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## *Campus Budget Meeting*

Fourteenth in a series

March 21, 2016

# Today's Meeting

- **Preview of core content**
  - Foundation for budget decisions and progress
  - How we got here and challenge in front of us
  - Actions we will take now
  - Actions we will not take
  - Forecast of a balanced budget
- **Next steps and closing comments**
- **Q & A – Open discussion**
  - [budget-questions@uwm.edu](mailto:budget-questions@uwm.edu)

# Foundation for Budget Decisions

- **Significant progress reducing operational deficit**
  - Approaching ½ of total cuts
- **However, difficult decisions needed to preserve future**
- **We must continue our momentum**
  - R-1 designation
  - Carnegie Classification in community engagement
  - All-time highs in development
  - Hundreds of supportive community partner organizations
- **We can maintain, possibly elevate, but it will require adaptation**
- **Goal of budget decisions is to provide clear & realistic direction to support strategic drivers**

# Brief Summary

- **Historic developments contributing to UWM's operating deficit**
  - \$300M capital expenditures
  - No increase in base budget after \$10M DIN
  - Growth in enrollment peaked in 2010
  - Tuition increases from FY02-FY13 (avg 6.8%)
  - Decline in state funding AND enrollment, 2011
  - Tuition freezes, 2013-15 and 2015-17
  - Largest budget cuts in history
    - \$15M, 2013-15
    - \$30M, 2015-17

# Brief Summary, continued

## ■ Recent developments

- \$19M net operating deficit (spring 2015)
- \$15M in cuts for 2016-17
- \$4M drop in 2015-16 fall enrollment
- \$38M total deficit
- \$15-16M (est) savings created in past year:
  - Administration, S/C cuts
    - 202 fewer FTEs to date
- Progressing with actions/decisions
- ~ \$18-20M in deficit remains

# Brief Summary, continued

## Revenue falls short of expenses

The gap between UWM's revenue and expenditures has been growing the past five years. Enrollments have dropped, taking tuition revenue down with them. Add to that loss several years of state budget cuts, and two new schools that were promised adequate state funding that never came through. Now the university has no choice but to retrench.

### UWM revenue/expenditures



Note: Revenue excludes capital appropriations/gifts.

Source: IPEDS; University of Wisconsin-Milwaukee

Journal Sentinel

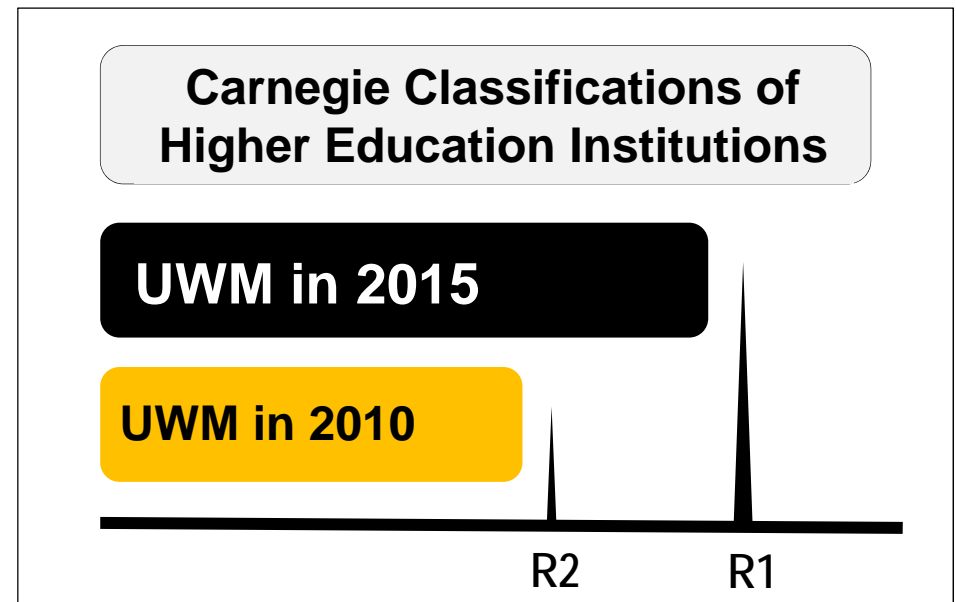
# Beyond Budget Cuts: Larger Scale

## Sources of input:

- BPTF, BMWG, CEMAT, CCOET, governance, schools, colleges, units, and individuals
- Recommendations address large-scale efficiencies and organization issues
- Considerable campus input and discussion

# Guidance for Budget Decisions

- **Vision: *UWM will be a top-tier research university ...***
- **Strategic drivers**
  - Student success
  - Research excellence/R-1 standing
  - Community engagement
- **Balance competing priorities**
- **A “whole” UWM**





# Budget Package: Administrative Cuts

- **What we WILL do now:**
  - Reduce senior level campus administration (VC/AVC)
  - Reduce other administration (limited appts)
  - Examine student services administration consolidation
  - Accelerate integrated shared services (ISS)
  - Reduce/eliminate certain administrative operations
  - Space utilization policy & plan
  - Metrics for efficiency & effectiveness

**Aggregate Savings by FY19 → \$5M**

# Budget Package: Academic Efforts

## ■ What we WILL do now:

- Advance School/College alignment
  - Use inclusive process to study natural alignments
- Academic efficiencies
  - Workload – Faculty doc: [uwm.edu/secu/docs/faculty/2027.pdf](http://uwm.edu/secu/docs/faculty/2027.pdf)
    - Existing workload policy: 50/50 mix
    - Consistent application of policy
  - Course alignment
    - Avoid course duplication, extra sections

**Aggregate Savings by FY 19: \$3-4M**

# Budget Package: Strategic Position Control

- **What we WILL do now:**
  - Review all open positions
  - Target elimination of 50% of all open positions in FY17
  - Target 50% of open positions for strategic recruitments
  - Mandatory 3-6 month hold-open period
  - Position control for 3 years; reduced rate each year
  - Review group and process TBD with governance input
  - Externally-funded positions exempted
  - Reduce UWM's vacant FTE count with UWS

**Aggregate Savings by FY 19 → \$19M**

# Budget Package, continued

- **What we are NOT going to do now**
  - Implement furloughs
  - Credit plateau
    - BOR would need to approve
    - Legally prohibited during tuition freeze
  - Close campus over fall and winter breaks
    - Costs associated in some cases
    - State – not UWM – would recoup utilities savings
  - Change sabbaticals

# Summary of Base Savings

Administrative Cuts → \$5M



Academic Efforts → \$3-4M



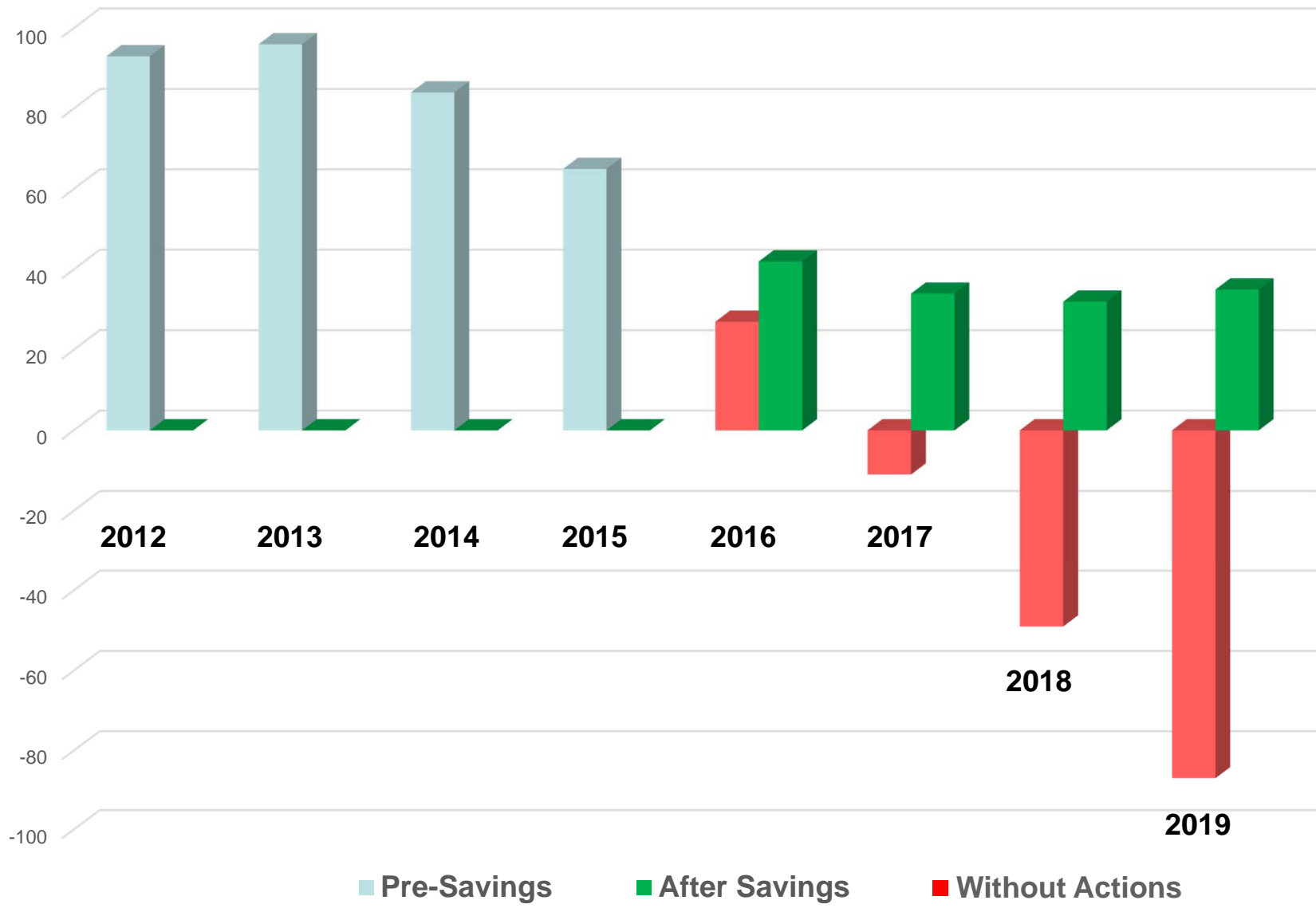
Position Control → \$19M

**TOTAL: \$27-28M**

<b>UWM SAVINGS PLAN (FY 2016 - FY 2019)</b>	<b>One-Time Savings in FY 2016</b>	<b>Base and One-Time Savings in FY 2017</b>	<b>More Base and One-Time Savings in FY 2018</b>	<b>More Base and One-Time Savings in FY 2019</b>	<b>Cumulative Base* Savings</b>
<b>Administrative Savings</b>					
Reduce VCs and AVCs by 25%		\$350,000	\$150,000		<b>\$500,000</b>
Reduce Limited Appointments by 10%		\$1,000,000	\$1,000,000		<b>\$2,000,000</b>
Examine Student Services Consolidation			\$200,000		<b>\$200,000</b>
Accelerate ISS Project			\$200,000	\$400,000	<b>\$600,000</b>
Reduce or Eliminate Certain Admin. Operations		\$400,000	\$350,000		<b>\$750,000</b>
Space Utilization Policy			\$200,000	\$400,000	<b>\$600,000</b>
<b>Academic Savings</b>					
Examine School/College Reorg			\$500,000	\$800,000	<b>\$1,300,000</b>
Enforce Faculty Workload Policy		\$500,000	\$250,000		<b>\$750,000</b>
Other Academic Efficiencies		\$500,000	\$500,000	\$500,000	<b>\$1,500,000</b>
<b>Payroll Savings</b>					
Eliminate Portion of Future Vacancies		\$5,000,000	\$7,500,000	\$3,750,000	<b>\$16,250,000</b>
Mandatory Delay in Hiring - One-Time Savings		\$1,000,000	\$1,000,000	TBD	
Give up 154 Positions for Fringe Benefits Credit		\$3,000,000	TBD	TBD	<b>\$3,000,000</b>
<b>School/College/Division Savings</b>					
One-Time Savings	\$15,000,000	\$4,000,000	TBD	TBD	
Base Savings		\$13,800,000	TBD	TBD	<b>\$13,800,000</b>
<b>Total Savings</b>	\$15,000,000	\$29,550,000	\$11,850,000	\$5,850,000	<b>\$41,250,000+</b>
<b>Cumulative Base* Savings</b>		<b>\$24,550,000</b>	<b>\$35,400,000+</b>	<b>\$41,250,000+</b>	

\*Note: Savings in BLUE are one-time savings and do not cumulate.  
All other savings are base and therefore cumulate from year to year.

## CARRY FORWARD BALANCES, IN \$ MILLIONS



# Upholding Strategic Drivers

- **Administrative efficiencies and reorganization**
- **Enrollment management efforts**
- **School/College realignment**
- **Strategic position control**

*1. Student Success*

*2. R1 - Research Excellence*

*3. Community Engagement*



# Future

- **We will re-position ourselves to be successful**
- **Difficult times but we will utilize our solid foundation to grow**
- **Revenue generation will be key: enrollments, external research and funding, etc.**
- **Choices will poise UWM for the future**
  - Compensation increases
  - Growth & re-investment in schools/colleges/units
  - Ability to showcase UWM in a new way
  - High quality education, research, and engagement

# Next Steps

- **Today's presentation posted: [uwm.edu/budget](http://uwm.edu/budget)**
- **Things underway and t/b immediately undertaken**
  - Administrative re-structuring
  - Integrated shared services
  - Development of position control process & group
  - Planning & consultation with deans, governance groups and others / Provost charges:
    - Academic alignment
    - School/college alignment
    - Workload policy
- **April 18, 2 p.m. – Campus Budget Meeting, Fireside Lounge**



***Questions & Answers***  
***Open Discussion***

[budget-questions@uwm.edu](mailto:budget-questions@uwm.edu)