educational opportunities and programs across the State.

Transformation Overview

- Iowa's 15 community colleges partnered with the Iowa Advanced Manufacturing Consortium to develop the *Elevate Iowa* campaign to help address the workforce shortage and improve the perception of advanced manufacturing.

- A robust marketing campaign was developed to demonstrate to potential employees that manufacturing is an advanced sector with substantial career opportunities.

- The Iowa Association of Business and Industry (IABI) worked with community, education, and business leaders to develop a curriculum and program that aligned with workforce needs.

- Each year, the 15 community colleges contribute $10,000 to the program, which is then matched by IABI.

- Students in the program are connected with pathway navigators who assist them with issues that arise in and outside the classroom.

Takeaways

- The campaign helped increase IACCT's enrollment for skilled trade programs by 9.9%, welder technology program by 20%, and manufacturing credit hours by 14.5% in the second fiscal year.

- The program has served over 3,000 students and over 40,000 credit hours were earned through I-AM grant programs.

Sources: ACCT, Elevate Iowa, Elevate Advanced Manufacturing, IACCT, Elevate Iowa Testimonials

Case Study: Teacher Education Program at Beaufort County Comm. College

Beaufort County Community College developed two teacher preparation programs to help address the teacher shortages in North Carolina's rural communities.

Beaufort County Community College Overview

As part of the North Carolina Community College System, Beaufort County Community College (BCCC) serves over 2,000 students in Beaufort, Hyde, Tyrrell, and Washington counties. BCCC is SACSCOC accredited institution and offers over 90 different programs.

Transformation Overview

- In 2020, BCCC created two teacher preparation programs to help address the critical teacher shortage in North Carolina's rural areas with the hope to recruit future teachers who are more likely to settle closer to home.

- Students who obtain an Associates in Arts or Science in Teacher Preparation can transfer into the University of North Carolina System or to Signatory Institutions of North Carolina Independent Colleges and Universities with a junior status.

- Courses are taught in-person and online to provide students with flexibility.

- Students must graduate with a 2.7 GPA or higher and complete 45 semester hours in general education and 14 hours of education courses.

- BCCC works with Beaufort County Schools and three County Boards of Education to provide students with career opportunities post-degree.

Takeaways

- By completing the first two years at BCCC, students can save $10,000-$14,000 in tuition fees.

- The program provides students with immediate employment opportunities post-completion, increases diversity in the State's teaching population, and lowers the gap in teacher shortages in underserved areas.

Sources: NC Community Colleges, BCCC, Beaufort Two New Degrees

Case Study: Corporate Partnerships at Batton Rouge Comm. College

Baton Rouge Community College partnered with ExxonMobil to provide students with a fast track, tuition-free industrial training program and connect them with local business for full-time employment.

Baton Rouge Community College Overview

Baton Rouge Community College (BRCC) is one of the largest colleges in the LCTCS System, enrolling over 11,000 students in more than 50 different programs. BRCC has nine campuses located across the greater Baton Rouge metropolitan area.

Transformation Overview

- In October 2012, BRCC partnered with ExxonMobil to create the North Baton Rouge Industrial Training Initiative (NBRITI) to recruit, train, and develop students for careers with local industrial employers.

- The program targets individuals interested in high-demand, technical fields such as welding, pipefitting, electrical, and millwrighting.

- Classes are offered in the evenings over a 12-month period, and students who complete the program receive credentials from the National Center for Construction and Research (NCCER).

- The program also offers social and life skills development such as tutoring, financial literacy training, and resume and interview assistance.

Takeaways

- Local partnerships help offset costs to enable BRCC to offer the program free of tuition.

- The program unites industry, community, and educational partners to provide students with sustainable workforce education opportunities.

- Partnership can provide students with a career pathway and long-term mobility in specialty crafts.

Sources: Tuition-Free Program Offered by BRCC, ExxonMobil; Removing the Roadblock, NBRITI Selects 200 New Students

Opportunity #4 Action Items

Whitewater can integrate Rock County as part of the other opportunities and tactics, to ensure a holistic perspective on how the campus best fits into Whitewater's future-state vision is taken.

Opportunity Delivery Check List

Project Initiation

Chancellor's Committee, Admissions, Enrollment (others as needed) set goals for Rock County's place in Whitewater's strategic mission and vision ☑

Administrative

Identify areas to optimize alignment and integration between operations and staffing at Whitewater (main campus) and Rock County ☑

Academic

Evaluate and assess whether courses taught in-person at Rock can be adjusted to online/asynchronous/self-paced with main campus instructors ☑

Determine how Rock County best fits into the student roadmap, and for which student segments (in tandem with Business Cases #1 and #2) ☑

Integrate Rock County into the roadmap for applicable student segments (e.g., non-traditional) as a clear pathway or step to/from main campus ☑

Create an integrated set of academic offerings and pathways at Rock County aligned to the ideal student mix for Whitewater ☑

Partnerships

Reach out to local high schools to help grow the pipeline and pathway from local schools to Rock County and main campus ☑

Reach out to community groups, regional businesses, and organizations to see if partnership opportunities exist ☑

Implement and Monitor

Periodically (minimum annually) review efforts to assess progress against set goals and targets – and then double-down/adjust as needed ☑

Business Case #5: Create a Culture of Urgency and Accountability

Create a Culture of Urgency and Accountability

As Whitewater seeks to resolve its structural deficit and make progress on the agreed upon opportunities, the following tactics can help promote a culture of urgency and accountability so that all stakeholders are working toward a common goal.

GUIDING PRINCIPLES

Leadership Through Accountability

Through 'leading by example', Whitewater leadership – and key committees or change champions – can set the tone for the rest of the campus community

Create a Culture of Innovation

Higher Education is facing a rapid pace of change. Whitewater should create a culture that welcomes innovation and entrepreneurialism to position the institution for long-term sustainability and success

Goal: *Financial Sustainability*

Data-Informed Decision Making

Having the right data, KPIs, and metrics in place will enable Whitewater to decide how / when to make difficult decisions

Rigorous Performance Management

Learning through past experiences and setting and monitoring KPIs will enable Whitewater to thoroughly evaluate progress towards removing existing deficits

Leadership through Accountability

As enrollment trends, especially on the undergraduate side, have challenged operating performance, UW-Whitewater may choose to implement a funding model that ties budget funding to performance for both academic units and administrative units.

Incentive-based models provide:

- **Strategic funding** that can be linked to university goals and priorities

- Opportunities to **grow sources of funding** over time through set criteria

- **Transparency of sources and uses** and clear performance measures

- A clear methodology to enhance **decision-making and accountability**

- A tool that allocates resources more **efficiently and responsibly**

- **Rationalization** of support center operating expenses through service level agreements

Incentivize Performance in Academic Units

- Define the measures within the academic units that are most closely tied to revenue generation (e.g., student credit hours, degrees conferred, retention, etc.)

- Allocate both state appropriation and tuition funding to the colleges in a manner that is tied to performance

- Provide incentives to manage expenses such as allowing units to keep carryforward funds to reinvest in the college

Incentivize Performance in Support Units

- Establish service level agreements for each support unit within the university that outlines services provided to the campus and the quality of the services being provided

- Establish a set of KPIs for each unit that sets benchmarks for the level of quality expected. Sample KPIs are shown below:

  o Human Resources: yearly percentage of personnel evaluated
  o Financial Services: days payable outstanding
  o Information Technology: ticket turnover rate
  o Student Services: student satisfaction surveys

Case Study: Budget Model Redesign at Florida Atlantic University

Florida Atlantic University (FAU) recognized that its incremental budget model did not enable units to innovate and grow in alignment with the University's ambitious goals. The goals set by the strategic planning process are clear—become an R1 institution, crack the U.S. News Top-100 list, and expand the faculty and student body.

Florida Atlantic University

Florida Atlantic University (FAU), established in 1961, officially opened its doors in 1964 as the fifth public university in Florida. Today, the University serves more than 30,000 undergraduate and graduate students across six campuses located along the southeast Florida coast.

Business Case Overview

- **FAU engaged 40+ stakeholders** — including all academic deans—to assess current-state pain points and bright spots, as well as gather ideas on potential paths forward

- **FAU conducted a Business Process Maturity Model workshop** with ~20 participants to gather feedback on current budget and financial planning functions at FAU

- **FAU held future-state visioning workshops** with central finance leadership to align on preliminary guardrails for a future budget model

- **FAU developed a recommendation for a performance-based budget model** – inclusive of three option paths forward, which were composed of strategies for allocating tuition, state appropriations, indirect costs, subvention & strategic funding, and carry forward—and created implementation roadmap for design and build phases

Impact

- FAU is currently in the design phase of its model implementation and is testing how the model will drive outcomes. The model will set clear targets for deans, unit leaders, and the overall institution to make progress on their strategic plan and creates pathways to meet targets by dates defined in the strategic plan. Lastly, the allocation drivers within the model are designed around metrics and behaviors that FAU and the Board seek to hold their leaders accountable to.

Rigorous Performance and Talent Management

Talent management was a recurring theme throughout interviews; accountability begins with leadership but should also trickle down into all organizational levels so that each employee has clear purpose, understands their performance, and has pathways to develop.

Interview Pain Points	Remediation
Performance Evaluations: Systematic performance evaluations are not the standard across divisions as the institution does not have a clear culture of open feedback.	Whitewater needs to create a culture of continuous real-time feedback and a mechanism by which employees are evaluated in a manner that points out strengths, offers room from growth, and determines if goals for the year have been met.
Turnover and Succession Planning: File storage and knowledge transfer is not done in an intentional way. Slow times to hire can exacerbate knowledge loss during turnover.	Rigorous performance and talent management includes finding pathways for in-house employees to take leadership roles while ensuring operations continue smoothly during job transitions. Attention to record retention, job aides, and documentation can help ease pains and ensure knowledge is not lost due to turnover.
Onboarding: The onboarding experience varies across divisions but has been mostly described as "on the job training" with no formal orientation.	Formal onboarding helps drive inclusivity, gives clear pathways for new employees to ask questions, and helps employees acclimate to organizational norms faster. According to the Society for HR Management, 69% of employees are more likely to stay with a company for three years if they experienced great onboarding.
Low Employee Morale: Although morale appears to be improving, this is a key area to monitor given the strain increased turnover would have on already stretched resources.	A recent survey of 67K employees shows engagement has hit a 9-yr low as just 32% of employees consider themselves engaged, a key indicator of job satisfaction. CUPA finds that in addition to increased pay, higher ed employees are seeking remote opportunities, flexible schedules, career pathways, and new challenges in their jobs.

"Job satisfaction/well-being is the strongest predictor of retention by far. Although employees are most likely to say they're looking for other opportunities to receive a pay increase… receiving recognition for one's contributions, being valued by others at work, and having a sense of belonging are far more important than fair pay in predicting whether employees will look for other job opportunities."

Sources: CUPA.org, CUPA-HR 2023 Higher Education Employee Retention Survey, The Society for Human Resource Management

Data-Informed Decision Making through Financial Tools

The University should create an executive dashboard for the Chancellor that displays at a glance the metrics that are most clearly tied to university performance. This dashboard can be used to drive cabinet agendas and keep a pulse on strategic plan progress.
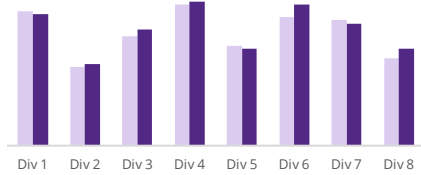
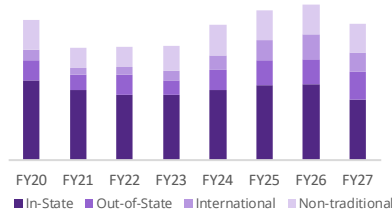**CHANCELLOR DASHBOARD IS ILLUSTRATIVE AND IS FOR DISCUSSION PURPOSES ONLY**

Finance

Revenue In-Year Forecast

Revenue	PFY	Proj	Budget	Variance
State Approp.	$ 27.3	$ 31.0	$ 30.4	▲
Tuition and Fees	32.3	33.8	33.1	▲
SBP Pool	13.0	12.8	13.1	▼
Central Pool	19.3	21.0	20.0	▲
Sales & Svcs	4.2	4.3	4.1	▲
Total	**$ 96.1**	**$ 102.9**	**$ 100.7**	▲

Expenses In-Year Forecast

Expenses	PFY	Proj	Budget	Variance
Faculty Salaries	$40.0	$40.6	$40.3	▲
Staff Salaries	22.0	23.9	23.0	▲
Scholarships	5.6	7.6	7.7	▼
Supplies	12.0	12.3	13.1	▼
O&M	5.0	7.7	8.5	▼
Depreciation	6.4	7.9	8.2	▼
Total	**$ 91.0**	**$ 100.0**	**$ 100.8**	▼

Student to Admin FTE Ratio

Budget vs Actuals by Division

Div 1, Div 2, Div 3, Div 4, Div 5, Div 6, Div 7, Div 8

Five-Year Forecast

PFY, CFY, FY 2024, FY 2025, FY 2026, FY 2027, FY 2028

Revenues — Expenses — Margin

PR Balances Report

Target

FY20, FY21, FY22, FY23, FY24, FY25, FY26, FY27

Academics and Student Success

Enrollment by Student Type

FY20, FY21, FY22, FY23, FY24, FY25, FY26, FY27

In-State, Out-of-State, International, Non-traditional

Average SCH by Faculty FTE

College 1, College 2, College 3, College 4, College 5

Tenure, Tenure Track, Instr Staff, Adjunct

Student to Faculty FTE Ratio

FY18, FY19, FY20, FY21, FY22, FY23, FY24

Retention Rate by Student Type

FY 2018, FY 2019, FY 2020, FY 2021, FY 2022, FY 2023

College 1, College 2, College 3, College 4, College 5

YTD Tuition Deposits

Jul, Aug, Sept, Oct, Nov, Dec, Janu, Feb, Mar, Apr, May, June
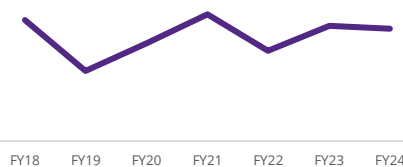
Application Conversions

FY18, FY19, FY20, FY21, FY22

Inquiries, Applications, Acceptances, Matriculations
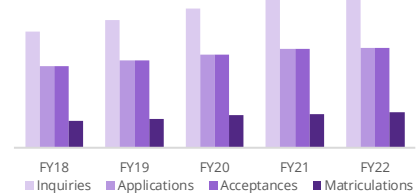
DASHBOARD ACTION STEPS

- ❑ Set 5-year performance goals for the institution and urge leaders to set divisional goals
- ❑ Gather cross-functional and cross-divisional feedback on metric calculations
- ❑ Gather requirements and inputs to capture data and track progress
- ❑ Build a user-friendly dashboard with drill-down capabilities for divisional targets
- ❑ Drive leadership meeting agendas with progress reports on meeting targets
- ❑ Review dashboards and update as priorities shift and targets are met
- ❑ Celebrate successes

Opportunity #5 Action Items

Whitewater can move the needle in a meaningful way to work towards '$0 deficit by FY28' by using some of the tactics below to guide leadership in developing and implementing a 'Culture of Urgency and Accountability'.

Opportunity Delivery Check List

Incentive Based Performance *(Sample Steps)*

Establish budget model guiding principles and governance structure	☑
Establish actuals budget model structure including finalizing in-scope and out of scope funds and allocable revenue and expense pools	☑
Build a baseline budget model with prioritized incentives, appropriate allocation drivers for revenues, a methodology for central funding, select cost pools and drivers for indirect allocation, and determine the philosophy and purpose behind strategic subvention	☑
Build and finalize a customized budget model inclusive of feedback from academic and administrative stakeholders, the appropriate level of funding needed centrally and for subvention, and confirmed allocation methodologies, weights, and percentages	☑
Establish service level agreements (SLA) for each support unit within the university that outlines services provided to the campus and the quality of the services being provided, as well as accountability metrics to measure and incentivize performance	☑

Talent Management

Develop structure and principles for talent management	☑
Implement a consistent and engaging process and timeline for both the onboarding process and performance evaluations	☑
Build in additional tools to aid in succession planning, including file sharing and knowledge transfer	☑

Data-Informed Decision Making

Develop forecasting and long-range financial planning capabilities, including scenario modeling and 'what if' analysis	☑
Build an integrated and comprehensive long-term planning approach that incorporates Finance, Human Resources, Technology/IT, Academics, Facilities, Faculty, Staff, etc., in tandem with the long-range financial plan	☑
Use consistent templates for budget vs actuals reporting, with regular reviews with leadership	☑
Develop an internal KPI dashboard that can be reviewed on a consistent basis (e.g., monthly), inclusive of multiple, standardized metrics	☑

Stakeholder Engagement and Change Management

Stakeholder Engagement Will Be Critical to Success

By proactively engaging stakeholders in decision-making, implementation, and the change management journey, a variety of priorities and points of view can be addressed to enable opportunity achievement.

Representative Whitewater Stakeholders to Facilitate and Support Decision-Making and Implementation:

SHARED GOVERNANCE

DEPARTMENT CHAIRS

FACULTY

STUDENTS

ALUMNI

WHITEWATER COMMUNITY

CHANCELLOR

PROVOST

FUNCTIONAL LEADERS

STUDENT SERVICES

SPBC COMMITTEE

UW-SYSTEM OFFICE

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Effective Change Management Will be Critical to Success

Change management is foundational to any successful transformation. The seven principles delineated below will be crucial for Whitewater to implement the effective change management needed to underpin any proposed changes.

1 Start with the End in Mind

Successful change efforts should begin by bringing together the necessary players to drive alignment amongst key leadership and the major stakeholders who will be impacted by the change(s) proposed.

2 Understand Institutional Culture

An understanding of the existing culture at Whitewater should be the foundation of any undertaking to ensure that efforts align with, act on, and uphold the institution's values.

3 Communicate, Communicate, Communicate

Different people consume information in different ways. Knowing the media and language that works best for your audience(s) and creating opportunities for two-way dialogue will help build a critical mass of support.

4 Walk a Mile in the Shoes of Those Whose Roles May Change

The employee experience should be valued the same as the student experience. Therefore, it is important to understand every step of the change journey for faculty, staff, and administrators and how it could affect their day-to-day work.

5 Create Win-Wins and Align Incentives

Find ways for the colleges, divisions, and individuals to benefit from the envisioned changes.

6 Embrace Incrementalism to Drive Change

Starting with a bold goal in mind and taking small steps relentlessly can build organizational capital in the same way that compounding annual investment returns can build wealth.

7 You Won't Get What You Don't Measure

It's critical to ensure that leadership is aligned on the vision and success criteria from the start, including creating mechanisms for measuring and monitoring success. The resulting data and insights can then be used to continuously calibrate.