

12/1/2016

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.2. Business and Finance Committee

Thursday, December 8, 2016  
8:30 a.m. – 10:00 a.m.  
Gordon Dining and Event Center  
770 W. Dayton Street, 2<sup>nd</sup> Floor  
Overture Room  
Madison, Wisconsin

- a. Approval of the Minutes of the November 10, 2016 Meeting of the Business and Finance Committee
- b. Annual Faculty Turnover Report
- c. Annual Report on Faculty and Staff Base Salary Adjustments and Additional Compensation Payments
- d. Adoption of Statement on Staff Excellence and 2017-19 Regent Pay Plan Request for Attracting and Retaining World-class Faculty and Staff  
[Resolution I.2.d.]
- e. Quarterly Gifts, Grants and Contracts Report
- f. Review and Approval of Changes to Regent Policy Document 31-15, Policy on Large Unendowed Bequests/Gifts  
[Resolution I.2.f.]
- g. Review and Approval of Non-resident, Graduate, and Professional School Tuition Proposals  
[Resolution I.2.g.]
- h. UW-Madison Contractual Agreement – Optimal Research, LLC  
[Resolution I.2.h.]
- i. UW-Madison Contractual Agreement – Incyte Corporation  
[Resolution I.2.i.]
- j. UW-Madison Contractual Agreement – Eli Lilly and Company  
[Resolution I.2.j.]
- k. Report of the Vice President(s)

## **REPORT ON FACULTY TURNOVER IN THE UW SYSTEM**

### **EXECUTIVE SUMMARY**

#### **BACKGROUND**

To address questions and concerns regarding significant numbers of faculty leaving the University of Wisconsin System, a report on faculty turnover was presented to the Committee at the December 2013 meeting. Regents at that meeting directed that this report become an annual report to the Board for information purposes. The report provides information on the numbers and percentages of faculty separating from employment at each UW System institution for fiscal year 2016, commonly called *turnover*. The report categorizes employee departures into those faculty retiring, resigning and whose contracts were not renewed. Additionally, the fiscal year 2016 report includes resignation reasons reported in four broad categories including salary related job changes, non-salary related job changes, personal/family reasons, and other/unknown reasons.

#### **REQUESTED ACTION**

This report is for information only.

#### **DISCUSSION**

##### Overall Faculty Turnover

- Annual faculty turnover across the UW System for FY16, averaged 8.0% of the total number of faculty. This compares with an average of 5.9% over the preceding five years (FY11– FY15).
- Annual turnover at each UW institution ranged from 5.3% to 13.3% for FY16, which compares to a range of 3.3% to 12.4% over the FY11-FY15 period.
- Average turnover for tenured faculty is 7.6% and 9.0% for probationary (tenure track) faculty for FY16, which compares to 5.7% for tenured faculty and 6.5% for probationary (tenure track) faculty for the period FY11-FY15.
- Annual turnover for tenured faculty at each UW institution ranged from 5.1% to 13.8% for FY16, compared to a range of 2.6% to 19.3% over the FY11-FY15 period.
- Annual turnover for probationary (tenure track) faculty at each UW institution ranged from 2.5% to 16.4% for FY16, compared to a range of 1.8% to 15.8% over the FY11-FY15 period.
- The average turnover in FY16 of 9.0% for probationary (tenure track) faculty was 5.4% in FY11.

#### Turnover Due to Retirements

- Annual retirements across the UW System averaged 4.2% of the total number of faculty for FY16, compared to 3.0% for the FY11-FY15 period.
- Of the 268 retirements for FY16, all were tenured faculty and of the 973 retirements over the FY11-FY15 time period, all were also tenured faculty.
- Of the 268 FY16 retirements, 91 resulted from the voluntary separation incentives programs offered at several institutions.

#### Turnover Due to Resignations and Non-Renewals

- Annual faculty resignations across the UW System averaged 3.4% of the total number of faculty for FY16, compared to an average of 2.7% during the period FY11-FY15.
- Of the 218 FY16 faculty resignations, 54 (24.8%) of the faculty resigning left for salary-related reasons; 31 (14.2%) left for non-salary reasons; 44 (20.2%) left for personal/family reasons; and 89 (40.8%) left for other/unknown reasons. This compares to 197 FY15 faculty resignations including 71 (36.0%) who left for salary-related reasons; 43 (21.8%) for non-salary reasons; 39 (19.8%) for personal/family reasons; and 44 (22.3%) for other/unknown reasons.
- Of the 218 resignations in FY16, 81 were tenured faculty (37.2%) and 137 were probationary faculty (tenure track) (62.8%), compared to the FY11-FY15 period during which there were 869 resignations, 320 (36.8%) of which were tenured faculty and 549 (63.8%) of which were probationary (tenure track) faculty. Also, 23 probationary faculty were non-renewed in FY16 compared to an average of 13 for the period FY11-FY15.

#### **RELATED REGENT POLICIES**

None

**NUMBER OF FACULTY LEAVING UW INSTITUTIONS**

FISCAL YEAR 2016										
INSTITUTION	NUMBER OF FACULTY*	NUMBER OF FACULTY WHO LEFT	PERCENT	RETIRED	RESIGNED	RESIGNATION REASONS				NON-RENEWED
						Salary Related Job Changes	Non-Salary Related Job Changes	Personal/Family	Other/Unknown	
<b>MADISON</b>										
Tenured	1,657	84	5.07%	65	19	2	6	2	9	
Probationary	471	28	5.94%		24	1	1	2	20	4
TOTAL	2,128	112	5.26%	65	43	3	7	4	29	4
<b>MILWAUKEE</b>										
Tenured	639	40	6.26%	29	11	7	1	3		
Probationary	166	20	12.05%		17	7	3	2	5	3
TOTAL	805	60	7.45%	29	28	14	4	5	5	3
<b>EAU CLAIRE</b>										
Tenured	269	27	10.04%	19	8	4	1	2	1	
Probationary	123	17	13.82%		11	2	1	3	5	6
TOTAL	392	44	11.22%	19	19	6	2	5	6	6
<b>GREEN BAY</b>										
Tenured	116	16	13.79%	13	3				3	
Probationary	40	3	7.50%		3				3	
TOTAL	156	19	12.18%	13	6	0	0	0	6	0
<b>La CROSSE</b>										
Tenured	214	20	9.35%	14	6	3		2	1	
Probationary	181	15	8.29%		13	8	3	1	1	2
TOTAL	395	35	8.86%	14	19	11	3	3	2	2
<b>OSHKOSH</b>										
Tenured	244	22	9.02%	20	2		1		1	
Probationary	80	2	2.50%		1		1			1
TOTAL	324	24	7.41%	20	3	0	2	0	1	1
<b>PARKSIDE</b>										
Tenured	78	8	10.26%	2	6		1	1	4	
Probationary	38	3	7.89%		2				2	1
TOTAL	116	11	9.48%	2	8	0	1	1	6	1

**NUMBER OF FACULTY LEAVING UW INSTITUTIONS**

FISCAL YEAR 2016										
INSTITUTION	NUMBER OF FACULTY*	NUMBER OF FACULTY WHO LEFT	PERCENT	RETIRED	RESIGNED	RESIGNATION REASONS				NON-RENEWED
						Salary Related Job Changes	Non-Salary Related Job Changes	Personal/Family	Other/Unknown	
<b>PLATTEVILLE</b>										
Tenured	157	19	12.10%	15	4	1		3		
Probationary	89	4	4.49%		4	2		1	1	
<b>TOTAL</b>	<b>246</b>	<b>23</b>	<b>9.35%</b>	<b>15</b>	<b>8</b>	<b>3</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>0</b>
<b>RIVER FALLS</b>										
Tenured	151	10	6.62%	8	2				2	
Probationary	49	7	14.29%		5	1		3	1	2
<b>TOTAL</b>	<b>200</b>	<b>17</b>	<b>8.50%</b>	<b>8</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>2</b>
<b>STEVENS POINT</b>										
Tenured	221	27	12.22%	22	5	5				
Probationary	101	11	10.89%		11	2	1	1	7	
<b>TOTAL</b>	<b>322</b>	<b>38</b>	<b>11.80%</b>	<b>22</b>	<b>16</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>7</b>	<b>0</b>
<b>STOUT</b>										
Tenured	176	24	13.64%	19	5			1	4	
Probationary	99	11	11.11%		10	1		3	6	1
<b>TOTAL</b>	<b>275</b>	<b>35</b>	<b>12.73%</b>	<b>19</b>	<b>15</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>10</b>	<b>1</b>
<b>SUPERIOR</b>										
Tenured	66	8	12.12%	7	1		1			
Probationary	39	6	15.38%		5		1	3	1	1
<b>TOTAL</b>	<b>105</b>	<b>14</b>	<b>13.33%</b>	<b>7</b>	<b>6</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>1</b>
<b>WHITEWATER</b>										
Tenured	231	19	8.23%	17	2	1			1	
Probationary	125	9	7.20%		9		4	5		
<b>TOTAL</b>	<b>356</b>	<b>28</b>	<b>7.87%</b>	<b>17</b>	<b>11</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>1</b>	<b>0</b>
<b>COLLEGES</b>										
Tenured	198	17	8.59%	10	7		2	2	3	
Probationary	78	7	8.97%		5	2	1		2	2

**NUMBER OF FACULTY LEAVING UW INSTITUTIONS**

FISCAL YEAR 2016										
INSTITUTION	NUMBER OF FACULTY*	NUMBER OF FACULTY WHO LEFT	PERCENT	RETIRED	RESIGNED	RESIGNATION REASONS				NON-RENEWED
						Salary Related Job Changes	Non-Salary Related Job Changes	Personal/Family	Other/Unknown	
TOTAL	276	24	8.70%	10	12	2	3	2	5	2
<b>EXTENSION</b>										
Tenured	153	8	5.23%	8						
Probationary	104	17	16.35%		17	5	2	4	6	
TOTAL	257	25	9.73%	8	17	5	2	4	6	0
<b>Sub-total</b>										
Tenured	4,570	349	7.64%	268	81	23	13	16	29	0
Probationary	1,783	160	8.97%	0	137	31	18	28	60	23
<b>GRAND TOTAL</b>	6,353	509	8.01%	268	218	54	31	44	89	23
<b>PERCENT OF TOTAL FACULTY</b>				4.22%	3.43%	0.85%	0.49%	0.69%	1.40%	0.36%
<b>PERCENT OF TOTAL FACULTY LEAVING</b>				52.65%	42.83%	10.61%	6.09%	8.64%	17.49%	4.52%

DATA SOURCES:

\*October Payroll for 2015 for the Number of Faculty  
HRS for Retirements, Resignations and Non-Renewals

**REPORT ON  
FACULTY AND STAFF BASE SALARY  
ADJUSTMENTS AND ADDITIONAL COMPENSATION PAYMENTS  
FOR FY2016**

**EXECUTIVE SUMMARY**

**BACKGROUND**

UW System chancellors have delegated authority pursuant to [Wis. Stat. § 36.09\(1\)\(j\)](#), to adjust salaries for all faculty and staff, for the purpose of recognizing merit, correcting salary inequities, recognizing job reclassifications or promotions, or addressing other competitive factors. It is important to note that FY16 was the first fiscal year in which merit was a permissible reason to adjust salaries for all staff. Additionally, with the implementation of the new personnel systems, university staff base salary adjustments and additional compensation in the form of lump sums no longer require the State Department of Personnel Management (formerly OSER) approval.

Under the same delegated authority for personnel transactions used to provide base salary adjustments, chancellors have the authority to provide lump sum additional pay to faculty and staff to recognize merit, and for additional work performed beyond what is normally expected as part of a full teaching, research, and service/administrative work load.

Different than base salary adjustments for merit, equity, competitive factors, and change in duties/promotions, lump sum payments are non-base building compensation of a one-time or non-recurring nature. Examples of additional work include teaching an additional class to meet unanticipated demand, teaching an interim class when not part of the fall or spring semester teaching loads, serving in an interim capacity in addition to current job responsibilities when release time from teaching or administrative responsibilities is not an option, or covering duties and responsibilities of an unexpected leave. New for FY16 was awarding lump sum payments to recognize merit.

At the December 2013 meeting, Regents directed that this report become an annual report to the Board for information purposes only. Starting in FY14, separate tables are provided that include base adjustments and lump sum payments for faculty only.

**REQUESTED ACTION**

This report is for information only

## **FACULTY AND STAFF BASE SALARY ADJUSTMENTS FY16**

### **DISCUSSION**

The attached tables reflect salary adjustments for faculty and staff.

The following notes may provide useful context for these data. It is important to note that FY16 was the first fiscal year merit was included as a permissible reason for base adjustments for unclassified staff (faculty, academic staff and limited appointees).

### **Tables 1 and 2: FY16 Budgeted Salaries and Base Adjustments and Average Dollar Base per Recipient – All Types of Base Adjustments**

In fiscal year 2016, 8,360 (24.80%) staff received a base adjustment. For comparison, 8,231 (23.76%) staff received a base adjustment in fiscal year 2015.

In fiscal year 2016, the average base adjustment for unclassified staff (faculty, academic staff, and limited appointees) was \$4,863. For university staff, the average adjustment was \$2,785. For comparison, in fiscal year 2015 the average base adjustment for unclassified staff was \$4,982. For university staff, the average adjustment was \$2,857.

In fiscal year 2016, UW chancellors reallocated \$34.2 million on a budgeted salary base of \$2.26 billion to fund these adjustments (1.51%). For comparison, in fiscal year 2015, adjustments required that chancellors reallocate \$34.4 million of existing resources on a budget salary base of \$2.28 billion (1.51%).

### **Table 3: FY16 Base Adjustments by Unclassified and University Staff – for Merit, Equity, and Market Base Adjustments (excluding promotions, title changes, and change in duties)**

In fiscal year 2016, 6,248 (74.74%) of the base adjustments were for reasons of merit, equity, or market factors.

In fiscal year 2016, 18.54% (6,248 recipients) of all staff received a base adjustment for reasons of merit, equity, or market factors.

For comparison, in fiscal year 2015, 6,331 of the base adjustments (76.92%) were for reasons of merit, equity, or market factors. And in fiscal year 2015, 18.27% (6,331 recipients) of all staff received a base adjustment for reasons of merit, equity, or market factors.



**Table 4: FY16 Budgeted Salaries and Base Adjustments and Average Dollar Base per Recipient for Faculty Only – All Types of Base Adjustments**

In fiscal year 2016, 2,390 (37.62%) faculty received a base adjustment. For comparison 2,097 (32.34%) faculty received a base adjustment in fiscal year 2015.

In fiscal year 2016 the average base adjustment per faculty recipient was \$4,826. For comparison, in fiscal year 2015, the average base adjustment per faculty recipient was \$6,352.

In fiscal year 2016, UW chancellors reallocated \$11.5 million on a budgeted faculty salary base of \$577.6 million to fund these adjustments (2.00%). For comparison, in fiscal year 2015, adjustments required that chancellors reallocate \$13.3 million (2.31%) of existing resources on a budgeted faculty salary base of \$575.8 million.

**Table 5: FY16 Base Adjustments for Faculty Only – for Merit, Equity and Market Base Adjustments (excluding promotions, title changes, and change in duties)**

In fiscal year 2016, 1,874 (29.50%) faculty received a base adjustment for reasons of merit, equity, or market factors. The comparable number for 2015 was 1,562 (24.09%).

In fiscal year 2016, the average base adjustment for reasons of merit, equity, or market was \$4,220 per faculty recipient. For comparison, in fiscal year 2015 the average base adjustment per faculty recipient was \$4,282.

In fiscal year 2016, UW chancellors reallocated \$7.91 million on a budgeted faculty salary base of \$577.6 million to fund these adjustments (1.37%). For comparison, in fiscal year 2015, adjustments required that chancellors reallocate \$6.69 million of existing resources on a budgeted faculty salary base of 575.8 (1.16%).

UNIVERSITY OF WISCONSIN SYSTEM  
 FISCAL YEAR 2016 BUDGETED SALARIES AND BASE ADJUSTMENTS\* (Without Student Assistants in Headcount)  
 All Funds

FISCAL YEAR 2016																
	FY 16 Unclassified Staff Base Adjustments					FY 16 University Staff Base Adjustments					FY 16 Totals					
Institution	FY 16 Total Budgeted Unclassified Salary Dollars	Total Dollars for Uncl. Base Adjs.	Number of Uncl. Receiving Base Adjs	Total Uncl. Headcount	Percent Uncl. Staff Receiving Base Adjustment	FY 16 Total Budgeted University Salary Dollars	Total Dollars for University Staff Base Adjs.	Number of University Staff Receiving Base Adjs	Total University Staff Headcount	Percent University Staff Receiving Base Adjustment	FY 16 Total Budgeted Salary Dollars	Total Base Adj Dollars	Number of Staff Receiving Base Adjs	Total Headcount	Percent of Staff Receiving Base Adjs.	Total Base Adjs as Percent of Total Budgeted Salaries
MADISON	913,612,255	16,038,857	2,118	11,432	18.53%	293,921,950	5,805,524	2,099	4,984	42.11%	1,207,534,205	21,844,381	4,217	16,416	25.69%	1.81%
MILWAUKEE	166,291,188	1,761,875	290	2,804	10.34%	68,250,592	575,308	122	939	12.99%	234,541,780	2,337,183	412	3,743	11.01%	1.00%
EAU CLAIRE	49,937,965	710,740	116	813	14.27%	25,999,045	87,285	21	366	5.74%	75,937,010	798,025	137	1,179	11.62%	1.05%
GREEN BAY	28,986,248	282,705	94	506	18.58%	11,225,121	146,038	41	183	22.40%	40,211,369	428,743	135	689	19.59%	1.07%
La CROSSE	54,853,345	1,654,197	694	960	72.29%	16,036,678	474,764	311	329	94.53%	70,890,023	2,128,961	1,005	1,289	77.97%	3.00%
OSHKOSH	55,573,099	999,514	294	1,087	27.05%	22,923,074	269,682	94	366	25.68%	78,496,173	1,269,196	388	1,453	26.70%	1.62%
PARKSIDE	20,778,685	122,778	82	377	21.75%	9,090,021	72,849	20	159	12.58%	29,868,706	195,627	102	536	19.03%	0.65%
PLATTEVILLE	40,084,548	389,158	145	686	21.14%	18,985,463	96,733	27	300	9.00%	59,070,011	485,891	172	986	17.44%	0.82%
RIVER FALLS	26,467,015	195,197	81	550	14.73%	12,088,449	36,569	47	209	22.49%	38,555,464	231,766	128	759	16.86%	0.60%
STEVENS POINT	42,832,016	633,591	267	798	33.46%	24,191,474	277,980	84	371	22.64%	67,023,490	911,571	351	1,169	30.03%	1.36%
STOUT	40,447,156	547,047	201	811	24.78%	20,838,227	323,080	113	343	32.94%	61,285,383	870,127	314	1,154	27.21%	1.42%
SUPERIOR	14,406,307	141,935	43	324	13.27%	6,470,260	11,630	3	103	2.91%	20,876,567	153,565	46	427	10.77%	0.74%
WHITEWATER	55,970,481	607,964	266	935	28.45%	22,003,058	115,537	34	359	9.47%	77,973,539	723,501	300	1,294	23.18%	0.93%
COLLEGES	37,526,130	488,744	231	1,014	22.78%	10,415,709	97,473	22	182	12.09%	47,941,839	586,217	253	1,196	21.15%	1.22%
EXTENSION	106,147,339	941,083	341	952	35.82%	18,590,684	144,079	40	183	21.86%	124,738,023	1,085,162	381	1,135	33.57%	0.87%
UW SYS ADMIN	5,432,195	65,733	4	46	8.70%	2,789,193	13,867	4	36	11.11%	8,221,388	79,600	8	82	9.76%	0.97%
SYSTEM WIDE	4,477,425	49,116	3	39	7.69%	12,583,541	58,503	8	159	5.03%	17,060,966	107,619	11	198	5.56%	0.63%
	1,663,823,397	25,630,234	5,270	24,134	21.84%	596,402,539	8,606,901	3,090	9,571	32.29%	2,260,225,936	34,237,135	8,360	33,705	24.80%	1.51%

**DATA SOURCES:**

Budgeted Salaries are from the 2015-16 UW Annual Budget

Base Adjustments are from HRS as of June 30, 2016

Headcount data are from the 2015 October Payroll

**\*BASE ADJUSTMENTS:**

Base adjustments permitted under Wis. Stat. 36.09(1)(j) for merit, equity, title changes, promotions, and recognition of competitive factors.

UNIVERSITY OF WISCONSIN SYSTEM  
 FISCAL YEAR 2016 AVERAGE DOLLAR BASE ADJUSTMENT PER RECIPIENT (Without Student Assistants in Headcount)  
 All Base Adjustments\*  
 All Funds

FISCAL YEAR 2016													
	FY 16 Unclassified Staff Base Adjustments				FY 16 University Staff Base Adjustments					FY 16 Totals			
Institution	FY 16 Total Budgeted Unclassified Salary Dollars	Total Dollars for Uncl. Base Adjs.	Number of Uncl. Receiving Base Adjs	Average Base Adjustment per Uncl Recipient	FY 16 Total Budgeted University Salary Dollars	Total Dollars for University Base Adjs.	Number of University Staff Receiving Base Adjs	Average Base Adjustment per University Staff Recipient	FY 16 Total Budgeted Salary Dollars	Total Base Adj Dollars	Number of Staff Receiving Base Adjs	Average Base Adjustment per Recipient	
MADISON	913,612,255	16,038,857	2,118	7,573	293,921,950	5,805,524	2,099	2,766	1,207,534,205	21,844,381	4,217	5,180	
MILWAUKEE	166,291,188	1,761,875	290	6,075	68,250,592	575,308	122	4,716	234,541,780	2,337,183	412	5,673	
EAU CLAIRE	49,937,965	710,740	116	6,127	25,999,045	87,285	21	4,156	75,937,010	798,025	137	5,825	
GREEN BAY	28,986,248	282,705	94	3,008	11,225,121	146,038	41	3,562	40,211,369	428,743	135	3,176	
La CROSSE	54,853,345	1,654,197	694	2,384	16,036,678	474,764	311	1,527	70,890,023	2,128,961	1,005	2,118	
OSHKOSH	55,573,099	999,514	295	3,388	22,923,074	269,682	94	2,869	78,496,173	1,269,196	389	3,263	
PARKSIDE	20,778,685	122,778	82	1,497	9,090,021	72,849	20	3,642	29,868,706	195,627	102	1,918	
PLATTEVILLE	40,084,548	389,158	145	2,684	18,985,463	96,733	27	3,583	59,070,011	485,891	172	2,825	
RIVER FALLS	26,467,015	195,197	81	2,410	12,088,449	36,569	47	778	38,555,464	231,766	128	1,811	
STEVENS POINT	42,832,016	633,591	267	2,373	24,191,474	277,980	84	3,309	67,023,490	911,571	351	2,597	
STOUT	40,447,156	547,047	202	2,708	20,838,227	323,080	113	2,859	61,285,383	870,127	315	2,762	
SUPERIOR	14,406,307	141,935	43	3,301	6,470,260	11,630	3	3,877	20,876,567	153,565	46	3,338	
WHITEWATER	55,970,481	607,964	266	2,286	22,003,058	115,537	34	3,398	77,973,539	723,501	300	2,412	
COLLEGES	37,526,130	488,744	229	2,134	10,415,709	97,473	22	4,431	47,941,839	586,217	251	2,336	
EXTENSION	106,147,339	941,083	341	2,760	18,590,684	144,079	40	3,602	124,738,023	1,085,162	381	2,848	
UW SYS ADMIN	5,432,195	65,733	4	16,433	2,789,193	13,867	4	3,467	8,221,388	79,600	8	9,950	
SYSTEM WIDE	4,477,425	49,116	3	16,372	12,583,541	58,503	8	7,313	17,060,966	107,619	11	9,784	
	1,663,823,397	25,630,234	5,270	4,863	596,402,539	8,606,901	3,090	2,785	2,260,225,936	34,237,135	8,360	4,095	

**DATA SOURCES:**

Budgeted Salaries are from the 2015-16 UW Annual Budget

Base Adjustments are from HRS as of June 30, 2016

Headcount data are from the 2015 October Payroll

**\*BASE ADJUSTMENTS:**

Base adjustments permitted under Wis. Stat. 36.09(1)(j) for merit, equity, title changes, promotions, and recognition of competitive factors.

UNIVERSITY OF WISCONSIN SYSTEM  
 FISCAL YEAR 2016 BUDGETED SALARIES AND BASE ADJUSTMENTS\* EXCLUDING PROMOTIONS, TITLE CHANGES, AND CHANGE IN DUTIES (Without Student Assistants in Headcount)  
 All Funds

FISCAL YEAR 2016																
Institution	FY 16 Unclassified Staff Base Adjustments					FY 16 University Staff Base Adjustments					FY 16 Totals					
	FY 16 Total Budgeted Unclassified Salary Dollars	Total Dollars for Uncl. Base Adjs.	Number of Uncl. Receiving Base Adjs	Total Uncl. Headcount	Percent Uncl. Staff Receiving Base Adjustment	FY 16 Total Budgeted University Staff Salary Dollars	Total Dollars for University Staff Base Adjs.	Number of University Staff Receiving Base Adjs	Total University Headcount	Percent University Staff Receiving Base Adjustment	FY 16 Total Budgeted Salary Dollars	Total Base Adj Dollars	Number of Staff Receiving Base Adjs	Total Headcount	Percent of Staff Receiving Base Adjs.	Total Base Adjs as Percent of Total Budgeted Salaries
MADISON	913,612,255	9,124,566	1,196	11,432	10.46%	293,921,950	4,848,338	1,910	4,984	38.32%	1,207,534,205	13,972,904	3,106	16,416	18.92%	1.16%
MILWAUKEE	166,291,188	625,009	87	2,804	3.10%	68,250,592	278,619	67	939	7.14%	234,541,780	903,628	154	3,743	4.11%	0.39%
EAU CLAIRE	49,937,965	152,171	36	813	4.43%	25,999,045	25,279	5	366	1.37%	75,937,010	177,450	41	1,179	3.48%	0.23%
GREEN BAY	28,986,248	175,402	55	506	10.87%	11,225,121	88,215	34	183	18.58%	40,211,369	263,617	89	689	12.92%	0.66%
La CROSSE	54,853,345	1,423,693	679	960	70.73%	16,036,678	460,398	310	329	94.22%	70,890,023	1,884,091	989	1,289	76.73%	2.66%
OSHKOSH	55,573,099	692,188	223	1,087	20.52%	22,923,074	123,559	63	366	17.21%	78,496,173	815,747	286	1,453	19.68%	1.04%
PARKSIDE	20,778,685	105,197	77	377	20.42%	9,090,021	70,528	19	159	11.95%	29,868,706	175,725	96	536	17.91%	0.59%
PLATTEVILLE	40,084,548	252,555	108	686	15.74%	18,985,463	41,825	14	300	4.67%	59,070,011	294,380	122	986	12.37%	0.50%
RIVER FALLS	26,467,015	141,502	48	550	8.73%	12,088,449	36,569	47	209	22.49%	38,555,464	178,071	95	759	12.52%	0.46%
STEVENS POINT	42,832,016	378,226	227	798	28.45%	24,191,474	146,398	49	371	13.21%	67,023,490	524,624	276	1,169	23.61%	0.78%
STOUT	40,447,156	207,355	141	811	17.39%	20,838,227	194,440	87	343	25.36%	61,285,383	401,795	228	1,154	19.76%	0.66%
SUPERIOR	14,406,307	77,584	20	324	6.17%	6,470,260	11,630	3	103	2.91%	20,876,567	89,214	23	427	5.39%	0.43%
WHITEWATER	55,970,481	300,856	215	935	22.99%	22,003,058	109,742	33	359	9.19%	77,973,539	410,598	248	1,294	19.17%	0.53%
COLLEGES	37,526,130	289,118	187	1,014	18.44%	10,415,709	36,697	11	182	6.04%	47,941,839	325,815	198	1,196	16.56%	0.68%
EXTENSION	106,147,339	583,866	258	952	27.10%	18,590,684	107,459	33	183	18.03%	124,738,023	691,325	291	1,135	25.64%	0.55%
UW SYS ADMIN	5,432,195	11,100	1	46	2.17%	2,789,193	5,339	2	36	5.56%	8,221,388	16,439	3	82	3.66%	0.20%
SYSTEM WIDE	4,477,425	1,500	1	39	2.56%	12,583,541	11,440	2	159	1.26%	17,060,966	12,940	3	198	1.52%	0.08%
	1,663,823,397	14,541,888	3,559	24,134	14.75%	596,402,539	6,596,475	2,689	9,571	28.10%	2,260,225,936	21,138,363	6,248	33,705	18.54%	0.94%

**DATA SOURCES:**

Budgeted Salaries are from the 2015-16 UW Annual Budget

Base Adjustments are from HRS as of June 30, 2016

Headcount data are from the 2015 October Payroll

**\*BASE ADJUSTMENTS:**

Base adjustments permitted under Wis. Stat. 36.09(1)(j) for merit, equity, title changes, promotions, and recognition of competitive factors.

UNIVERSITY OF WISCONSIN SYSTEM  
 FISCAL YEAR 2016 BUDGETED SALARIES AND ALL BASE ADJUSTMENTS\* FOR FACULTY ONLY (Without Student Assistants in Headcount)  
 Professor, Associate Professor, Assistant Professor and Instructor  
 All Funds

FISCAL YEAR 2016							
FY 16 Faculty Base Adjustments							
Institution	FY16 Total Budgeted Faculty Dollars	Total Dollars for Faculty Adjs.	Number of Faculty Receiving Base Adjs.	Average Base Adjustment per Faculty Recipient	Total Faculty Headcount	Percent of Faculty Receiving Base Adjustment	Percent of Faculty Salary Dollars
MADISON	258,486,270	6,585,519	593	11,105	2,128	27.87%	2.55%
MILWAUKEE	71,064,300	734,549	95	7,732	805	11.80%	1.03%
EAU CLAIRE	30,394,858	315,780	62	5,093	392	15.82%	1.04%
GREEN BAY	11,213,514	165,205	55	3,004	156	35.26%	1.47%
La CROSSE	27,222,228	1,026,953	356	2,885	395	90.13%	3.77%
OSHKOSH	26,584,977	239,645	87	2,755	324	26.85%	0.90%
PARKSIDE	7,531,459	102,788	69	1,490	116	59.48%	1.36%
PLATTEVILLE	18,263,083	306,496	120	2,554	246	48.78%	1.68%
RIVER FALLS	16,790,861	164,121	71	2,312	200	35.50%	0.98%
STEVENS POINT	22,074,534	420,186	211	1,991	322	65.53%	1.90%
STOUT	19,688,821	312,375	141	2,215	275	51.27%	1.59%
SUPERIOR	6,978,303	81,398	28	2,907	105	26.67%	1.17%
WHITEWATER	27,394,316	414,166	213	1,944	356	59.83%	1.51%
COLLEGES	16,112,938	268,930	119	2,260	276	43.12%	1.67%
EXTENSION	17,758,350	395,312	170	2,325	257	66.15%	2.23%
UW SYS ADMIN	0			N/A	0	N/A	N/A
SYSTEM WIDE	0			N/A	0	N/A	N/A
	577,558,812	11,533,423	2,390	4,826	6,353	37.62%	2.00%

**DATA SOURCES:**

Budgeted Salaries are from the 2015-16 UW Annual Budget

Base Adjustments are from HRS as of June 30, 2016

Headcount data are from the 2015 October Payroll

**\*BASE ADJUSTMENTS:**

Base adjustments permitted under Wis. Stat. 36.09(1)(j) for merit, equity, title changes, promotions, and recognition of competitive factors.

UNIVERSITY OF WISCONSIN SYSTEM  
 FISCAL YEAR 2016 BUDGETED AND BASE ADJUSTMENTS\* FOR FACULTY ONLY  
 (EXCLUDING PROMOTIONS, TITLE CHANGES, AND CHANGE IN DUTIES (Without Student Assistants in Headcount))  
 Professor, Associate Professor, Assistant Professor and Instructor  
 All Funds

FISCAL YEAR 2016							
FY 16 Faculty Base Adjustments							
Institution	FY16 Total Budgeted Faculty Dollars	Total Dollars for Faculty Adjs.	Number of Faculty Receiving Base Adjs	Average Base Adjustment per Faculty Recipient	Total Faculty Headcount	Percent Faculty Receiving Base Adjustment	Percent of Faculty Salary Dollars
MADISON	258,486,270	4,618,718	385	11,997	2,128	18.09%	1.79%
MILWAUKEE	71,064,300	241,178	23	10,486	805	2.86%	0.34%
EAU CLAIRE	30,394,858	94,980	29	3,275	392	7.40%	0.31%
GREEN BAY	11,213,514	125,570	42	2,990	156	26.92%	1.12%
La CROSSE	27,222,228	929,195	353	2,632	395	89.37%	3.41%
OSHKOSH	26,584,977	160,476	48	3,343	324	14.81%	0.60%
PARKSIDE	7,531,459	94,496	69	N/A	116	59.48%	1.25%
PLATTEVILLE	18,263,083	246,569	106	2,326	246	43.09%	1.35%
RIVER FALLS	16,790,861	117,497	44	2,670	200	22.00%	0.70%
STEVENS POINT	22,074,534	290,293	199	1,459	322	61.80%	1.32%
STOUT	19,688,821	170,187	111	1,533	275	40.36%	0.86%
SUPERIOR	6,978,303	52,868	17	N/A	105	16.19%	0.76%
WHITEWATER	27,394,316	254,166	202	1,258	356	56.74%	0.93%
COLLEGES	16,112,938	208,840	101	2,068	276	36.59%	1.30%
EXTENSION	17,758,350	304,130	145	2,097	257	56.42%	1.71%
UW SYS ADMIN	0			N/A	0	N/A	N/A
SYSTEM WIDE	0			N/A	0	N/A	N/A
				N/A			
	577,558,812	7,909,163	1,874	4,220	6,353	29.50%	1.37%

**DATA SOURCES:**

Budgeted Salaries are from the 2015-16 UW Annual Budget

Base Adjustments are from HRS as of June 30, 2016

Headcount data are from the 2015 October Payroll

**\*BASE ADJUSTMENTS:**

Base adjustments permitted under Wis. Stat. 36.09(1)(j) for merit, equity, title changes, promotions, and recognition of competitive factors.

# **FACULTY AND STAFF ADDITIONAL COMPENSATION FOR FY16**

## **DISCUSSION**

The three attached tables provide information on additional non-base building payments made in FY16. Staff who receive only lump sums as a form of compensation are not included in these tables (e.g. summer camp employees, summer session staff payments made as lump sums).

It is important to note that FY16 was the first fiscal year that merit was included as a permissible reason to award a lump sum payments for unclassified staff (faculty, academic staff, and limited appointees).

### **Table 1: FY16 Budgeted Salaries and Additional Compensation Payments**

In fiscal year 2016, UW chancellors reallocated one-time resources of \$25.3 million on a budgeted salary base of \$2.26 billion to fund these adjustments (1.12%). For comparison, in fiscal year 2015, adjustments required that chancellors reallocate \$22.9 million on a budgeted salary base of \$2.28 billion (1.01%).

For those receiving additional pay, the average amount paid per recipient was \$3,601 for FY16 and for comparison \$3,976 for FY15.

### **Table 2: FY16 Additional Compensation Payments by Unclassified and University Staff**

In fiscal year 2016, 5,895 (24.43%) unclassified staff (faculty, academic staff and limited appointees) received additional pay and 1,144 (11.95%) university staff received additional pay. For comparison, in fiscal year 2015, 5,187 (21.24%) unclassified staff received additional pay and 584 (5.71%) university staff received additional pay.

### **Table 3: FY16 Faculty Only Budgeted Salaries and Additional Compensation Payments**

In fiscal year 2016, UW chancellors reallocated one-time resources of \$12.7 million on a budgeted faculty salary base of \$577.6 million to fund these adjustments (2.21%). For comparison, in fiscal year 2015, adjustments required that chancellors reallocate \$12.1 million on a budgeted faculty salary base of \$575.8 million (2.10%).

For those faculty receiving additional pay, the average amount paid was \$4,817 for FY16 and for comparison \$5,163 for FY15.

UNIVERSITY OF WISCONSIN SYSTEM  
FISCAL YEAR 2016 BUDGETED SALARIES AND ADDITIONAL COMPENSATION PAYMENTS (WITHOUT STUDENT ASSISTANTS IN HEADCOUNT)  
All Funds

Institution	FISCAL YEAR 2016						
	Total Budgeted Salaries	FY 2016 Add'l Comp. Payments	Number of Staff Receiving Add'l Comp. Payments	Total Headcount	Percent Receiving Add'l Comp. Payments	Average Amount of Additional Compensation per Recipient	Percent of Total Salary Dollars
MADISON	1,207,534,205	2,972,342	872	16,416	5.31%	3,409	0.25%
MILWAUKEE	234,541,780	2,251,888	425	3,743	11.35%	5,299	0.96%
EAU CLAIRE	75,937,010	1,540,363	467	1,179	39.61%	3,298	2.03%
GREEN BAY	40,211,369	1,389,669	188	689	27.29%	7,392	3.46%
La CROSSE	70,890,023	2,536,046	1,100	1,289	85.34%	2,305	3.58%
OSHKOSH	78,496,173	2,603,235	524	1,453	36.06%	4,968	3.32%
PARKSIDE	29,868,706	645,253	162	536	30.22%	3,983	2.16%
PLATTEVILLE	59,070,011	1,625,767	366	986	37.12%	4,442	2.75%
RIVER FALLS	38,555,464	923,623	469	759	61.79%	1,969	2.40%
STEVENS POINT	67,023,490	1,473,730	299	1,169	25.58%	4,929	2.20%
STOUT	61,285,383	2,090,364	488	1,154	42.29%	4,284	3.41%
SUPERIOR	20,876,567	767,667	149	427	34.89%	5,152	3.68%
WHITEWATER	77,973,539	2,629,631	541	1,294	41.81%	4,861	3.37%
COLLEGES	47,941,839	1,218,873	507	1,196	42.39%	2,404	2.54%
EXTENSION	124,738,023	608,749	458	1,135	40.35%	1,329	0.49%
UW SYS ADMIN	8,221,388	14,694	5	82	6.10%	2,939	0.18%
SYSTEM WIDE	17,060,966	53,706	19	198	9.60%	2,827	0.31%
TOTAL	2,260,225,936	25,345,600	7,039	33,705	20.88%	3,601	1.12%

**DATA SOURCES:**

Budgeted Salaries are from the 2015-16 UW Annual Budgets

Additional Compensation Adjustments are from HRS as June 30, 2016

Headcount data are from the 2015 October Payroll



UNIVERSITY OF WISCONSIN SYSTEM  
 FISCAL YEAR 2016 ADDITIONAL COMPENSATION PAYMENTS BY UNCLASSIFIED AND UNIVERSITY STAFF (Without Student Assistants in Headcount)  
 All Funds

FISCAL YEAR 2016																
Institution	FY 16 Unclassified Add'l Compensation					FY 16 University Staff Add'l Compensation					FY 16 Totals					
	FY 16 Total Budgeted Unclassified Salary Dollars	Total Dollars for Uncl Add'l Comp Payments	Number of Uncl. Receiving Add'l Comp Payments	Total Uncl. Headcount	Percent Uncl. Staff Receiving Add'l Comp Payments	FY 16 Total Budgeted University Staff Salary Dollars	Total Dollars for University Staff Add'l Comp Payments	Number of University Staff Receiving Add'l Comp Payments	Total University Staff Headcount	Percent University Staff Receiving Add'l Comp Payments	FY 16 Total Budgeted Salary Dollars	Total Add'l Comp Payment Dollars	Number of Staff Receiving Add'l Comp Payments	Total Headcount	Percent of Staff Receiving Add'l Comp Payments	Total Add'l Comp Payments as Percent of Total Budgeted Salaries
MADISON	913,612,255	2,550,788	660	11,432	5.77%	293,921,950	421,554	212	4,984	4.25%	1,207,534,205	2,972,342	872	16,416	5.31%	0.25%
MILWAUKEE	166,291,188	2,197,578	413	2,804	14.73%	68,250,592	54,310	12	939	1.28%	234,541,780	2,251,888	425	3,743	11.35%	0.96%
EAU CLAIRE	49,937,965	1,533,524	462	813	56.83%	25,999,045	6,839	5	366	1.37%	75,937,010	1,540,363	467	1,179	39.61%	2.03%
GREEN BAY	28,986,248	1,389,069	187	506	36.96%	11,225,121	600	1	183	0.55%	40,211,369	1,389,669	188	689	27.29%	3.46%
La CROSSE	54,853,345	2,259,579	788	960	82.08%	16,036,678	276,467	312	329	94.83%	70,890,023	2,536,046	1,100	1,289	85.34%	3.58%
OSHKOSH	55,573,099	2,526,134	500	1,087	46.00%	22,923,074	77,101	24	366	6.56%	78,496,173	2,603,235	524	1,453	36.06%	3.32%
PARKSIDE	20,778,685	625,208	153	377	40.58%	9,090,021	20,045	9	159	5.66%	29,868,706	645,253	162	536	30.22%	2.16%
PLATTEVILLE	40,084,548	1,575,721	348	686	50.73%	18,985,463	50,046	18	300	6.00%	59,070,011	1,625,767	366	986	37.12%	2.75%
RIVER FALLS	26,467,015	815,252	291	550	52.91%	12,088,449	108,371	178	209	85.17%	38,555,464	923,623	469	759	61.79%	2.40%
STEVENS POINT	42,832,016	1,442,976	276	798	34.59%	24,191,474	30,754	23	371	6.20%	67,023,490	1,473,730	299	1,169	25.58%	2.20%
STOUT	40,447,156	1,912,674	385	811	47.47%	20,838,227	177,690	103	343	30.03%	61,285,383	2,090,364	488	1,154	42.29%	3.41%
SUPERIOR	14,406,307	742,117	143	324	44.14%	6,470,260	25,550	6	103	5.83%	20,876,567	767,667	149	427	34.89%	3.68%
WHITEWATER	55,970,481	2,606,200	534	935	57.11%	22,003,058	23,431	7	359	1.95%	77,973,539	2,629,631	541	1,294	41.81%	3.37%
COLLEGES	37,526,130	1,064,576	397	1,014	39.15%	10,415,709	154,297	110	182	60.44%	47,941,839	1,218,873	507	1,196	42.39%	2.54%
EXTENSION	106,147,339	466,074	350	952	36.76%	18,590,684	142,675	108	183	59.02%	124,738,023	608,749	458	1,135	40.35%	0.49%
UW SYS ADMIN	5,432,195	11,094	4	46	8.70%	2,789,193	3,600	1	36	2.78%	8,221,388	14,694	5	82	6.10%	0.18%
SYSTEM WIDE	4,477,425	18,398	4	39	10.26%	12,583,541	35,308	15	159	9.43%	17,060,966	53,706	19	198	9.60%	0.31%
	1,663,823,397	23,736,962	5,895	24,134	24.43%	596,402,539	1,608,638	1,144	9,571	11.95%	2,260,225,936	25,345,600	7,039	33,705	20.88%	1.12%

**DATA SOURCES:**

Budgeted Salaries are from the 2015-16 UW Annual Budgets

Additional Compensation Adjustments are from HRS as June 30, 2016

Headcount data are from the 2015 October Payroll

UNIVERSITY OF WISCONSIN SYSTEM  
 FISCAL YEAR 2016 BUDGETED SALARIES AND ADDITIONAL COMPENSATION FOR FACULTY ONLY (Without Student Assistants in Headcount)  
 Professor, Associate Professor, Assistant Professor and Instructor  
 All Funds

FISCAL YEAR 2016							
FY 16 Faculty Additional Compensation							
Institution	FY16 Total Budgeted Faculty Dollars	Total Dollars for Faculty Additional Compensation	Number of Faculty Receiving Additional Compensation	Average Additional Compensation Faculty Recipient	Total Faculty Headcount	Percent Faculty Receiving Additional Compensation	Percent of Faculty Salary Dollars
MADISON	258,486,270	423,851	105	4,037	2,128	4.93%	0.16%
MILWAUKEE	71,064,300	770,193	119	6,472	805	14.78%	1.08%
EAU CLAIRE	30,394,858	1,150,199	366	3,143	392	93.37%	3.78%
GREEN BAY	11,213,514	934,368	107	8,732	156	68.59%	8.33%
La CROSSE	27,222,228	1,252,482	376	3,331	395	95.19%	4.60%
OSHKOSH	26,584,977	1,509,800	260	5,807	324	80.25%	5.68%
PARKSIDE	7,531,459	346,794	83	4,178	116	71.55%	4.60%
PLATTEVILLE	18,263,083	1,017,808	188	5,414	246	76.42%	5.57%
RIVER FALLS	16,790,861	502,569	112	4,487	200	56.00%	2.99%
STEVENS POINT	22,074,534	890,229	142	6,269	322	44.10%	4.03%
STOUT	19,688,821	1,476,134	235	6,281	275	85.45%	7.50%
SUPERIOR	6,978,303	413,801	77	5,374	105	73.33%	5.93%
WHITEWATER	27,394,316	1,440,329	261	5,519	356	73.31%	5.26%
COLLEGES	16,112,938	536,681	153	3,508	276	55.43%	3.33%
EXTENSION	17,758,350	76,480	61	1,254	257	23.74%	0.43%
UW SYS ADMIN	0	0		N/A	0	N/A	N/A
SYSTEM WIDE	0	0		N/A	0	N/A	N/A
	577,558,812	12,741,718	2,645	4,817	6,353	41.63%	2.21%

**DATA SOURCES:**

Budgeted Salaries are from the 2015-16 UW Annual Budgets  
 Additional Compensation Adjustments are from HRS as June 30, 2016  
 Headcount data are from the 2015 October Payroll

Adoption of Statement on Staff Excellence,  
and 2017-19 Pay Plan Request for Attracting  
and Retaining World-class Faculty and Staff

BUSINESS AND FINANCE COMMITTEE

Resolution I.2.d.

WHEREAS the Board of Regents reaffirms that University of Wisconsin System faculty and staff are considered among the best in the world; and

WHEREAS UW institutions compete nationally and internationally to attract and retain the most talented, diverse, and world-class faculty and staff; and

WHEREAS all UW System employees are integral to the success of the 180,000 students that choose to attend a UW institution, including more than 36,000 students that graduate each year; and

WHEREAS other public universities have been steadily increasing compensation at the rate of inflation or better annually, averaging a two-percent increase each year; and

WHEREAS this gradual disparity has led to a wide gap between pay for UW System employees and those of other universities; and

WHEREAS a modest pay plan increase may prevent falling further behind;

BE IT THEREFORE RESOLVED that the Board of Regents approves a pay plan request, on behalf of all UW System employees, of two-percent in fiscal year 2017-18 and two-percent in fiscal year 2018-19, fully funded from the State's Compensation Reserve; and

BE IT FURTHER RESOLVED that the Board of Regents takes this action to maintain the quality education that Wisconsin students and families expect and deserve, and to help preserve the UW System's reputation as a world-renowned organization.

December 8, 2016

Agenda Item I.2.d.

**UNIVERSITY OF WISCONSIN SYSTEM  
2017-19 REGENT PAY PLAN RECOMMENDATIONS**

**BACKGROUND**

Prior to July 1, 2015, the Board of Regents was responsible for recommending pay plan adjustments for faculty, academic staff, and limited appointees. With the Legislature's approval of the two personnel systems authorized by Wis. Stat. § 36.115, effective July 1, 2015, the UW System Board of Regents and the UW-Madison Chancellor are responsible for recommending a pay plan for all members of the UW System workforce – faculty, academic staff, university staff, and limited appointees.

UW System faculty and staff are considered among the best in the world, and institutions compete nationally and internationally to attract and retain the most talented individuals. Other public universities have been steadily increasing compensation at the rate of inflation or better annually, averaging a two-percent increase each year. These gradual increases have led to a gap between pay for UW System employees and those of other universities. Our employees are integral to the success of our institutions, and the Board of Regents can recommend a pay plan increase to help maintain the quality education that students and families expect and deserve.

The pay plan recommendations requested by the Board of Regents, UW System President, and the UW-Madison Chancellor must ultimately be approved by the Legislature's Joint Committee on Employee Relations (JCOER). Per Wis. Stat. § 230.12(3)(e), the Board's pay plan recommendations are submitted to the state's Administrator of the Division of Personnel Management (DPM) who will submit a proposal to JCOER for adjusting compensation and employee benefits for University of Wisconsin System employees. As outlined in Wis. Stat. § 230.12(3)(e), the proposal shall be based upon:

...the competitive ability of the board of regents to recruit and retain qualified faculty and academic staff, data collected as to rates of pay for comparable work in other public services, universities and commercial and industrial establishments, recommendations of the board of regents and any special studies carried on as to the need for any changes in compensation and employee benefits to cover each year of the biennium. The proposal shall also take proper account of prevailing pay rates, costs and standards of living and the state's employment policies. The proposal for such pay adjustments may contain recommendations for across-the-board pay adjustments, merit or other adjustments and employee benefit improvements.

**REQUESTED ACTION**

Approval of Resolution I.2.d.

## DISCUSSION AND RECOMMENDATIONS

The UW System President has received advice and counsel from the Chancellors. The President, chancellors, and UW System Administration and institutional staff reviewed salary data from established peer groups and national reports on faculty salaries. **Appendix A** illustrates recent compensation percentage increases reported by the College and University Professional Association for Human Resources (CUPA-HR) for all employees at public institutions nationally and salary data reported by the Higher Education Price Index (HEPI) for all employees at public and private institutions nationally. The Chancellors and Provosts continue to share information on the recruitment and retention challenges they are facing in their efforts to recruit and retain the high-quality faculty and staff they need to accomplish their missions.

In the last three biennia, some institutions have been able to internally reallocate base dollars to address certain compensation issues as permitted by Wis. Stat. § 36.09(1)(j). Detailed information about turnover of UW faculty and reallocated base adjustments is provided to the Board in a separate report that will also be discussed with the Business and Finance Committee at the December meeting.

### Recommendations

Under Wis. Stat. § 36.09(1), the Board of Regents is vested with primary responsibility for the governance of the University of Wisconsin System. It is the Board's policy to promote the attraction, development, and retention of a diverse and highly qualified workforce that will effectively and efficiently pursue the missions of the UW System and each UW institution. The 2017-19 biennial pay plan recommendation includes the following:

1. Implement a 2% increase for each year of the 2017-19 biennium, on July 1, 2017 and July 1, 2018 respectively. These increases should be fully funded through the state's Compensation Reserve using general purpose revenue (GPR) for state-funded employees; and,
2. As State of Wisconsin employees, UW System employees continue their eligibility for retirement, health insurance, and supplemental sick leave conversion benefits that are no less than those benefits provided to all other state employees through the state's compensation plan.

This pay plan request will not close the salary gaps between UW System employees and those at peer institutions. However, it will provide modest salary increases and provide Chancellors with the ability to recognize the contributions of UW faculty and staff.

Data available for comparing salaries of UW System faculty to their peers is illustrated in Appendices B and C. **Appendix B, Table 1** shows the distance that the UW institutions' faculty are behind their peers after all 2014-15 salary adjustments. The systemwide percentage

was 11.64% in 2014-15. The standard methodology established in 1984 was again used to calculate these percentages.

**Appendix B, Table 2** shows the calculation of the distance that the UW institutions are behind their peers after all 2014-15 salary adjustments when factoring in the geographic cost of living among peer institutions. The systemwide percentage of distance to UW institutions' peers widens when considering geographic costs. The adjusted percentage was 18.53% in 2014-15.

### **Oversight, Roles, and Responsibilities**

The Board of Regents has delegated to the President of the UW System and the UW-Madison Chancellor the authority to implement and maintain pay plan distribution policies under Regent Policy Document 20-21, University Personnel Systems:

The Board of Regents delegates to the President of the UW System or his or her designees the authority to implement and maintain a personnel system for all UW System employees except employees assigned to UW-Madison. The Board of Regents authorizes the President or his or her designees to formulate operating policies to administer this personnel system. The Board of Regents delegates to the Chancellor of UW-Madison or his or her designees the authority to implement and maintain a personnel system for all System employees assigned to UW-Madison. The Board of Regents authorizes the UW-Madison Chancellor or his or her designees to formulate operating policies to administer the personnel system for all System employees assigned to UW-Madison. Prior to initial implementation, the policies related to the 14 areas enumerated above *[including pay plans]* are subject to review by the Board of Regents. The Board further authorizes the President to delegate to individual Chancellors of institutions other than UW-Madison the administration and oversight of the personnel system for all system employees except system employees assigned to UW-Madison.

### **RELATED POLICIES AND APPLICABLE LAWS**

Wis. Stat. Chapter 36

Wis. Stat. Chapter 230

Regent Policy Document 20-21, University Personnel Systems

## Appendix A

### State of Wisconsin Pay Plan for Fiscal Years 2012 through 2017 Compared to National Averages

UNIVERSITY OF WISCONSIN SYSTEM PAY PLAN HISTORY						
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Approved State Pay Plan for all State Employees	0.00%	0.00%	1.00%	1.00%	0.00%	0.00%
Average Percent Increases for all employees at U.S. Public Institutions*	1.40%	2.00%	2.30%	2.30%	2.00%	N/A
Higher Education Price Index (HEPI)** HEPI Reported Salary Increases for all employees at Public and Private Institutions	1.63%	1.83%	2.03%	1.58%	2.78%	2.70%

\*College and University Professionals Association for Human Resources

\*\*The Higher Education Price Index is an inflation index designed specifically for use by institutions of higher education.

## Appendix B

Table 1  
Faculty Percentage Behind Peers Using Actual 2014-2015 Salary Data

	<u>Actual</u> <u>2011-12</u>	<u>Actual</u> <u>2012-13</u>	<u>Actual</u> <u>2013-14</u>	<u>Actual</u> <u>2014-15</u>
Madison	12.48%	11.45%	9.15%	8.44%
Milwaukee	11.79%	12.50%	10.79%	11.39%
Comprehensives	18.85%	19.64%	18.59%	16.19%
Colleges	12.48%	11.45%	9.15%	8.44%
Extension	15.54%	13.82%	10.97%	10.43%
Totals	14.79%	14.58%	12.80%	11.64%

Table 2  
Faculty Percentage Behind Peers: Adjusted for Cost of Living  
Using Economic Research Institute Index

	<u>2013-14</u>		<u>2014-15</u>	
	<u>Unadjusted</u>	<u>Adjusted</u>	<u>Unadjusted</u>	<u>Adjusted</u>
Madison	9.15%	18.08%	8.44%	18.32%
Milwaukee	10.79%	13.46%	11.39%	10.20%
Comprehensives	18.59%	21.01%	16.19%	20.84%
Colleges	9.15%	18.08%	8.44%	18.32%
Extension	10.97%	26.68%	10.43%	27.88%
Totals	12.80%	18.85%	11.64%	18.53%



## UNIVERSITY OF WISCONSIN - MADISON 2017-19 PAY PLAN RECOMMENDATIONS

The UW System Board of Regents and the UW-Madison Chancellor are responsible for recommending a pay plan for all members of the UW System workforce – faculty, academic staff, university staff, and limited appointees. Per Wis. Stat. § 230.12(3)(e), the Board and UW-Madison must submit pay plan recommendations to the state Administrator of the Division of Personnel Management (DPM) who will submit to JCOER a proposal for adjusting compensation and employee benefits for the University of Wisconsin System employees. As outlined in aforementioned statutory provision, the proposals shall be based upon:

...the competitive ability of board of regents to recruit and retain qualified faculty and academic staff, data collected as to rates of pay for comparable work in other public services, universities and commercial and industrial establishments, recommendations of the board of regents and any special studies carried on as to the need for any changes in compensation and employee benefits to cover each year of the biennium. The proposal shall also take proper account of prevailing pay rates, costs and standards of living and the state's employment policies. The proposal for such pay adjustments may contain recommendations for across-the-board pay adjustments, merit or other adjustments and employee benefit.

### **UW-Madison Pay Plan Recommendation**

For the 2017-19 biennium, UW-Madison is recommending a 2% increase for each of the two fiscal years, to be funded by the state compensation reserve using general purpose revenue. This recommendation also includes state funding for retirement, health insurance, and supplemental sick leave conversion benefits at a level no less than those provided to all other state employees through the state's compensation plan.

### **Rationale for Recommendation**

Providing general wage increases for UW-Madison faculty and staff is critical in the 2017-19 biennium. The following key points provide context and justification for this recommendation.

- ***A weakened competitive position*** – Faculty salary comparisons show UW-Madison lagging its peers in the Big 10 and across the country. For example, salaries for full professors at UW-Madison are 12.4% below the median for its peer group (see Appendix A). Faculty are the engine that powers the University's critical teaching, research and outreach missions.
- ***Lack of past general wage increases*** – Pay plan increases for UW-Madison faculty and staff were minimal between 2010 to 2016, averaging 0.3% per year and including many years with no increases (2% total over the 6-year period). Official peer institutions provided 3% for faculty and 2.1% for staff each year on average while Big Ten institutions provided 2.5% for faculty and 2.2% for staff each year (see Appendix B). A

result of this wage stagnation has been increased targeting of faculty and staff by outside institutions.

- ***Increased benefit costs for employees*** – University employee benefit contributions have risen substantially over the last five years, meaning that many campus employees' take-home pay is actually less today than it was in 2010. For example, an employee's share for retirement benefits was 0% in 2010 and is now 6.6% of annual salary in 2016. With inflation rising close to 10% in the same time period, many faculty and staff employees are leaving or considering leaving to pursue higher wages in other jobs.
- ***Labor market pressures*** – Madison's unemployment rate has hovered around 3% in 2016. Local wages have risen based on the increased difficulty filling vacancies. UW-Madison has thousands of positions where the local labor market is relevant for recruitment and retention of staff. If existing wages for employees are not keeping up with the local market, it becomes difficult to retain employees.

Although this modest request, if approved, won't eliminate the stated challenges, it will move wages for faculty and staff in the right direction, improving UW-Madison's ability to pursue and retain the top talent needed to run a world-class university and deliver on our education, research, and public service missions for the state of Wisconsin.

## Appendix A

### 2015-16 Average Faculty Salaries by Professorial Rank UW-Madison's Official Faculty Salary Peer Group

University	Full Professor		Associate Professor		Assistant Professor		Percent Change from 2014-15		
	Average Salary	Rank	Average Salary	Rank	Average Salary	Rank	Full Prof	Assoc Prof	Assist Prof
University of California-Los Angeles	187,817	1	122,630	1	97,898	3	3.7%	4.2%	0.6%
University of California-Berkeley	178,881	2	115,915	2	109,550	1	3.6%	0.4%	6.3%
University of Michigan-Ann Arbor	164,802	3	109,172	3	92,160	5	2.4%	2.3%	0.9%
University of Illinois-Urbana	147,957	5	99,515	7	91,256	7	-0.8%	0.2%	-0.7%
University of Texas-Austin	154,809	4	100,478	5	93,880	4	4.3%	3.8%	4.2%
Ohio State University	145,472	6	97,982	8	85,966	8	2.3%	1.9%	0.9%
Michigan State University	145,416	7	97,191	9	76,597	12	4.2%	3.7%	3.3%
University of Minnesota-Twin Cities	137,950	9	95,835	10	85,804	9	2.0%	2.4%	1.1%
Indiana University-Bloomington	138,792	8	94,065	12	91,756	6	2.8%	1.8%	4.6%
University of Washington-Seattle	133,800	11	104,800	4	98,100	2	1.0%	6.6%	6.0%
Purdue University	134,763	10	95,361	11	84,884	11	3.4%	3.1%	4.1%
<b>University of Wisconsin-Madison</b>	<b>129,481</b>	<b>12</b>	<b>99,733</b>	<b>6</b>	<b>85,499</b>	<b>10</b>	<b>1.1%</b>	<b>4.1%</b>	<b>0.7%</b>
Peer Group Median (w/o UW-Madison)	145,472		99,515		91,756				
Percent Increase Needed to Reach Median	12.4%		-0.2%		7.3%				

Notes: Based on the annual AAUP Faculty Salary Survey. Faculty on 12-month appointments are included, but their salaries have been converted to 9-month rates. Medical schools are excluded. UW-Madison's peer group for purposes of salary comparisons was established by The Governor's Commission on Faculty Compensation in 1984. The peer universities include the University of California-Berkeley, University of California-Los Angeles, University of Michigan, Ohio State University, University of Texas-Austin, University of Illinois, Purdue University, Indiana University, University of Minnesota, Michigan State University, and the University of Washington-Seattle. Salaries reported to AAUP are affected by several factors, including faculty turnover and promotions, salary adjustments for promotions, competitive market adjustments, and equity adjustments, in addition to any announced annual increases

## Appendix B

Historical Compensation Increases - UW-Madison Official Salary Peers														
Institution Name	2015-16		2014-15		2013-14		2012-13		2011-12		2010-11		Six-Year Average	
	Faculty	Staff	Faculty	Staff	Faculty	Staff	Faculty	Staff	Faculty	Staff	Faculty	Staff	Faculty	Staff
Public A							2.20%	2.00%	2.50%	1.50%	3.00%	3.00%		
Public B	2.50%	2.00%	2.50%	2.00%	2.25%	2.00%	2.00%	2.00%			2.00%	1.00%		
Public C	2.00%	2.00%	1.80%	1.84%	2.00%	2.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.13%	2.14%
Public D	4.30%	4.78%	3.01%	2.31%	3.07%	2.09%	2.84%	2.97%	1.90%	1.65%	2.52%	2.47%	2.94%	2.71%
Public E	4.78%	3.00%	4.78%	3.00%	3.78%	3.00%	1.78%	0.00%	4.78%	3.00%	1.78%	0.00%	3.61%	2.00%
Public F	4.78%	3.00%	4.78%	3.00%	3.78%	3.00%	1.78%	0.00%	4.78%	3.00%	1.78%	0.00%	3.61%	2.00%
Public G	0.80%	0.10%	4.00%	2.50%	4.80%	3.00%	4.60%	2.70%	4.40%	2.90%	2.70%	0.50%	3.55%	1.95%
Public H	2.60%	2.30%	2.90%	2.20%	2.50%	1.00%	2.90%	2.20%	2.80%	2.20%	2.60%	2.30%	2.72%	2.03%
Public I	2.00%	2.00%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	0.00%	0.00%	2.00%	2.00%	1.83%	1.83%
Public J	4.36%		3.09%	n/a	1.97%	n/a	2.64%		2.74%		4.64%		3.24%	
Average (excludes UW-Madison)	3.12%	2.40%	3.21%	2.36%	2.96%	2.32%	2.62%	1.93%	2.88%	2.03%	2.50%	1.47%	2.96%	2.10%

Source: Association of American Universities Data Exchange, Current Developments. Compiled by Academic Planning and Institutional Research, Office of the Provost, UW-Madison  
arl, November 2016

Note: Individual institution identification is considered confidential per the Exchange agreement.  
Average by institution was only calculated for those institutions that provided information in each year presented here.  
One official salary peer did not report information for any year included here.  
Official salary peers include: University of California-Berkeley, University of California-Los Angeles, University of Michigan, Ohio State University, University of Texas-Austin, University of Illinois-Urbana, Purdue University, Indiana University, University of Minnesota, Michigan State University, and University of Washington-Seattle.

Historical Compensation Increases - Big Ten Universities														
Institution Name	2015-16		2014-15		2013-14		2012-13		2011-12		2010-11		Six-Year Average	
	Faculty	Staff	Faculty	Staff	Faculty	Staff	Faculty	Staff	Faculty	Staff	Faculty	Staff	Faculty	Staff
Public A							2.20%	2.00%	2.50%	1.50%	3.00%	3.00%		
Public B	2.50%	2.00%	2.50%	2.00%	2.25%	2.00%	2.00%	2.00%			2.00%	1.00%		
Public C	2.00%	2.00%	1.80%	1.84%	2.00%	2.00%	3.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.13%	2.14%
Public D	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	2.50%	2.50%	3.50%	3.50%	3.00%	3.00%
Public E	4.30%	4.78%	3.01%	2.31%	3.07%	2.09%	2.84%	2.97%	1.90%	1.65%	2.52%	2.47%	2.94%	2.71%
Public F	2.00%	2.00%	2.20%	0.00%	2.63%	2.25%	2.10%	2.50%	2.00%	2.25%	0.00%	0.00%	1.82%	1.50%
Public G	0.80%	0.10%	4.00%	2.50%	4.80%	3.00%	4.60%	2.70%	4.40%	2.90%	2.70%	0.50%	3.55%	1.95%
Public H	1.90%	2.40%	2.20%	2.55%	2.10%	2.43%	2.38%	2.46%	3.13%	2.94%	2.47%	2.84%	2.36%	2.60%
Public I	2.00%	2.00%			5.50%	5.50%	5.50%	5.50%	0.00%	0.00%	0.00%	0.00%		
Public J	2.60%	2.30%	2.90%	2.20%	2.50%	1.00%	2.90%	2.20%	2.80%	2.20%	2.60%	2.30%	2.72%	2.03%
Public K	2.00%	2.00%	2.00%	2.00%	2.50%	2.50%	2.50%	2.50%	0.00%	0.00%	2.00%	2.00%	1.83%	1.83%
Public L	3.00%	3.00%	3.00%	3.00%	2.67%	2.67%	2.00%	2.00%	2.00%	2.00%	0.00%	0.00%	2.11%	2.11%
Average (excludes UW-Madison)	2.37%	2.33%	2.66%	2.14%	3.00%	2.59%	2.92%	2.74%	2.11%	1.81%	1.90%	1.63%	2.50%	2.21%

Source: Association of American Universities Data Exchange, Current Developments. Compiled by Academic Planning and Institutional Research, Office of the Provost, UW-Madison  
arl, November 2016

Note: Individual institution identification is considered confidential per the Exchange agreement.  
Average by institution was only calculated for those institutions that provided information in each year presented here.  
Public Big10 Universities include: University of Illinois-Urbana, Indiana University, University of Iowa, University of Michigan, Michigan State University, University of Minnesota, University of Nebraska-Lincoln, Ohio State University, Pennsylvania State University, Purdue University, University of Maryland, and Rutgers University

## **QUARTERLY REPORT OF GIFTS, GRANTS, AND CONTRACTS JULY 1, 2015 THROUGH SEPTEMBER 30, 2016**

### **BACKGROUND**

Regent Policy Document 13-1: General Contract Approval, Signature Authority, and Reporting, requires that a summary of extramural gifts, grants, and contracts be reported quarterly to the Vice President for Finance for presentation to the Business and Finance Committee of the Board of Regents. The attached report is intended to meet that requirement.

The policy further directs that grants from and contracts with private, profit-making organizations with a value of more than \$1,000,000, as well as athletics employment contracts with a value of more than \$500,000, require formal approval by the Board of Regents prior to execution. In addition, any contract with a value of less than \$1,000,000 that, in the judgment of the President of the UW System, warrants direct Board approval shall also be approved by the Board prior to execution. Grants and contracts covered by these requirements are included in the quarterly reports upon execution and are also presented individually to the Business and Finance Committee of the Board of Regents.

The policy also requires that grants from and contracts with private, profit-making organizations with a value between \$500,000 and \$1,000,000 be reviewed by the institution's legal affairs office or the UW System Office of General Counsel prior to execution.

### **REQUESTED ACTION**

No action is required; this item is for information only.

### **DISCUSSION**

Attached is a summary report of gifts, grants, and contracts awarded to University of Wisconsin System institutions in the three-month period from July 1, 2016, through September 30, 2016. Total gifts, grants, and contracts for the period were approximately \$501.9 million; this is an increase of \$1.6 million from the same period in the prior year. Federal awards decreased \$11.6 million, while non-federal awards increased by \$13.2 million.

### **RELATED REGENT POLICIES**

Regent Policy Document 13-1: *General Contract Approval, Signature Authority, and Reporting.*

**UNIVERSITY OF WISCONSIN SYSTEM  
GIFTS, GRANTS AND CONTRACTS AWARDED  
FISCAL YEAR 2016-2017 (First Quarter)**

Institution	TOTAL - ALL CATEGORIES								
	Fiscal Year 2016-17	Total Fiscal Year 2015-16	Increase (Decrease)	Fiscal Year 2016-17	Federal Fiscal Year 2015-16	Increase (Decrease)	Fiscal Year 2016-17	Non-Federal Fiscal Year 2015-16	Increase (Decrease)
<b>Total</b>	<b>501,857,776</b>	<b>500,286,573</b>	<b>1,571,203</b>	<b>319,229,418</b>	<b>330,885,048</b>	<b>(11,655,630)</b>	<b>182,628,359</b>	<b>169,401,525</b>	<b>13,226,833</b>
Madison	395,718,683	378,858,145	16,860,538	229,810,201	226,488,564	3,321,637	165,908,482	152,369,581	13,538,901
Milwaukee	33,464,117	34,642,437	(1,178,320)	30,613,694	31,007,348	(393,655)	2,850,424	3,635,089	(784,665)
Eau Claire	8,809,156	9,174,760	(365,604)	8,696,656	8,923,234	(226,578)	112,500	251,526	(139,026)
Green Bay	3,658,525	5,855,547	(2,197,022)	3,215,038	5,095,557	(1,880,519)	443,487	759,989	(316,502)
La Crosse	5,453,502	5,287,332	166,170	5,025,448	4,996,706	28,742	428,054	290,626	137,428
Oshkosh	13,674,928	7,756,871	5,918,057	13,468,665	7,039,344	6,429,321	206,263	717,526	(511,263)
Parkside	322,562	5,003,487	(4,680,926)	6,344	4,356,489	(4,350,145)	316,218	646,998	(330,780)
Platteville	1,001,904	4,679,058	(3,677,154)	1,001,904	4,626,998	(3,625,094)	0	52,060	(52,060)
River Falls	5,341,437	5,309,734	31,703	5,214,845	5,157,695	57,150	126,592	152,039	(25,447)
Stevens Point	9,249,718	9,211,210	38,507	7,589,900	8,188,295	(598,396)	1,659,818	1,022,915	636,903
Stout	6,261,893	6,656,805	(394,912)	5,670,539	6,051,599	(381,060)	591,354	605,206	(13,852)
Superior	2,372,834	3,277,712	(904,878)	2,261,919	3,192,354	(930,435)	110,915	85,358	25,557
Whitewater	8,881,549	7,673,484	1,208,064	6,207,613	6,495,462	(287,849)	2,673,935	1,178,022	1,495,913
Colleges	375,582	7,184,615	(6,809,033)	0	6,766,744	(6,766,744)	375,582	417,871	(42,289)
Extension	7,271,387	9,461,093	(2,189,706)	446,653	2,244,375	(1,797,722)	6,824,734	7,216,718	(391,984)
System Admin	0	254,282	(254,282)	0	254,282	(254,282)	0	0	0

RESEARCH & PUBLIC SERVICE									
Institution	Fiscal Year 2016-17	Total		Fiscal Year 2016-17	Federal		Fiscal Year 2016-17	Non Federal	
		Fiscal Year 2015-16	Increase (Decrease)		Fiscal Year 2015-16	Increase (Decrease)		Fiscal Year 2015-16	Increase (Decrease)
<b>Total</b>	<b>390,240,732</b>	<b>365,552,900</b>	<b>24,687,832</b>	<b>236,495,495</b>	<b>224,032,625</b>	<b>12,462,870</b>	<b>153,745,237</b>	<b>141,520,275</b>	<b>12,224,962</b>
Madison	359,628,494	337,005,204	22,623,290	217,522,307	206,596,458	10,925,849	142,106,188	130,408,746	11,697,442
Milwaukee	12,738,565	12,723,661	14,904	10,705,327	10,517,901	187,426	2,033,238	2,205,760	(172,522)
Eau Claire	1,526,487	1,361,114	165,373	1,413,987	1,109,588	304,399	112,500	251,526	(139,026)
Green Bay	2,004,743	957,948	1,046,794	1,829,325	745,372	1,083,953	175,418	212,576	(37,158)
La Crosse	702,555	592,162	110,393	286,136	318,136	(32,000)	416,419	274,026	142,393
Oshkosh	933,838	1,869,572	(935,734)	839,877	1,403,510	(563,633)	93,961	466,062	(372,101)
Parkside	47,698	419,712	(372,014)	0	0	0	47,698	419,712	(372,014)
Platteville	398,216	51,296	346,920	398,216	0	398,216	0	51,296	(51,296)
River Falls	563,554	429,727	133,827	548,483	357,537	190,946	15,071	72,190	(57,119)
Stevens Point	2,140,211	841,464	1,298,747	1,002,853	158,133	844,720	1,137,358	683,331	454,027
Stout	1,405,303	688,093	717,210	1,249,216	546,573	702,643	156,087	141,520	14,567
Superior	286,550	81,148	205,402	246,316	29,250	217,066	40,234	51,898	(11,664)
Whitewater	1,156,452	53,047	1,103,405	6,800	0	6,800	1,149,652	53,047	1,096,605
Colleges	2,500	25,291	(22,791)	0	5,791	(5,791)	2,500	19,500	(17,000)
Extension	6,705,566	8,453,459	(1,747,894)	446,653	2,244,375	(1,797,722)	6,258,913	6,209,084	49,828
System Admin	0	0	0	0	0	0	0	0	0

INSTRUCTION									
Institution	Fiscal Year 2016-17	Total		Fiscal Year 2016-17	Federal		Fiscal Year 2016-17	Non Federal	
		Fiscal Year 2015-16	Increase (Decrease)		Fiscal Year 2015-16	Increase (Decrease)		Fiscal Year 2015-16	Increase (Decrease)
<b>Total</b>	<b>22,324,893</b>	<b>24,716,113</b>	<b>(2,391,220)</b>	<b>17,815,983</b>	<b>21,290,780</b>	<b>(3,474,797)</b>	<b>4,508,911</b>	<b>3,425,333</b>	<b>1,083,578</b>
Madison	12,129,788	14,494,329	(2,364,541)	7,975,800	11,662,211	(3,686,411)	4,153,988	2,832,118	1,321,871
Milwaukee	2,587,745	2,274,250	313,495	2,570,776	2,274,250	296,526	16,969	0	16,969
Eau Claire	954,558	1,226,756	(272,198)	954,558	1,226,756	(272,198)	0	0	0
Green Bay	609,317	46,300	563,017	547,992	0	547,992	61,325	46,300	15,025
La Crosse	3,015	1,850	1,165	0	0	0	3,015	1,850	1,165
Oshkosh	5,814,946	5,776,008	38,938	5,702,644	5,554,544	148,100	112,302	221,464	(109,162)
Parkside	96,548	482,146	(385,597)	0	290,737	(290,737)	96,548	191,409	(94,860)
Platteville	0	324	(324)	0	0	0	0	324	(324)
River Falls	1,945	0	1,945	0	0	0	1,945	0	1,945
Stevens Point	23,827	11,267	12,560	0	0	0	23,827	11,267	12,560
Stout	59,561	113,667	(54,106)	36,214	28,000	8,214	23,347	85,667	(62,320)
Superior	15,145	1,796	13,349	0	0	0	15,145	1,796	13,349
Whitewater	28,499	33,139	(4,640)	27,999	0	27,999	500	33,139	(32,639)
Colleges	0	0	0	0	0	0	0	0	0
Extension	0	0	0	0	0	0	0	0	0
System Admin	0	254,282	(254,282)	0	254,282	(254,282)	0	0	0

Institution	STUDENT AID								
	Total			Federal			Non Federal		
	Fiscal Year 2016-17	Fiscal Year 2015-16	Increase (Decrease)	Fiscal Year 2016-17	Fiscal Year 2015-16	Increase (Decrease)	Fiscal Year 2016-17	Fiscal Year 2015-16	Increase (Decrease)
<b>Total</b>	<b>63,190,689</b>	<b>82,364,076</b>	<b>(19,173,387)</b>	<b>59,455,745</b>	<b>78,805,924</b>	<b>(19,350,179)</b>	<b>3,734,944</b>	<b>3,558,152</b>	<b>176,792</b>
Madison	5,450,351	9,289,468	(3,839,117)	3,520,677	7,028,795	(3,508,118)	1,929,674	2,260,673	(330,999)
Milwaukee	15,443,250	16,734,840	(1,291,590)	15,443,025	16,734,840	(1,291,815)	225	0	225
Eau Claire	6,328,111	6,586,890	(258,779)	6,328,111	6,586,890	(258,779)	0	0	0
Green Bay	848,773	4,381,209	(3,532,437)	837,511	4,350,140	(3,512,629)	11,262	31,069	(19,808)
La Crosse	3,721,858	3,717,183	4,675	3,721,858	3,717,183	4,675	0	0	0
Oshkosh	6,926,144	0	6,926,144	6,926,144	0	6,926,144	0	0	0
Parkside	175,881	4,086,202	(3,910,321)	6,344	4,065,752	(4,059,408)	169,537	20,450	149,087
Platteville	0	4,040,893	(4,040,893)	0	4,040,893	(4,040,893)	0	0	0
River Falls	3,818,889	3,980,383	(161,494)	3,818,389	3,976,883	(158,494)	500	3,500	(3,000)
Stevens Point	6,905,061	8,335,339	(1,430,279)	6,587,047	8,021,927	(1,434,880)	318,014	313,412	4,602
Stout	4,367,776	4,575,020	(207,244)	4,356,109	4,572,520	(216,411)	11,667	2,500	9,167
Superior	2,026,473	2,941,437	(914,964)	2,015,603	2,941,437	(925,834)	10,870	0	10,870
Whitewater	6,856,534	6,850,337	6,196	5,894,928	6,237,711	(342,783)	961,606	612,626	348,979
Colleges	321,590	6,844,874	(6,523,284)	0	6,530,953	(6,530,953)	321,590	313,921	7,668
Extension	0	0	0	0	0	0	0	0	0
System Admin	0	0	0	0	0	0	0	0	0

Institution	ALL OTHERS								
	Total			Federal			Non Federal		
	Fiscal Year 2016-17	Fiscal Year 2015-16	Increase (Decrease)	Fiscal Year 2016-17	Fiscal Year 2015-16	Increase (Decrease)	Fiscal Year 2016-17	Fiscal Year 2015-16	Increase (Decrease)
<b>Total</b>	<b>26,101,462</b>	<b>27,653,483</b>	<b>(1,552,021)</b>	<b>5,462,195</b>	<b>6,755,718</b>	<b>(1,293,523)</b>	<b>20,639,267</b>	<b>20,897,765</b>	<b>(258,498)</b>
Madison	18,510,049	18,069,144	440,905	791,418	1,201,100	(409,682)	17,718,632	16,868,044	850,588
Milwaukee	2,694,558	2,909,686	(215,128)	1,894,566	1,480,357	414,209	799,992	1,429,329	(629,337)
Eau Claire	0	0	0	0	0	0	0	0	0
Green Bay	195,693	470,089	(274,396)	210	45	165	195,483	470,044	(274,561)
La Crosse	1,026,074	976,137	49,937	1,017,454	961,387	56,067	8,620	14,750	(6,130)
Oshkosh	0	111,290	(111,290)	0	81,290	(81,290)	0	30,000	(30,000)
Parkside	2,435	15,428	(12,993)	0	0	0	2,435	15,428	(12,993)
Platteville	603,688	586,545	17,143	603,688	586,105	17,583	0	440	(440)
River Falls	957,049	899,624	57,425	847,973	823,275	24,698	109,076	76,349	32,727
Stevens Point	180,620	23,140	157,479	0	8,235	(8,235)	180,620	14,905	165,714
Stout	429,253	1,280,025	(850,772)	29,000	904,506	(875,506)	400,253	375,519	24,734
Superior	44,666	253,331	(208,665)	0	221,667	(221,667)	44,666	31,664	13,002
Whitewater	840,064	736,961	103,103	277,886	257,751	20,135	562,178	479,210	82,968
Colleges	51,492	314,450	(262,957)	0	230,000	(230,000)	51,492	84,450	(32,957)
Extension	565,821	1,007,634	(441,813)	0	0	0	565,821	1,007,634	(441,813)
System Admin	0	0	0	0	0	0	0	0	0

\*Includes Libraries, Physical Plant and Miscellaneous categories



Review and Approval of Changes  
to Regent Policy Document 31-15,  
“Policy on Large Unendowed Bequests/Gifts”

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon recommendation of the President of the University of Wisconsin System, the Board of Regents approves the attached revisions to Regent Policy Document 31-15, “Policy on Large Unendowed Bequests/Gifts”, to be renamed “Large Unendowed Bequests or Gifts.”

**REVIEW AND APPROVAL OF CHANGES TO  
REGENT POLICY DOCUMENT 31-15, POLICY ON LARGE ENDOWED  
BEQUESTS/GIFTS**

**BACKGROUND**

Certain bequests or gifts received by the UW System through the Board of Regents have no donor-imposed restrictions on the use of the principal; the donor documents are either silent on this issue or explicitly state that the principal is expendable. Such bequests or gifts are defined as “unendowed.”

The Board had expressed interest in preserving sizeable bequests or gifts when the donor documents are silent regarding the expenditure of principal by making them Board-designated endowments, with only the income from the bequests or gifts available for expenditure. A UW System institution seeking to spend the principal must request approval from the Board for an exception. In Regent Policy Document (RPD) 31-15, the Board established a \$250,000 threshold for Board of Regents review of requests for exceptions.

At its December 2016 meeting, the Board will consider revisions to RPD 31-15, Policy on Large Unendowed Bequests/Gifts.

**REQUESTED ACTION**

Adoption of Resolution I.2.f., revising RPD 31-15, Policy on Large Unendowed Bequests/Gifts and renaming the policy.

**DISCUSSION**

The Board initially adopted the policy on unendowed bequests or gifts on October 5, 1990. The Board established \$50,000 as the threshold at which unendowed bequests or gifts would become Board-designated endowments.

In November 2004, the Board approved revisions to the policy. The threshold was increased from \$50,000 to \$250,000. The main reasons for increasing the threshold were to adjust for inflation, and to recognize that the “appropriateness” of an endowment may largely hinge on the level of annual support it would provide.

On December 7, 2012, the Board again approved revisions to the policy. However, only minor modifications were made to the policy. The essential language in the policy, including the \$250,000 threshold, was retained.

Nine requests for exceptions to RPD 31-15 have been submitted to the Board for approval since the \$250,000 threshold was established in 2004. The Board has received three requests for exceptions so far in 2016.

It is recommended that the Board increase the threshold in RPD 31-15 from \$250,000 to \$1,000,000. A change to RPD 31-15 is warranted, to recognize that the current \$250,000 threshold has not changed since 2004 and that UW System institutions are operating under significant financial constraints but also retain the Board's fiduciary responsibility over large bequests and gifts.

Attachment 1 is the current policy; Attachment 2 is the policy with proposed revisions; and Attachment 3 shows the final version as it will appear upon Board approval.

### **RELEVANT REGENT POLICIES**

None.

## ATTACHMENT 1

### Regent Policy Document 31-15 – *Current Version*

#### **Policy on Large Unendowed Bequests/Gifts**

##### **Scope**

This policy applies to bequests/gifts of \$250,000 or more made directly to any UW System institution, where the donor is silent as to the expenditure of principal.

##### **Purpose**

The purpose of this policy is to provide for more long-term or perpetual support from large gifts where the donor has not chosen to “endow” or otherwise restrict the usage of gift principal. Recognizing that specific immediate needs may sometimes outweigh the need for additional perpetual but incremental support, a mechanism is also provided whereby UW institutions can request an exemption from this policy.

##### **Policy Statement**

All new bequests/gifts of \$250,000 or more where the donor is silent as to the expenditure of principal, shall be identified as designated endowments, with only the income from the trust available for expenditure in accordance with the terms of the trust agreement. However, where the donor explicitly states that the principal of the gift be made available for expenditure, this policy will not apply. If an institution wants an exception to this proposed rule, the request for exception, with appropriate justification, should be contained in the institution’s recommendation for acceptance and be incorporated in the Regent resolution. If at a later date, the institution wishes to seek an exception to the Regent imposed restriction, it should submit a request to the Office of the Vice President for Finance for consideration at the next meeting of the Business, Finance, and Audit Committee.

##### **Oversight, Roles, and Responsibilities**

The Office of Trust Funds shall ensure that this policy is implemented for all relevant bequests/gifts.

The UW System Vice President for Finance shall oversee requests for exceptions to this policy, and the Business, Finance, and Audit committee will give due consideration to such requests at its regularly scheduled meetings.

##### **Related Regent Policies and Applicable Laws**

None.

*History: Res. 5631, adopted 10/05/1990; Res. 8930, adopted 11/05/2004, rescinded and replaced Res. 5631, and created Regent Policy Document 04-1, subsequently renumbered Regent Policy Document 31-15; Res. 10146, adopted 12/07/2012, amended Regent Policy Document 31-15.*

## ATTACHMENT 2

### Proposed Revised Regent Policy Document 31-15 – *Proposed Revisions*

#### **Policy on Large Unendowed Bequests or Gifts**

##### **Scope**

This policy applies to bequests/gifts of ~~\$250,000~~1,000,000 or more made directly to any UW System institution, where the donor is silent as to the expenditure of principal.

##### **Purpose**

The purpose of this policy is to provide for more long-term or perpetual support from large gifts where the donor has not chosen to “endow” or otherwise restrict the usage of gift principal. Recognizing that specific immediate needs may sometimes outweigh the need for additional perpetual but incremental support, a mechanism is also provided whereby UW institutions can request an ~~exemption~~exception ~~from~~to this policy.

##### **Policy Statement**

All new bequests/gifts of ~~\$250,000~~1,000,000 or more where the donor is silent as to the expenditure of principal, shall be identified as designated endowments, with only the income from the trust available for expenditure in accordance with the terms of the trust agreement. However, where the donor explicitly states that the principal of the gift be made available for expenditure, this policy will not apply. If an institution wants an exception to this proposed rule, the request for an exception, with appropriate justification, should be contained in the institution’s recommendation for acceptance and be incorporated in the Regent resolution. If at a later date, the institution wishes to seek an exception to the Regent imposed restriction, it should submit a request to the Office of the Vice President for Finance for consideration at the next meeting of the ~~Business, Finance, and Audit~~Business and Finance Committee.

##### **Oversight, Roles, and Responsibilities**

The Office of Trust Funds shall ensure that this policy is implemented for all relevant bequests/gifts.

The UW System Vice President for Finance shall oversee requests for exceptions to this policy, and the ~~Business, Finance, and Audit~~Business and Finance ~~e~~CCommittee will give due consideration to such requests at its regularly scheduled meetings.

##### **Related Regent Policies and Applicable Laws**

None.

*History: Res. 5631, adopted 10/05/1990; Res. 8930, adopted 11/05/2004, rescinded and replaced Res. 5631, and created Regent Policy Document 04-1, subsequently renumbered Regent Policy Document 31-15; Res. 10146, adopted 12/07/2012, amended Regent Policy Document 31-15.*

## ATTACHMENT 3

### Proposed Revised Regent Policy Document 31-15 – *Final*

#### **Large Unendowed Bequests or Gifts**

##### **Scope**

This policy applies to bequests/gifts of \$1,000,000 or more made directly to any UW System institution, where the donor is silent as to the expenditure of principal.

##### **Purpose**

The purpose of this policy is to provide for more long-term or perpetual support from large gifts where the donor has not chosen to “endow” or otherwise restrict the usage of gift principal. Recognizing that specific immediate needs may sometimes outweigh the need for additional perpetual but incremental support, a mechanism is also provided whereby UW institutions can request an exception to this policy.

##### **Policy Statement**

All new bequests/gifts of \$1,000,000 or more where the donor is silent as to the expenditure of principal shall be identified as designated endowments, with only the income from the trust available for expenditure in accordance with the terms of the trust agreement. However, where the donor explicitly states that the principal of the gift be made available for expenditure, this policy will not apply. If an institution wants an exception to this proposed rule, the request for an exception, with appropriate justification, should be contained in the institution’s recommendation for acceptance and be incorporated in the Regent resolution. If at a later date, the institution wishes to seek an exception to the Regent imposed restriction, it should submit a request to the Office of the Vice President for Finance for consideration at the next meeting of the Business and Finance Committee.

##### **Oversight, Roles, and Responsibilities**

The Office of Trust Funds shall ensure that this policy is implemented for all relevant bequests/gifts.

The UW System Vice President for Finance shall oversee requests for exceptions to this policy, and the Business and Finance Committee will give due consideration to such requests at its regularly scheduled meetings.

##### **Related Regent Policies and Applicable Laws**

None.

*History: Res. 5631, adopted 10/05/1990; Res. 8930, adopted 11/05/2004, rescinded and replaced Res. 5631, and created Regent Policy Document 04-1, subsequently renumbered Regent Policy Document 31-15; Res. 10146, adopted 12/07/2012, amended Regent Policy Document 31-15.*

Review and Approval of  
Proposed Nonresident,  
Graduate and Professional  
School Tuition Increases

BUSINESS AND FINANCE COMMITTEE

Resolution I.2.g:

That, upon the recommendation of the President of the University of Wisconsin System and the Chancellors of the University of Wisconsin-Eau Claire, the University of Wisconsin-Green Bay, the University of Wisconsin-La Crosse, the University of Wisconsin-Madison, the University of Wisconsin-Milwaukee, the University of Wisconsin-Stout, and the UW Colleges, the Board of Regents approves the proposed nonresident, graduate and professional school tuition increases for these seven UW institutions, as detailed in the attached executive summary.

## **REVIEW AND APPROVAL OF PROPOSED NONRESIDENT, GRADUATE AND PROFESSIONAL SCHOOL TUITION INCREASES**

### **EXECUTIVE SUMMARY**

#### **BACKGROUND**

The 2015-17 Biennial Budget (Act 55) restricted the Board of Regents' authority to increase the tuition on resident undergraduate students during the biennium. The Board of Regents then passed Resolution 10767 on October 7, 2016 to extend the tuition freeze into the 2017-18 fiscal year, making it the fifth year in which resident undergraduate tuition will be frozen.

However, neither Act 55 nor the board limited tuition authority for nonresident, graduate, and professional school students. Acknowledging this, Interim Vice President Gordon invited institutions to submit, for Board consideration, tuition proposals that reflect their unique missions, market sensitivities, and costs incurred in providing a quality education.

The UW System has continued to accelerate the timeline for consideration of nonresident, graduate, and professional school tuition. While this was previously addressed in the summer as part of the annual budget process, it was accelerated to April when these tuition rates were set for the 2015-16 and 2016-17 academic years, and is now being addressed earlier for the 2017-18 academic year. This allows students and families additional time to plan.

#### **REQUESTED ACTION**

Approval of Resolution I.2.g., approving the proposed nonresident, graduate and professional school tuition increases.

#### **DISCUSSION AND RECOMMENDATIONS**

Summarized below are the recommended tuition increases for nonresident, graduate and professional school students attending seven UW institutions. If approved, the new tuition rates would be effective for the 2017-18 academic year for all institutions with the exception of UW-Madison which has a two year proposal including rates effective in 2017-18 and 2018-19. The proposed rates are shown in Tables 1 and 2.

Institutions have considered the impacts of the proposed tuition increases on student demand and enrollment. It should be noted that resident undergraduate tuition at UW institutions has not increased in four years, while tuition at peer institutions has generally continued to increase.

In many instances, the current nonresident, graduate, or professional school tuition rates at the requesting UW institutions are at or near the bottom among their peer institutions. For example, the UW-Madison Doctor of Medicine degree has the lowest tuition among peer institutions. With all requested tuition increases, the UW institutions continue to represent an excellent value in higher education.



The Board has previously delegated some tuition-setting authority to institutions for online and nontraditional programming. Institutions would be able to exercise this authority during the 2017-18 academic year. Consistent with board action taken in October 2016, tuition increases will not impact resident undergraduate students.

**Table 1. Proposed One-Year Tuition Increases**

	2016-17	2017-18	
	Tuition	Increase	Tuition
<b>UW-Eau Claire</b>			
Undergraduate:			
Nonresident	\$14,934	\$347	\$15,281
Nonresident Materials Science and Engineering	\$16,334	\$382	\$16,716
Graduate:			
Resident	\$7,640	\$191	\$7,831
Nonresident	\$16,771	\$419	\$17,191
<b>UW-Green Bay</b>			
Undergraduate:			
Nonresident	\$13,871	\$277	\$14,148
Graduate:			
Resident	\$7,640	\$153	\$7,793
Nonresident	\$16,771	\$335	\$17,106
<b>UW-La Crosse</b>			
Undergraduate:			
Nonresident	\$16,106	\$161	\$16,267
Graduate:			
Resident	\$8,483	\$85	\$8,568
Nonresident	\$18,454	\$185	\$18,639
<b>UW-Milwaukee</b>			
Undergraduate:			
Nonresident	\$18,449	\$922	\$19,371
Lubar School of Business - Business Masters			
Resident	\$12,740	\$318	\$13,058
Nonresident	\$26,294	\$657	\$26,951
<b>UW-Stout</b>			
Undergraduate:			
Nonresident	\$14,760	\$221	\$14,981
Nonresident Mechanical Engineering	\$16,510	\$248	\$16,758
Graduate:			
Resident	\$8,406	\$126	\$8,532
Nonresident	\$17,812	\$267	\$18,079
<b>UW Colleges</b>			
Undergraduate:			
Nonresident	\$11,734	\$587	\$12,321

**UW-Madison**

**Table 2. Proposed Tuition Increases for 2017-18 and 2018-19**

	<b>Proposed</b>				
	<b>Current</b>	<b>2017-18</b>		<b>2018-19</b>	
	<b>Tuition</b>	<b>Increase</b>	<b>Tuition</b>	<b>Increase</b>	<b>Tuition</b>
<b>Undergraduate</b>					
Non-Resident	\$31,523	\$2,000	\$33,523	\$2,000	\$35,523
International	\$32,523	\$2,000	\$34,523	\$2,000	\$36,523
<b>School of Business</b>					
<b>Full Time Masters Programs</b>					
Resident	\$15,894	\$1,558	\$17,452	\$1,710	\$19,162
Non-Resident	\$32,164	\$3,152	\$35,316	\$3,461	\$38,777
<b>School of Business</b>					
<b>Global Real Estate Masters</b>					
Non-Resident	\$32,164	\$5,146	\$37,310	\$5,970	\$43,280
<b>School of Pharmacy</b>					
<b>Doctor of Pharmacy</b>					
Resident	\$18,008	\$1,765	\$19,773	\$1,938	\$21,711
Non-Resident	\$32,809	\$3,215	\$36,024	\$3,530	\$39,554
<b>Medical School</b>					
<b>Doctor of Medicine</b>					
Resident	\$28,650	\$2,779	\$31,429	\$3,049	\$34,478
Non-Resident	\$38,546	\$3,739	\$42,285	\$4,102	\$46,387
<b>School of Veterinary Medicine</b>					
<b>Doctor of Veterinary Medicine</b>					
Resident	\$21,626	\$4,000	\$25,626	\$4,000	\$29,626
Non-Resident	\$34,769	\$6,500	\$41,269	\$6,500	\$47,769
<b>School of Nursing</b>					
<b>Doctor of Nursing Practice</b>					
Resident	\$13,048	\$1,279	\$14,327	\$1,404	\$15,731
Non-Resident	\$27,254	\$2,671	\$29,925	\$2,933	\$32,858
<b>Law School</b>					
Resident	\$20,235	\$1,000	\$21,235	\$1,000	\$22,235
Non-Resident	\$38,932	\$1,000	\$39,932	\$1,000	\$40,932

## UW-EAU CLAIRE

UW-Eau Claire is proposing a 2.5% increase for nonresident undergraduate (the 2.5% increase is calculated on the institutional tuition excluding the \$1,063 differential) and all graduate students to support strategic initiatives. Over the past year, the University conducted an inclusive strategic planning process that included both internal and external constituents. The process resulted in “Claiming Our Value: UW-Eau Claire’s Academic Master Plan”; an “Equity, Diversity and Inclusivity Plan”; and the “Creating Our Future: UW-Eau Claire Strategic Plan 2016-2020”. Many of the goals outlined in the plan are designed to advance UW System’s 2020FWD strategic framework. In particular, the plan outlines strategies to retain and attract exceptional faculty and staff; ensure all students thrive and achieve their completion goals; improve campus climate; and create a resilient organization that is agile and capable of meeting the challenges of a changing higher education environment.

The proposed increases will allow UW-Eau Claire to remain competitive with other comprehensive institutions and are shown below:

Undergraduate	2016-17	2017-18	Change
Nonresident	\$14,934	\$15,281	\$347
Nonresident Materials Science and Engineering	\$16,334	\$16,716	\$382

Graduate	2016-17	2017-18	Change
Resident	\$7,640	\$7,831	\$191
Nonresident	\$16,771	\$17,191	\$419

*Anticipated Additional Revenue: \$178,000 annually*

## UW-GREEN BAY

UW-Green Bay is requesting a 2% tuition increase for all traditional resident graduate and non-resident graduate programs as well as a 2% tuition increase for all undergraduate nonresidents.

UW-Green Bay does not have a campus differential, and is, therefore, one of the institutions with the lowest undergraduate nonresident tuition rates in the system. A 2% increase will bring the undergraduate nonresident rate more in line with other comprehensive institutions. The revenue generated from this increase will be reinvested into academic programs within the institution. The institution has dedicated out-of-state recruiters and expects nonresident numbers to grow in the future. Similarly, a 2% increase in graduate resident and nonresident tuition will bring UW-Green Bay’s rate closer to the comprehensive averages in both categories. Chancellor Miller has charged Academic Affairs to increase the number of graduate programs and the additional revenue will be reinvested into developing future programs. The table that follows shows the current and proposed tuition increases comparisons:

UW-Green Bay Compared with System and Peer averages:

	Comprehensive Average	2015-16 Peer Average	2016-17 UWGB	Proposed 2017-18	Change
Nonresident Undergraduate	\$14,543	\$18,125	\$13,871	\$14,148	\$277
Resident Graduate	\$7,801	\$9,606	\$7,640	\$7,793	\$153
Nonresident Graduate	\$17,108	\$16,456	\$16,771	\$17,106	\$335

*Anticipated Additional Revenue: \$35,800 annually.*

## UW-LA CROSSE

UW-La Crosse is requesting a 1% tuition increase for fiscal year 2017-18 for nonresident undergraduates, graduate residents and graduate nonresident students. The tuition proposal was developed as part of UW-La Crosse's financial planning process to implement university priorities identified in its new strategic plan. The UWL strategic plan has four core priorities with action steps and goals to enhance initiatives for transformational education, community engagement, equity and diversity, and investing in people.

The recommended tuition increases are based on a market analysis for the cost of tuition at UWL's peer institutions and indicate the proposed tuition rates for undergraduate nonresident and graduate resident students will remain below the average 2015-16 tuition rates for the comprehensive peer group. The proposed graduate nonresident tuition rate will be above the average but will continue to be competitive with UWL's peers.

The tables below compare UWL's current and proposed tuition rates with the 2015-16 tuition for the UW comprehensive average and the 2015-16 tuition peer average.

**FY2017 UW-La Crosse Tuition Rates Compared to 2015-16 Comprehensive Peers**

	<b>Nonresident Undergraduate</b>	<b>Resident Graduate</b>	<b>Nonresident Graduate</b>
Average excluding UW Comp Average	\$18,125	\$9,606	\$16,456
Midpoint excluding UW Comp Average	\$17,718	\$8,977	\$15,798
UW-La Crosse	\$16,106	\$8,483	\$18,454
UW-La Crosse Distance from Midpoint	(\$1,612)	(\$494)	\$2,656

**Proposed FY2018 UWL Tuition Rates Compared to 2015-16 Comprehensive Peers**

	<b>Nonresident Undergraduate</b>	<b>Resident Graduate</b>	<b>Nonresident Graduate</b>
Average excluding UW Comp Average	\$18,125	\$9,606	\$16,456
Midpoint excluding UW Comp Average	\$17,718	\$8,977	\$15,798
UW-La Crosse	\$16,267	\$8,568	\$18,639
UW-La Crosse Distance from Midpoint	(\$1,451)	(\$409)	\$2,841

*Anticipated Additional Revenue: \$151,243 annually.*

The additional revenue from the tuition rate increase will allow the university to address strategic planning priorities while continuing to maintain competitiveness with the market rate of tuition and overall cost of attendance for the university's peer group. More importantly, the plan also assures the same level of accessibility and affordability for UWL students.

The 1% tuition rate changes for fiscal year 2017-18 are not anticipated to impact accessibility for students since the rates are still comparable with the university's peer group and the other UW System comprehensive institutions. In addition, the university will continue to make financial aid options available to nonresident undergraduate and graduate resident and nonresident students through its current scholarship campaign, nonresident tuition remissions, and the Midwest Student Exchange and Return to Wisconsin programs.

## **UW-MADISON**

The following proposals are presented as a multi-year strategic plan for institutional financing. The board is asked to approve the direction of the plan for two years.

### **UW-Madison Nonresident Undergraduate**

UW-Madison is consistently ranked as one of the nation's best values among public universities. UW-Madison ranked as a top ten public university nationally, and is tied for 2<sup>nd</sup> among its public Big 10 peers in the most recent U.S. News and World Report rankings (behind Michigan and tied with Illinois). The University seeks to maintain access for Wisconsin residents and a high-quality education for all students by maintaining non-resident tuition at market rates.

Higher nonresident undergraduate tuition will generate additional revenue to help UW-Madison expand programs with high student demand in STEM areas, expand financial aid, and invest in new technologies to support the delivery of education while holding down costs for Wisconsin residents.

UW-Madison proposes a nonresident undergraduate tuition increase of \$2,000 per year in each of the next two years. This would complete the non-resident undergraduate tuition increases that were proposed two years ago, when the institution asked for four years of tuition increases.

UW-Madison's nonresident tuition rates are fourth among the Big 10 public schools. It should be noted that price is often assumed to be a marker of educational quality for the nonresident population.

UW-Madison is confident that additional nonresident tuition increases can be implemented without hurting the ability to attract top students. The interest in UW-Madison by nonresident applicants has increased in recent years despite previously approved non-resident tuition increases. Nonresident applicants nearly doubled in the last decade, from 11,284 to 21,664. With this year's move to the Common App, the institution expects a substantial further jump in applicants.

Nonresident students who are admitted to UW-Madison are academically very competitive. For example, the average ACT score of enrolled nonresident students was 30 for Fall 2016; for Wisconsin resident new freshmen the average score was 28 – a modest but significant difference. These scores are a tribute to the very high quality of both resident and nonresident students who attend UW-Madison.

These tuition increases will be used to address substantial needs across campus and the money would be put back into support that aids the student experience. This includes the need to invest in more faculty and staff in some areas of growing student demand in STEM (Science, Technology, Engineering, and Math); the need to expand student financial support to attract lower-income students, increase diversity, and attract the best students to UW-Madison; the need to expand and invest in efforts to utilize new technologies in the delivery of education; the need to provide the classroom infrastructure that matches the expectations and needs of a top-ranked university; and the need to meet ongoing retention challenges for top faculty. It is important to note that these tuition increases are only a very partial response to the need for new investment dollars and must be combined with other efforts to grow revenues and find budget efficiencies. It is particularly important to emphasize that 20 to 25% of these tuition increases must be used to maintain adequate financial aid to out-of-state students who need assistance to attend UW-Madison.

## **UW-Madison School of Business Graduate Programs**

The School of Business proposes a 9.8% increase in each of the next two years for its full-time masters' degree programs except the Global Real Estate program. These programs are priced significantly below peer programs and are respected for their high quality.

The School of Business also recommends an annual increase of 16% in each of the next two years for the Global Real Estate Master's program (nonresident tuition only), which is a unique program that students complete in one semester.

Currently full time master's programs are priced significantly below peers, which puts the institution at a disadvantage when it comes to faculty and staff hiring and retention. The foregone resources also prevent UW-Madison from competing for the best students through offers of financial aid and project assistantships. This proposal will bring UW-Madison closer to its peers while keeping them on the lower end of the distribution of tuition rates relative to the same peers – hence still very much a high-return-on-investment school.

The Business School will need to channel a portion of the increment in tuition back to the students in the form of financial support. Over time, as it gains a better understanding of the demand for programs it will be able to optimize its net pricing strategy. The school will remain true to its commitment to keep programs accessible. It will also remain true to their brand as a great value-for-money school.

## **UW-Madison Doctor of Pharmacy Program**

Like the School of Business, the Doctor of Pharmacy program is priced well below peer programs. The School of Pharmacy proposes a 9.8% tuition increase per year for two years. The revenue lost because of a non-competitive tuition rate jeopardizes the program's ability to compete with its peers, both for the best faculty and the best students. The school is less able to maintain and enhance classroom and laboratory technology and equipment, and less able to support the needs of students in terms of advising, career development, and similar activities. In addition, cuts to the School's budget over the past 12 years have totaled \$2 million and 8.25 FTEs (full-time equivalent employees). These cuts and reductions-in-force have had a decidedly negative impact on teaching, research, service, and practice missions. The proposed tuition increase can help reverse this trend.

Proposed tuition increases were discussed extensively with students, staff, faculty, and alumni, many of whom are parents of current students. This new revenue will be used for key strategic priorities, including but not limited to:

- a) Student support staff in academic advising and career development services
- b) Hiring faculty in lines that have been vacant due to previous budget cuts
- c) Student support for events, awards, and diversity initiatives
- d) Classroom technology and instructional laboratory equipment
- e) Educational innovation projects designed to enhance student learning
- f) Participation in campus inter-professional education programs
- g) Need-based scholarships and financial aid

Immediately after approval, the Pharmacy program will implement a communication plan with students (and parents) to fully inform them about the 2017-19 tuition levels. This will include town

hall meetings as well as extensive email contact. The program will also offer one-on-one meetings to discuss these changes and answer questions.

### **UW-Madison Doctor of Medicine Program**

UW-Madison's School of Medicine and Public Health's medical student (MD) tuition level persistently lags behind that of competing schools and is the lowest tuition among peer institutions. The School of Medicine and Public Health proposes a 9.7% increase in tuition for the MD program in each of the next two years.

The School of Medicine and Public Health (SMPH) has attempted to address decreases in state funding via strategic reductions in faculty and staff and in non-core programs, while at the same time increasing operational efficiency. Despite these actions and the recent increases in tuition, it struggles to meet the need for upgrading and modernizing the MD program to meet national accreditation standards. Competition from other medical schools seeking clinical training sites in Wisconsin continues to be a threat and drives training costs higher. Statewide clinical training is fundamental to the core mission and will help address statewide physician shortages and health equity issues in rural and urban communities. To meet evolving medical school accreditation standards, the School has created a new curriculum which carries higher costs due to the intentional shift from large-capacity lectures to small groups with interactive case-based and problem-based learning activities.

The SMPH must train and retain its best teachers for this new curriculum and provide support for concurrent improvements in educational technology, assessment, and evaluation resources. Other uses of the additional resources include:

- Providing additional scholarships and financial aid for the recruitment and retention of high-caliber students from disadvantaged backgrounds.
- Enhancing student academic support, diversity and inclusion efforts, and pipeline programs.
- Funding accreditation-mandated curriculum changes and maintaining the delivery of high-quality education by: (1) building inter-professional education opportunities; (2) moving from large group lectures to small groups with interactive case-based and problem-based learning; (3) enhancing proficiency-based teaching, assessment, and evaluation strategies; (4) employing appropriate distance education and flipped classroom on-line technology; (5) increasing use of standardized patients and clinical simulation resources; and (6) recruiting, training, and retaining the best and brightest teachers.

### **UW-Madison Doctor of Veterinary Medicine Program**

UW-Madison's tuition rate for the Doctor of Veterinary Medicine (DVM) is second lowest among national peers and neighboring Schools of Veterinary Medicine. The School of Veterinary Medicine proposes a tuition increase of \$4,000 for Wisconsin residents and \$6,500 for non-residents in each of the next two years.

The tuition increase for FY18 and FY19 will be used for the following areas:

- Student financial aid
- Hiring sufficient faculty to create core specialty groups in the teaching hospital or research groups in areas such as emergency and critical care, shelter medicine, and emerging infectious diseases.
- Research Support – Providing staff assistance for pre- and post-award grant support,

offering dedicated research support for clinical trials and clinical research, and building the infrastructure that supports important components of the basic research mission.

- Facility and IT Support and Upgrades – Current SVM facilities are over 30 years old and they do not have base support to improve, renovate, and modernize their facilities. This situation has a significant impact on new faculty recruitment.

### **UW-Madison Doctor of Nursing Practice Program**

The School of Nursing proposes a tuition increase to offset the growing cost of maintaining program quality in the Doctor of Nursing Practice (DNP); the UW-Madison DNP tuition ranks 9<sup>th</sup> among 11 peer institutions. The School of Nursing proposes a 9.8% tuition increase per year for two years. The tuition increase will generate essential new revenue to support vital simulated and clinical learning for quality education, access to critical clinical placements for students, and availability of financial aid for adult learners who are managing personal and professional commitments in conjunction with the demands of graduate education.

The growing need for quality healthcare nationwide – driven by an aging and more diverse population, stipulations in the Affordable Care Act, and technological change – is in turn driving an increased demand for nurses with higher levels of nursing education. The most recent report on the Wisconsin nursing workforce (Wisconsin Center for Nursing, 2016) projects that the supply of critical advanced-practice nurses will need to increase significantly to meet the needs and challenges of a changing landscape in health care in Wisconsin. The DNP program graduates experienced, highly trained advanced-practice nurses that the state needs desperately at this time and into the future. Equally important is that UW-Madison is also the only nursing school in the 26-campus UW system that offers a specialty track that prepares individuals to become psychiatric-mental health nurse practitioners, the demand for which is growing and an area in which enrollment could be scaled up with additional resources.

Moreover, preparation of nurses for faculty roles can help offset a deepening nursing faculty shortage in Wisconsin and nationwide. Recent projections from the Bureau of Labor Statistics (BLS) indicate that the national RN workforce will need to expand from 2.71 million to 3.24 million (a gain of 19%, or 526,800 workers) between 2012 and 2022.

### **Law School**

The Law School proposes a tuition increase for the Doctor of Law (JD) on a current tuition rate that is the lowest among the Law School's peer group. The Law School proposes a tuition increase of \$1,000 in each of the next two years.

Law school enrollment has dropped commensurate with a significant nationwide drop in law school applications, and the budget exceeds generated tuition revenue. This request is designed to increase tuition revenue to address that concern. Twenty-five percent of this tuition increase will be used to support additional student aid, a critical element of recruiting students in the current challenging environment and controlling student debt.

### ***Total Anticipated Additional Revenue from all UW-Madison proposals:***

*\$13.7 million per year excluding Law where the increased tuition will be offset by a planned decrease in enrollment.*



## UW-MILWAUKEE

UW-Milwaukee proposes to increase the tuition rate for nonresident undergraduates by 5% (\$922) and Lubar School of Business Masters students by 2.5% (\$318 for residents and \$657 for nonresidents for fiscal year 2018). The requested increase for nonresident undergraduates represents the first phase of a two-year plan to support additional programming for international education at UWM. Because most of UWM's non-resident students are Midwest Student Exchange Program (MSEP) students, 70% of the students who pay the nonresident undergraduate rate are international students. After the increase, UWM's nonresident undergraduate tuition will remain substantially lower than the median of its peers.

The proposed increase for the Lubar School of Business Masters students was based on a review of the market and rates set by local and regional peers. The proposal was reviewed and approved by the Chancellor's Enrollment Management Action Team and the Chancellor.

**UWM Tuition Rates Compared to 2016-17 Peers**

	Current Nonresident Undergraduate	With Proposed Nonresident Undergraduate
Average excluding UWM	\$23,329.89	\$23,329.89
Midpoint excluding UWM	\$24,183.00	\$24,183.00
UWM (Current)	\$18,448.56	\$19,370.99
UWM Distance from Midpoint (Current)	-\$5,734.44	-\$4,812.01
UWM Peer Rank (Current)	12 of 15	12 of 15

*Anticipated Additional Revenue: \$1,110,900 annually.*

## UW-STOUT

UW-Stout is proposing a 1.5% tuition increase in the 2017-18 tuition rate for nonresident undergraduate students and all traditional, on-campus graduate programs.

UW-Stout obtained stakeholder engagement through conferring with individual program directors and seeking the approval of College Deans. Market comparisons indicate that UW-Stout's programs are priced below market. A 1.5% increase is also in alignment with current inflation rates.

Additional revenue will be used to offset out-of-state remissions.

	FY2016-17	FY2017-18	
	Tuition*	Increase	Tuition*
Undergraduate Nonresident	\$ 14,760	\$ 221	\$ 14,981
Undergraduate Nonresident - Mechanical Engineering	\$ 16,510	\$ 248	\$ 16,758
Graduate – Resident	\$ 8,406	\$ 126	\$ 8,532
Graduate – Nonresident	\$ 17,812	\$ 267	\$ 18,079

\*30 Annual Credits for Undergraduate – 22 Annual Credits for Graduate. UW-Stout is per credit not plateau.

*Anticipated Additional Revenue: \$60,000 annually.*

## UW COLLEGES

UW Colleges offers the lowest undergraduate non-resident tuition rate in the University of Wisconsin System. UW Colleges is requesting a five percent (5%) non-resident rate increase for Fall 2017.

With this change the UW Colleges will continue to offer the lowest tuition rate for non- resident students in the UW System (\$1,550 less than the next lowest rate in the UW System).

<b>General Tuition</b>	<b>2016-17</b>	<b>2017-18</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Resident</b>	\$4,750.32	\$4,750.32	\$0.00	0%
<b>Non-Resident</b>	\$11,734.08	\$12,320.78	\$586.70	5%

*Anticipated Additional Revenue: Approximately \$64,000 per year*

The additional revenue will be used to support essential services that were eroded as a result of actions taken to implement the 2015-17 budget reduction.

## RELATED REGENT POLICIES

Regent Policy Document 32-5, *Tuition Policy Principles*

Regent Policy Document 32-4, *Tuition Structure: 12-18 Credit Plateau*

UW-Madison Contractual Agreement  
with Optimal Research, LLC

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and Optimal Research, LLC.

December 8, 2016

Agenda Item I.2.h.

**UW-MADISON CONTRACTUAL AGREEMENT  
WITH OPTIMAL RESEARCH, LLC**

**EXECUTIVE SUMMARY**

**BACKGROUND**

UW System Board of Regents policy requires any grant or contract with private profit-making organizations in excess of \$1,000,000 be presented to the Board for approval prior to execution.

**REQUESTED ACTION**

Adoption of Resolution I.2.h., approving the contractual agreement between the Board of Regents and Optimal Research, LLC.

**DISCUSSION AND RECOMMENDATIONS**

The University of Wisconsin-Madison School of Medicine and Public Health, with assistance from the Office of Research and Sponsored Programs at the University of Wisconsin-Madison, has negotiated a Master Clinical Trial Agreement with Optimal Research, LLC. In consideration for providing the requested clinical research, Optimal Research, LLC could potentially pay the University in excess of \$1,000,000. The research project is anticipated to be conducted during the period from November 1, 2016 through completion of the studies.

**RELATED REGENT POLICIES**

Regent Policy Document 13-1, *General Contract Signature Authority, Approval, and Reporting*

UW-Madison Contractual Agreement  
with Incyte Corporation

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and Incyte Corporation.

December 8, 2016

Agenda Item I.2.i.

**UW-MADISON CONTRACTUAL AGREEMENT  
WITH INCYTE CORPORATION**

**EXECUTIVE SUMMARY**

**BACKGROUND**

UW System Board of Regents policy requires any grant or contract with private profit-making organizations in excess of \$1,000,000 be presented to the Board for approval prior to execution.

**REQUESTED ACTION**

Adoption of Resolution I.2.i., approving the contractual agreement between the Board of Regents and Incyte Corporation.

**DISCUSSION AND RECOMMENDATIONS**

The University of Wisconsin-Madison School of Medicine and Public Health, with assistance from the Office of Research and Sponsored Programs at the University of Wisconsin-Madison, has negotiated a Master Clinical Trial Agreement with Incyte Corporation. In consideration for providing the requested clinical research, Incyte Corporation could potentially pay the University in excess of \$1,000,000. The research project is anticipated to be conducted during the period from November 1, 2016 through completion of the studies.

**RELATED REGENT POLICIES**

Regent Policy Document 13-1, *General Contract Signature Authority, Approval, and Reporting*

UW-Madison Contractual Agreement  
with Eli Lilly and Company

BUSINESS AND FINANCE COMMITTEE

Resolution:

That, upon the recommendation of the Chancellor of the University of Wisconsin-Madison and the President of the University of Wisconsin System, the Board of Regents approves the contractual agreement between the Board of Regents of the University of Wisconsin System, doing business as UW-Madison, and Eli Lilly and Company.

**UW-MADISON CONTRACTUAL AGREEMENT  
WITH ELI LILLY AND COMPANY.**

**EXECUTIVE SUMMARY**

**BACKGROUND**

UW System Board of Regents policy requires any grant or contract with private profit-making organizations in excess of \$1,000,000 be presented to the Board for approval prior to execution.

**REQUESTED ACTION**

Adoption of Resolution I.2.j., approving the contractual agreement between the Board of Regents and Eli Lilly and Company.

**DISCUSSION AND RECOMMENDATIONS**

The Office of Industrial Partnerships at the University of Wisconsin-Madison has negotiated a Master Clinical Laboratory Services Agreement (MSA) with Eli Lilly and Company (“Lilly”). The services will be provided by the Fundus Photograph Reading Center under the direction of Dr. Barbara Blodi, and include training and certification for image recording, as well as image grading, quality, and routine analysis services. The services will be conducted over a period of five (5) years from the date of signature of the agreement. There is no funding associated with the MSA. Instead, funding will be tied to the individual Work Statements processed under the terms of the MSA. The overall value of services provided during the term of the MSA is expected to exceed \$1,000,000.

**RELATED REGENT POLICIES**

Regent Policy Document 13-1, *General Contract Signature Authority, Approval, and Reporting*