



University of Wisconsin  
**Whitewater**

# Financial Update

02/26/2024

# Deloitte Report

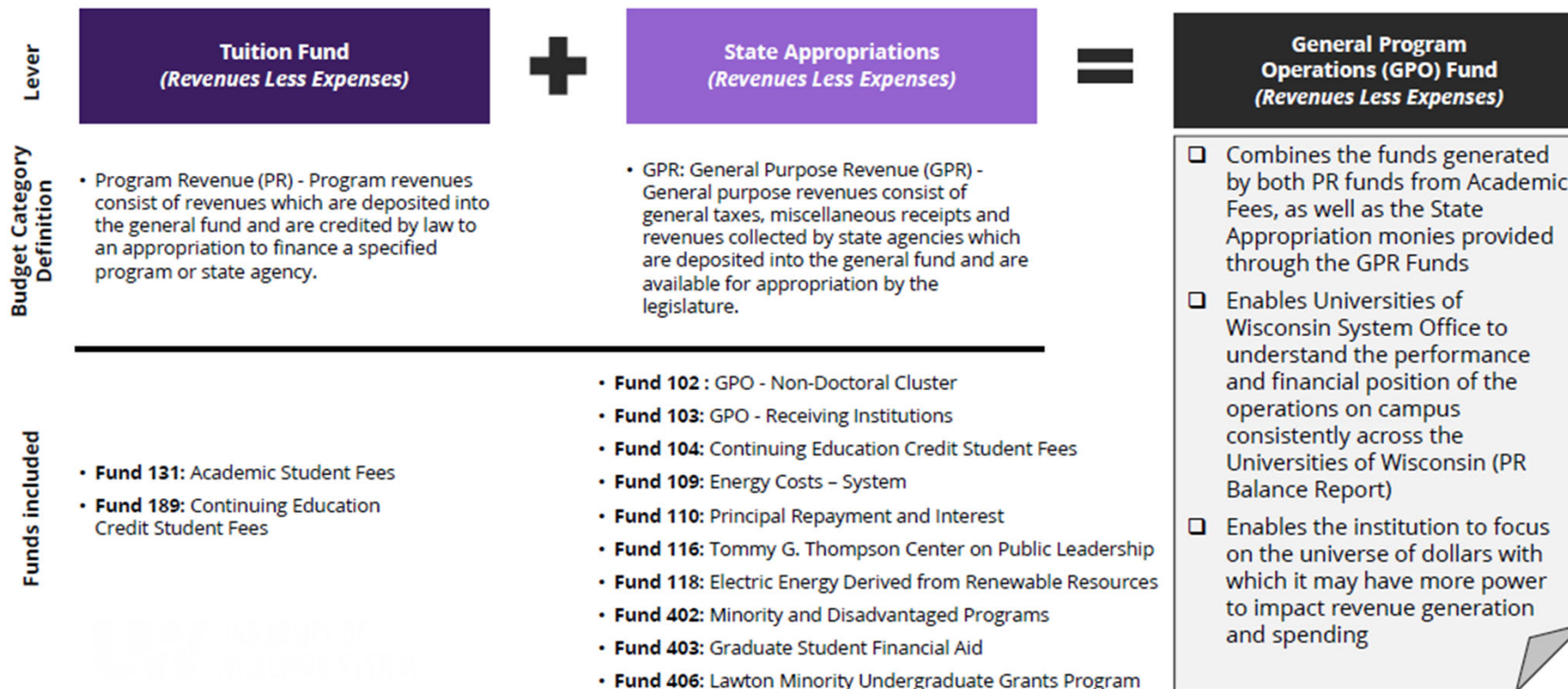
## ❖ Received Final Draft of the report

- Current State Assessment
- Opportunity Report

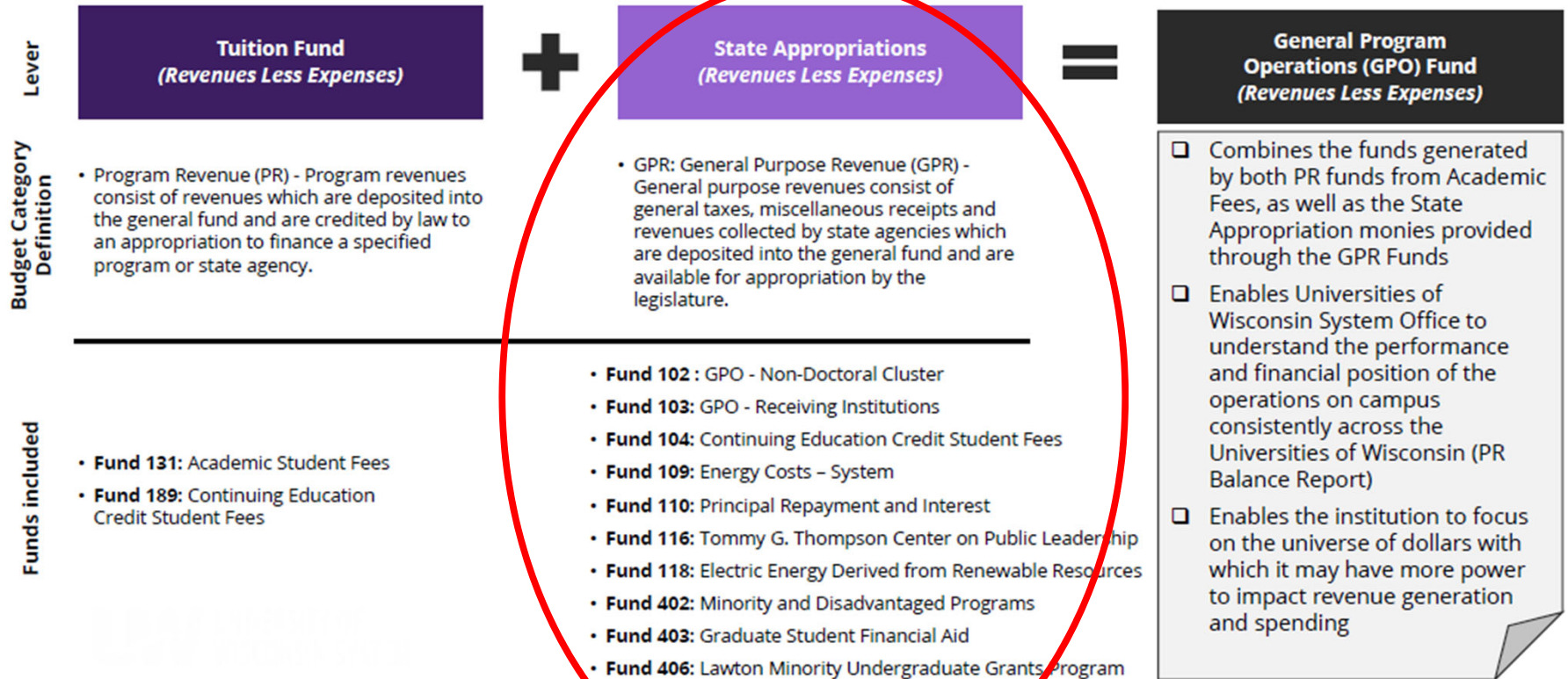
## ❖ Release expected any day

- Whitewater, River Falls, Platteville, Superior

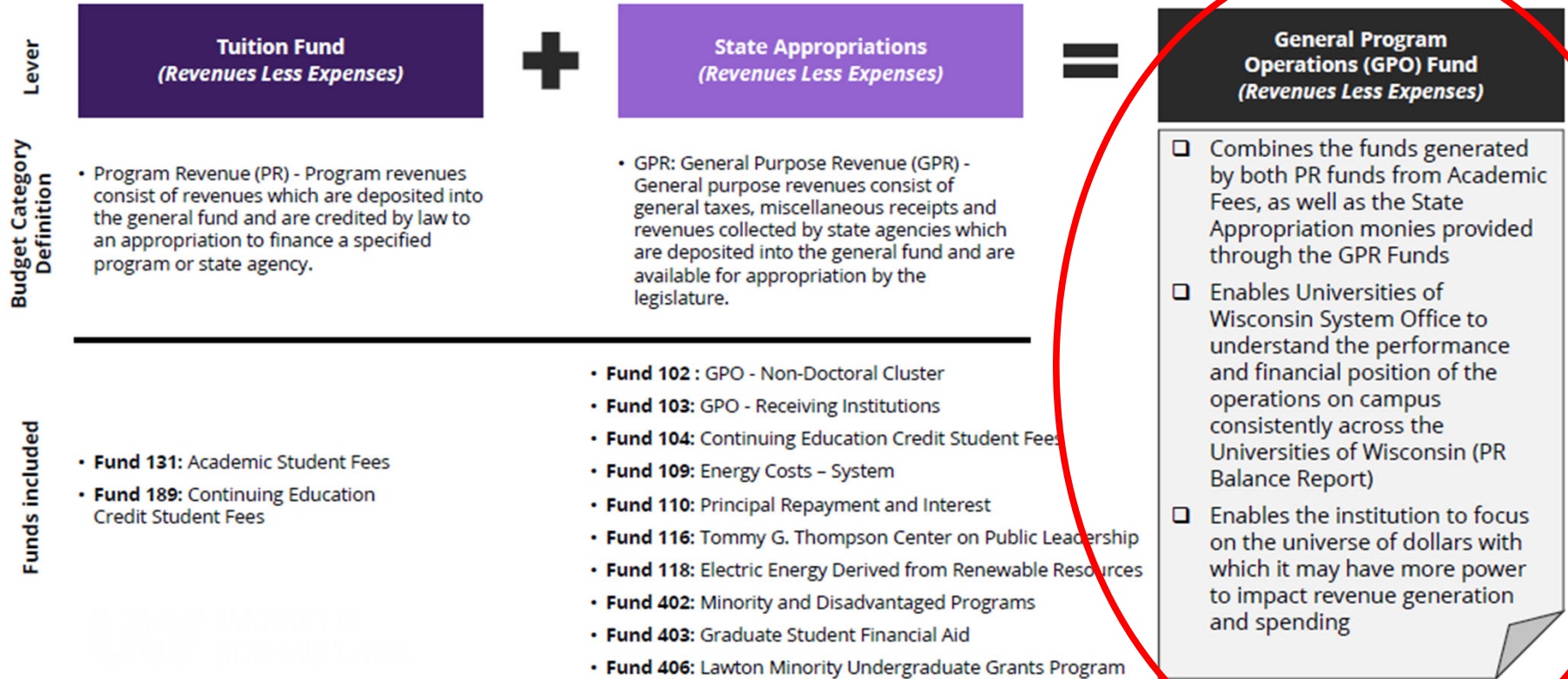
# Structural Deficit - System Definition



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# **Fiscal Year 2023-24**

## **Forecast**

**(As of January 2024)**

## Financial Forecast 2023-24

GPR/Tuition (all)	Budget	Forecast	Variance
Revenues	123,706,935	130,824,824	7,117,889
Less: Expenses	135,350,713	129,856,660	(5,494,053)
Net Surplus (Deficit)	(11,643,778)	968,164	12,611,943

- Includes 102, 103, 131, 189 (system definition)
- Tuition revenue in excess of budget - \$5 million
- Salary and Fringe savings - \$4.7 million
- Winther/Heide GPR allocation - \$2.2 million (budgeted cash use)
- Interest income in excess of budget - \$.5 million
- Other - \$.2 million



## Financial Forecast 2023-24

Auxiliaries	Budget	Forecast	Variance
Revenues	51,089,148	53,935,698	2,846,550
Less: Expenses	51,699,122	53,577,366	1,878,244
Net Surplus (Deficit)	(609,974)	358,331	968,305

- Includes 128, 228
- Increased enrollment drives increases in auxiliaries and seg fee revenues and expenses

## Financial Forecast 2023-24

General Program	Budget	Forecast	Variance
Revenues	11,727,016	12,136,000	408,984
Less: Expenses	12,427,052	14,096,000	1,668,948
Net Surplus (Deficit)	(700,036)	(1,960,000)	(1,259,964)

- Includes IT Services, Camps/Conferences, Rock Remedial
- Timing of purchases, underspend, and use of cash
  - \$1.4 million prior year PO rollover
  - 5 year IT services contract

## Financial Forecast 2023-24

Other UR/Indirects	Budget	Forecast	Variance
Revenues	477,598	451,949	(25,649)
Less: Expenses	797,748	661,601	(136,147)
Net Surplus (Deficit)	(320,150)	(209,652)	110,498

- Includes Grant Indirect Cost Reimbursements
- Fluctuates based on grants awarded
- Net deficit reflects
  - use of cash
  - grant expenses not yet reimbursed

# Financial Forecast 2023-24

Total Unrestricted	Budget	Forecast	Variance
Revenues	187,000,697	197,348,472	10,347,775
Less: Expenses	200,274,635	198,191,627	(2,083,008)
Net Surplus (Deficit)	(13,273,938)	(843,155)	12,430,783

- Combined Unrestricted Budget and Forecast
- Net Deficit primarily use of cash from IT Services

## REMINDER - Current Year Operations

- ❖ Salary savings can not be used for non-salary expenses
- ❖ Non-salary expenses can not be used for salaries
- ❖ Review of vacant positions
- ❖ Use Federal work study dollars first
- ❖ Do not spend budget just to use up your funding
- ❖ Student retention needs to continue improving

# **Fiscal Year 2024-25 Annual Budget**

## Tuition Increase 2024-25 - proposed

Base Increase	3.75%	Estimated \$
Pay plan & fringe	2.25%	
Financial Aid +	1.00%	
Campus Retains	.50%	\$350,000
Addt'l Requested	.75%	\$900,000
<b>Total Requested</b>	<b>4.50%</b>	<b>\$1,250,000</b>

- Initial base increase is residential UG/Grad plus same dollar increase on non-resident
- Health insurance costs have increased 11.7% with some regions higher
- Additional request is on UG/Grad plus same % on non-resident



## 2024-25 Budget

- ❖ 2024-25 GPR/Tuition budget deficit to be addressed
  - Estimate \$(3.14 million)
- ❖ Assumptions included
  - \$3.0 million salary and fringe savings
  - \$2.9 million add'l tuition revenue from enrollment growth
  - Utilities allocation from system
- ❖ Still have unknowns
  - Tuition rate increase – additional request

## Budget Reduction Plan

- ❖ Budget Reduction Plan due to System by 04/15/24
  - System Goal - \$0 deficit by 2027-28
  - UW-W Challenge - \$0 deficit by 2025-26

## Budget Reduction – Work To-Date

Impact on Tuition/GPR Pool	
<b>FY 2024-25</b>	
Tuition Increase - campus retains	\$350,000 *
Summer Grad tuition - no plateau	250,000
Reclass extension courses	528,000
Salary shift - fringe savings	595,000
Auxiliary allocations	232,000
Expense reductions	<u>1,329,000</u>
	3,284,000

Impact on Tuition/GPR Pool	
<b>FY 2025-26</b>	
Tuition Increase - campus retains	\$300,000
Salary / fringe savings	100,000
Auxiliary allocations	<u>248,000</u>
	648,000
<b>FY 2026-27</b>	
CEC operating costs	<u>\$257,000</u>
	257,000
<b>Total Adjustments</b>	<b>4,189,000</b>

\*base tuition request only

## Budget Reduction – Work To-Date

### Additional Expenses and Reinvestment

Professional Development and Research Dissemination	\$900,000 *
Increasing system chargebacks	123,000
Non-payplan salary increases	xxx
Increase in fringe costs	xxx
Increasing vendor costs	xxx

\*costs currently funded through use of cash reserves  
- need to build into normal operating budgets

# Deloitte Report Opportunity Areas

## Whitewater Opportunity Areas

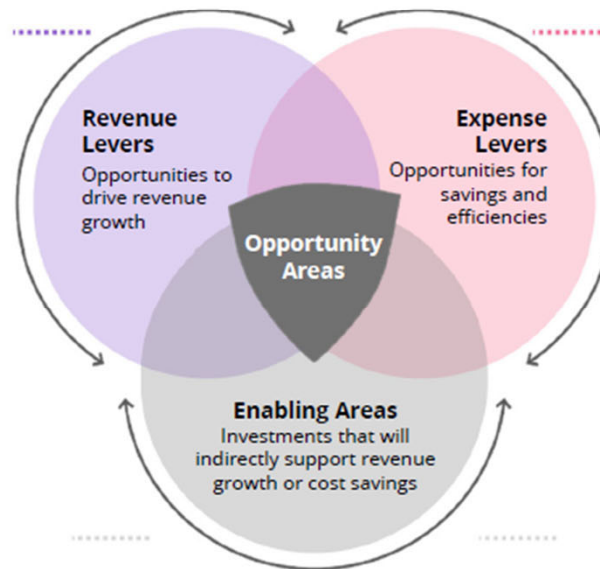
Through a review of the qualitative information and insights gathered through interviews and analysis of the quantitative data provided by both UW-Whitewater and the Universities of Wisconsin, the following five opportunities were identified.

### #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.



### #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.