

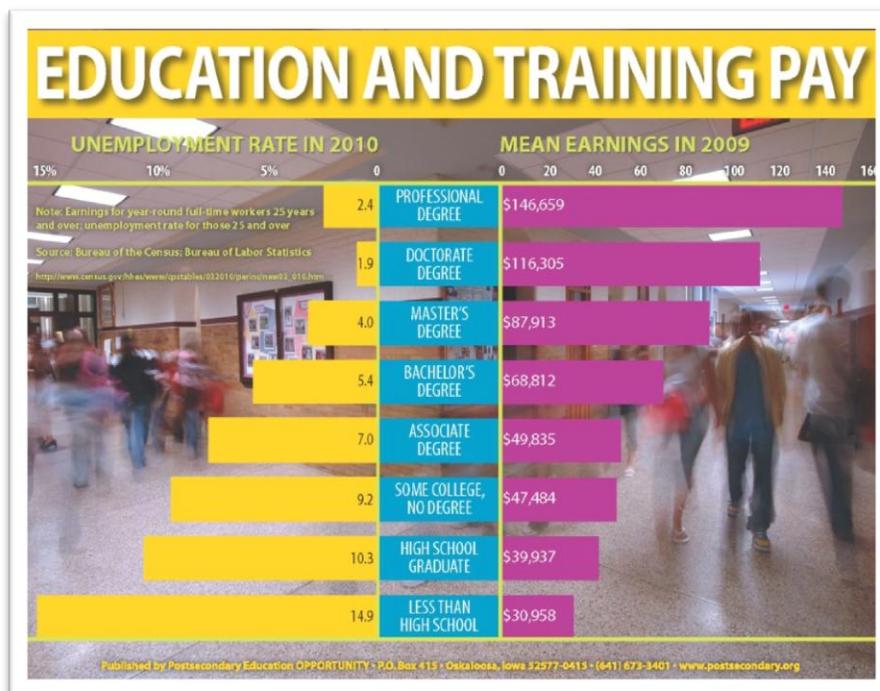


# REMARKS TO THE LEGISLATIVE TASK FORCE ON UW RESTRUCTURING AND OPERATIONAL FLEXIBILITIES

BY  
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Thank you, Chairman Falbo, and members of the Task Force for this opportunity to speak with you about the University of Wisconsin System. This Task Force has been appointed to review important topics related to the future of our public university and its service to the state. I hope to provide some useful background about what we do, how we are evolving as a System, and why it all matters.

On that last note – why it matters – I offer this perspective about the relationship between educational attainment, income, and unemployment. This slide, based on data from the Bureau of Labor Statistics, comes from the “Postsecondary Education Opportunity” newsletter (<http://www.postsecondary.org/archives/Posters/EducationTraining.pdf>). It shows, persuasively, how



unemployment rates decline and earnings rise as education increases. Generally speaking, these trends are sustained, even in the midst of today's economic slump.

With that as the backdrop, I'll address four issues that Chairman Falbo asked me to cover today:

1. The services provided to UW institutions by UW System Administration;
2. A summary of the work of the President's Advisory Committee on the Roles of UW System Administration;
3. The progress we have made in devolving the flexibilities provided in the 2011 biennial budget act and other authorities to the institutions; and finally,
4. Some recommendations about administrative and legislative changes we seek again to allow the University to operate more efficiently.

## HOW THE UW SYSTEM SERVES THE INSTITUTIONS AND OUR STUDENTS

To start off, I will say a few things about how the UW System serves the UW institutions. More broadly, I'll try to illustrate how we also serve the Board of Regents, state officials, UW students, and all Wisconsin taxpayers as well.

I believe that you each have a copy of the report from our President's Advisory Committee on the Roles of UW System Administration, and I will highlight some recommendations contained in that report shortly (<http://www.wisconsin.edu/uwsa-roles-committee/Roles/Report-of-Presidents-Advisory-Committee.pdf>).

For now, I wanted to reference a list of "essential system functions" that the Committee cited in its report, based on the work of D. Bruce Johnstone, former Chancellor of the SUNY System. These are things they agree that any good system of higher education ought to do. This offers a useful framework for the things we do in service to the 26 UW campuses, and our statewide Extension networks.

Under the authority of one board, we look for opportunities to consolidate "activities that can be done more cost-effectively on a system-wide basis," per item 10 on that list of essential system functions.

One example of this is our Office of General Counsel, which provides legal support through a single, cost-effective pool of experts, who address every kind of legal question from personnel and intellectual property issues to real estate transactions and open records requests.

Another system-wide effort is our integrated Transfer Information System – a web-based tool that lets any UW System student assess his or her opportunities for transfer to any other UW college or university.

Similarly, we offer one convenient online application, where students can apply to any UW institution with one click – and we publish one catalog of UW campuses that is distributed to every high school counselor's office across the state, presenting a rich menu of college opportunities.

The UW System has one office that coordinates capital planning and building projects across all the UW institutions – another “essential function” of a system identified by our Advisory Committee. This office is accountable to the Board of Regents and to the State Building Commission, ensuring that we maintain a coherent, fair way of prioritizing major construction projects. Providing this kind of specialized expertise to the UW campuses is important, especially when you consider that UW facilities account for about 63% of all state-owned buildings in Wisconsin.

The Advisory Committee concluded that “ensuring accountability to the people of Wisconsin” is another critical role of the Board of Regents, and our integrated System does just that.

Each year since 1993, we’ve published an annual report about the UW System’s performance. In fact, we were one of the first higher-education systems in the nation to publish such data. As part of this exercise every year, each institution publishes its own report, tailored to its select mission.

These reports focus on evaluating and reporting performance against empirical measures in a manner that reflects our steadfast commitment to transparency.

These Accountability Reports represent another way that the UW System’s central office “serves” the institutions, the Board of Regents, and all taxpayers.

If we look at this from an internal perspective, there are many services we provide directly to the institutions and the students:

- UW System facilitates professional development programs for UW faculty and staff, to advance the practice of teaching, and enhance student learning. These programs bring the best minds together from across all the institutions to improve classroom practice.
- We incentivize applied research, encouraging faculty and staff to use their expertise in new ways that spur economic development.
- We assist the institutions on a wide range of personnel matters, helping to interpret and apply relevant state and federal laws, as well as Board policies.
- The UW System Audit staff help ensure financial and regulatory compliance in a number of areas. Just recently, we asked that office to undertake a thorough review of policies and practices that relate to the reporting of crimes against minors. I’m confident that the findings from that review will help every campus better protect the young people who come to us to participate in sports clinics, music camps, and other programs.
- Our staff facilitates PK-16 partnerships on a statewide basis, across all higher-education sectors, and with K-12 schools.
- The UW System finance staff provide consolidated financial reports for all UW System institutions.

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- We help coordinate services for Veterans and military personnel, so that ever-changing and ever-complex military benefit programs are implemented uniformly and fairly across all the campuses.
- We coordinate Federal Relations efforts, helping our state draw down a larger share of federal support for teaching and research. As one recent example, the UW System Administration worked closely with Senator Kohl and his staff to create a new pool of federal dollars that will enhance agricultural education at UW-Platteville, UW-River Falls, and UW-Stevens Point.

Best of all, we do all these things with administrative overhead rates that are about half the national average. We spend 6.1 cents of every dollar on administration, compared to a national average of more than 10 cents.

One other service that UW System Administration provides to the institutions is encouragement and support—sometimes with a dollop of pressure thrown in—to respond to big new needs of our students and families. One example of this is the adoption of new technology.

Rapidly evolving new technologies are creating transformative change in every aspect of society, and every industry. In higher education, these new technologies enable us to deliver courses and degree programs in new ways, anywhere in the world, and certainly across our traditional institutional boundaries. “Any time, any place, any mode, any pace,” as the saying goes.

At the same time, our students are demanding that we use the new technologies to enhance the accessibility and quality of their education. That’s true for the tech-savvy 20-year-old of the digital generation, as well as for the 35-year-old working student who wants to interact with her instructor and fellow students online, after her toddler goes to bed.

Ten years ago, the UW System offered about 860 distance education courses, with enrollments of 19,300. Today, we have more than 4,500 distance education courses, and enrollments exceed 111,800. UW System offers more than 100 certificate and full degree programs online today, with many new programs added over the last 10 years.

That remarkable growth was made possible in part because the UW System, working with the institutions, pulled together a central office called “Learning Innovations” that assisted faculty and staff in crossing the then-uncharted territory of transforming a traditional classroom course into an effective interactive online module.

In this context, it’s important to think about the services that UW System makes possible for students, through its work with the institutions.

A pattern of student behavior today that was not evident when most of us went to college has been dubbed “swirl.” That means that many more students who complete a degree these days do so with credits from more than one college or university. Last year, we had the highest number ever of transfer students coming into, and moving between, our institutions—some 17,000.

Individual students are voting with their feet to make use of a number of the campuses within the UW System, others outside it, and the new technologies the System helped implement, to reach their educational goals. That's why we've put so much emphasis on the Transfer Information System I mentioned earlier.

The System Administration, working with a range of the campuses and UW-Extension, brokered development of innovative collaborative degree programs that allow students to complete coursework from several different UW institutions. In this model, each participating institution contributes courses from its curriculum to a joint online degree program that marshals the best resources from each, in the interest of providing the students with the strongest possible degree.

We now have more than 60 of these collaborative programs, in areas from nursing to sustainable management.

In short, innovative technologies and an evolving student profile have created new "extra-institutional imperatives" that require us to move beyond narrow institutional self-interests, high institutional border walls, and outdated curricular residency and other requirements. The Chancellors themselves are trying to work through such impediments, with the System's help. They recognize that we can no longer pretend that all our students will arrive on one institutional doorstep as freshmen, and graduate from that same institution two or four years later. Indeed, we know that relatively few do.

In this environment of transformational change, an integrated system of higher education brings the value of working with all the institutions to chart cost-efficient, Systemwide pathways to degrees that our students want and need. If we are to meet ambitious goals for a significantly higher proportion of college-educated citizens here in Wisconsin and across the country, we must use scarce higher education resources in a way that concentrates their impact to greatest effect for our students, and for the businesses that will hire them.

That's a key "service" UW System Administration provides to the institutions, and through them, more importantly, to our students and families who pay the tuition and the taxes.

Going back to that list of "essential system roles" for a moment, you'll see that item 3 on that list says that systems of higher education should "advocate to the legislature, governor and key opinion leaders...the needs of the system." Conversely, item 4 says systems must "advocate to the constituent campuses the needs of the state."

That's our Growth Agenda for Wisconsin in a nutshell—a unified strategic framework that focuses our universities and colleges on the needs of the state, while serving as a platform for demonstrating the value of public higher education to taxpayers and their elected representatives.



It has always been the Wisconsin way to look ahead, as captured in our state motto: “Forward.” To move forward in today’s dynamic knowledge economy, Wisconsin needs a high-performing higher-education engine.

One of the most important roles for our Board of Regents and the UW System is the development of a coordinated strategic vision for all our colleges, universities, and extension networks. That vision provides an over-arching framework that helps align higher education resources with the State’s long-range and short-range needs.

That’s how the UW System developed and launched the Growth Agenda for Wisconsin. It’s not a Growth Agenda for the university, but for Wisconsin. It is a bold vision, developed from the ground up with our UW institutions and other stakeholders, to produce more graduates, create more well-paying jobs, and strengthen communities where citizens and businesses alike will thrive.

The impetus for this vision comes from some very troubling trends.

As a nation, we face the prospect of being one of the world’s only developed countries where younger generations are not as well educated as their parents. In Wisconsin, only one in four working-age adults holds a four-year degree. We find ourselves in 29th place out of 50 states, based on four-year degree holders. As I discussed earlier, that ranking correlates closely with earnings, but it’s not just about income.

Research shows that the more higher education people have, the more likely they are to be healthier, and therefore less reliant on an overburdened healthcare system.

College-educated citizens tend to be more philanthropic, supporting a network of charitable and cultural organizations that improve the quality of life for all of us. Educated citizens tend to be more engaged in their communities, and participate more actively in our democratic system of government.

Based on this overall vision for Wisconsin, each UW System institution is working toward numerical goals for more graduates that we developed and agreed upon together, employing selected tactics that leverage their existing strengths.

Some institutions are reaching out to non-traditional-aged adult students, including a significant segment of the population who have earned some college credit, but never completed a degree.

Some UW institutions are focused more tightly on improving retention rates among the traditional undergraduate populations they already enroll.

Others are providing new services for first-generation college students, and “high-impact practices” that have been proven to boost retention and graduation rates for these first-time college-goers.

Together, these localized efforts add up to an additional 80,000 baccalaureate degree-holders by the year 2025. We are working toward that goal by employing a Systemwide, deliberate strategic process.

But that’s only one part of the Growth Agenda, representing the “supply” side of our “supply and demand” equation. Through research programs that produce new business spinoffs, and through targeted outreach for businesses, UW institutions are also working to create new jobs, and create new demand for educated workers.

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UW-Madison’s preeminent role in scientific research is well known, with faculty producing new technology, new cures, and new jobs. At UW-Milwaukee, we see an urban teaching and research university that is playing more and more of a role in driving the state’s emerging industries, such as water technology and energy storage.

Across the state, in what some call our “Tiger Cities,” our regional comprehensive universities that are the focus of today’s meeting are also engaging in new and exciting research and outreach to local industry that stimulates regional economic development, and enhances educational experiences for UW students.

These comprehensive universities are important “anchor institutions” for the communities and regions they serve, enrolling more than 95,000 UW students, and conferring 17,500 degrees last year. Each of these universities fills a unique niche in our System, attracting students from across the state who seek a

specific major, or the opportunity to participate in undergraduate research aligned with that campus' disciplinary strengths.

These regional universities have been called "stewards of place." Indeed, the quality of life in the cities and towns where they are located is directly tied to their contributions. How can we better empower them, and all our UW institutions, including UW Colleges and UW-Extension, to enhance these contributions to the State, the nation, and the world?

## **PRESIDENT'S ADVISORY COMMITTEE ON THE ROLES OF UW SYSTEM ADMINISTRATION**

That question brings us back to the President's Advisory Committee on the Roles of UW System Administration, and the changes taking place across the UW System.

As a result of the crushing impact of the global economic downturn, the UW now faces the largest net reduction of state funding in our history. That creates many significant challenges for us, but there's an old saying... "Never let a good crisis go to waste."

With that in mind, I empaneled this Advisory Committee, composed mainly of members from outside System Administration, to take a 360-degree look at what we do now, what we should be doing in the future, and what we should not be doing.

The Committee strongly believed that institutions must be allowed to operate with greater flexibility, to implement new ideas that lower costs, and raise revenues. Members proposed a new model of leadership that envisions a System where more authority and accountability are vested in the UW institutions and their Chancellors, and those individual colleges and universities can operate in a more innovative fashion.

While our former business model served us well over several decades, changing times require a serious and substantial shift that accounts for constrained resources, and the need for more localized, more entrepreneurial leadership.

The Advisory Committee submitted 21 specific recommendations, and I have embraced all of them, pledging to implement them fully.

We've provided a detailed handout today on these recommendations and our progress in following up on them, but let me touch on just a few.

Recommendation 4 from the Committee was to "change the academic program approval process in ways that...reduce preparation time for institutions, increase flexibility in the development of the...program array, shorten timelines for program approval, and reduce staffing."

We are implementing that recommendation now. That entails significantly redesigning the way our Board of Regents reviews and approves new undergraduate and graduate degrees.

The goal of that redesign is to take UW System Administration out of the business of assessing academic quality. Instead, we will rely for that function on the work of academic departments, Deans, Provosts, Chancellors, and the many outside accrediting agencies that do that work. We will focus our smaller UW System Administration staff on maintaining an appropriate array of degree options across the state. In this model, the Board of Regents and UW System staff are not asked to evaluate the rigor of proposed new degree programs in physics, engineering, or audiology, for example. Rather, they will be asked to focus on where those new programs fit within the menu of learning options available to our students, ensuring that need for those programs in individual regions and the state is met, while avoiding unnecessary and inefficient duplication across the System.

In concert with these changes, our Academic Affairs unit has significantly reduced its staffing levels, including one Associate Vice President position. Further changes are coming to that unit, and we expect to have a new structure in place by the beginning of the new fiscal year.

The Advisory Committee's 7th recommendation was that UW System should implement a new business model – one that reduces the System Administration's role in day-to-day transactional activities, striking a better balance between service and oversight. We've articulated this balance in our "ITMAC" philosophy, reflecting UW System Administration's core roles of interpreting, training, monitoring, advocating, and consulting. UW System Administration staff are already adopting and implementing this philosophy, which will evolve over time.

In recommendation number 17, the Advisory Committee wanted us to "encourage a thoughtful and broad statewide conversation on the benefits and drawbacks of campus-based institutional boards," and I can tell you that we are in the midst of that conversation. Regent President Spector in October appointed an ad hoc committee to review UW System Structure and Governance, including looking at alternate university board structures around the country, including some that feature regional or institutional boards. We expect the committee to provide some initial recommendations – for discussion only – next month.

Finally, I'll point to the 19th recommendation from our Advisory Committee, which states that we should "further engage the Chancellors in upstream discussions of policy options," in addition to twice-monthly conference calls and meetings.

Responding to that recommendation, I asked three of the Chancellors (Chancellor Gow from UW-La Crosse, Chancellor Wachter from UW-Superior, and Chancellor Wells from UW-Oshkosh) to join the President's Cabinet, participating in weekly meetings with my senior UW System staff, where we discuss a wide range of policy and management issues.

Also, as a result of that recommendation, I invited two other Chancellors (Chancellor Telfer from UW-Whitewater and Chancellor Harden from UW-Green Bay) to participate in weekly meetings with the Regent President and Vice President, where we develop the roadmap of agenda items for the full Board of Regents.

This last change – involving Chancellors more directly in various aspects of UW System management discussions – has been wonderful. While it puts more demands on their already chock-full calendars, I can tell you that we benefit greatly from their remarkable leadership experience, as well as their on-the-ground perspective from the campuses. We will invite new Chancellors into these roles on an annual basis.

The Advisory Committee recommended a renewed statewide focus on the UW's role in economic development, and I'm proud to tell you that we'll be moving forward with this effort in partnership with the Wisconsin Economic Development Corporation.

As the result of very good conversations with the UW Chancellors and with CEO Paul Jadin, we have agreed to fund jointly with the Corporation a new leadership position at UW System. This position will better coordinate vital efforts within the System related to applied research, job creation, business outreach, and other areas of economic development. This new position will also serve as a direct link between the State's new economic development corporation and its public universities.

This means that when new strategies are developed to stimulate business growth in the State, we'll have someone from the University at the table who can bring all the university's resources to bear on these efforts. We're very excited about this prospect, and will begin recruitment for the position within the month. This is a case where the UW System Administration, which took a 25% budget cut this biennium, is repositioning its remaining resources around the university's role in job creation.

Again, that's a very brief sampling of the ways we are implementing all of the Advisory Committee's 21 recommendations. The handout offers more details about our progress in adopting every one of these new ideas.

## ACT 32 FLEXIBILITIES

In addition to an update on those recommendations, Chairman Falbo also asked that we describe our progress in implementing and delegating new flexibilities granted to the UW System as part of the 2011-13 biennial budget, or Act 32.

We are thankful for those, and especially happy that State leaders seem genuinely receptive to such new ideas, and new ways of reducing the administrative burden placed on UW institutions through statutory mandates.

One of the most significant flexibilities granted to us was the ability to give each UW institution a "block grant" of GPR funding, letting UW Chancellors move money from one area to another more freely, for the first time in our history.

Until now, Chancellors who saved money in one area were prohibited by law from spending it in another. As such, they had little incentive to seek new savings and consider new operational efficiencies. That's changed, and we're moving quickly to implement the new block grant.

Immediately after the signing of the budget bill, the UW System engaged our campus business officers to implement this new authority. We will have this new system in place for the 2012-13 fiscal year.

Let me give you a few other examples of how we are operationalizing flexibilities.

According to the new state statutes, UW System is to develop new personnel systems that account for the distinctive roles played by university employees, including one new system that aligns with UW-Madison's unique role as the state's flagship research institution, and another for all other UW System employees. These must be implemented by July 1, 2013.

To meet these goals, I have convened a task force co-chaired by UW-Platteville Chancellor Shields and UW-Madison Vice Chancellor Bazzell. This task force will recommend changes to existing practices, see that stakeholders' concerns are considered, and ensure the new personnel systems will manage the UW's human resources effectively.

Under the new flexibilities, UW gift-funded capital projects costing less than \$500,000 are exempted from Building Commission approval and Division of State Facilities management. The Board of Regents, State Building Commission, and Joint Finance Committee have already approved our new procedures for managing these projects.

In the area of procurement, we are urging the State's Department of Administration to delegate new purchasing authority granted to UW institutions in the budget bill. You'll recall that we now have higher bid thresholds.

We have been in negotiation with DOA about this since the budget was passed. Once that authorization is received, it will help streamline back-office operations at every UW college and university, but it's also an illustration of how legislative action does not always immediately translate into new operational freedom for the UW.

I mentioned earlier that one of our core functions as a System is to report on the performance of our institutions, using empirical, transparent accountability indicators. Our previous Accountability Reports have been based upon measures adopted by the Board of Regents. Now, for the first time, the Legislature has told us explicitly what they'd like us to measure and report. As a result, UW System and UW-Madison are working together to develop the definitions and analysis needed to prepare those new accountability reports, which should be ready by May.

I want to note that there's another category of changes and flexibilities we are also addressing, with respect to policies and authorities in the span of control of the Board of Regents.

Over the past year, we have undertaken a review of all Regent policies and System practices, eliminating outdated rules and methods of operating, and delegating related authorities to the Chancellors.

Now Chancellors no longer need UW System approval for a number of Human Resources actions, including the use of certain personnel titles, naming interim Deans, or awarding named professorships, as just a few examples.

As we push forward with these changes, new ideas, and revised priorities in an era of constrained budgets, we'll need to be conscious of what things are worth holding on to, including the Growth Agenda for Wisconsin, and our ability to spur economic growth.

Done correctly, the transformation of the UW System Administration, and delegation of authority to the institutions, can strengthen our ability to realize that bold vision, moving the state of Wisconsin further ahead at a faster pace.

## EFFICIENT AND DISTINCTIVE

These individual changes to policies and procedures contribute to a bigger sea change that's happening across the UW System – one that puts the focus more on our colleges, universities, and extension programs, and less on the system as an entity unto itself.

As I've described, we see distinct advantages to an integrated system of colleges and universities that speak with one voice, and work toward a shared vision of improving life in Wisconsin and beyond. While preserving all the advantages of integration, we want to ensure that each member institution has all the freedom it needs to develop its own brand, and fill its own educational niche.

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One institution may focus on the liberal arts, while another develops new specialties in business or engineering. One may move aggressively into distance learning and flexible options for part-time students, while another campus works to enhance its residential programs for traditional students.

In sum, we envision ourselves as “an efficient system of distinctive, entrepreneurial universities,” as the Advisory Committee report says. This means minimal bureaucracy and maximum support for the UW institutions.

## WHAT'S NEXT? RECOMMENDATIONS FOR CHANGES AND FLEXIBILITIES

You can help us move forward toward that goal, in a number of areas. You heard at your last meeting that the UW System remains one of the most highly regulated higher-education institutions in the nation. That's a “Top 10” list that nobody wants to be on, especially in an era when we need more freedom to make the most of every scarce dollar we receive from the state.

While the 2011-13 Budget provided important new flexibility, it did not provide all the operational freedom and decision-making latitude that our UW institutions need.

For example, the authority granted to UW in capital planning and construction was very, very limited, and will only cover two or three projects each year out of the hundreds that are completed.

We support changes that would preserve legislative oversight through the State Building commission, while authorizing the Board of Regents to contract directly for all projects funded fully with non-GPR dollars. This would include all projects funded with program revenue, gifts and grants, regardless of size. Management of those university-funded projects, once approved, should be the responsibility of the Board of Regents. By delegating this responsibility to each UW institution, we could let people closest to the project take responsibility for daily oversight.

Earlier, I mentioned that we are waiting for the Department of Administration to resolve issues related to the delegation agreement for purchasing and procurement. Once granted, this delegated authority will be transferred to UW institutions that have asked for this local control, and five institutions – UW-Platteville, UW-River Falls, UW-Stout, UW-Superior, and UW-Whitewater – have already submitted applications for it.

In addition, we urge the Task Force to recommend that primary responsibility be vested with the Board of Regents to make purchasing decisions in those instances where there is no mandatory state contract. Where there is a mandatory contract, allow the university to purchase goods and services outside of those contracts if we can demonstrate that we will save money.

Other important flexibilities we desperately need include:

- Providing the Board of Regents with the authority to retain, manage, and invest all UW non-tax revenues.
- Additional flexibilities are needed in the human resources area to permit Chancellors to meet continuing and growing challenges relating to hiring and retaining the quality staff to accomplish institutional missions. A key change would provide the university with the ability to use base funds to make performance-based salary adjustments for UW employees.
- Additionally, UW pay plans must still be submitted to the Legislature's Joint Committee on Employment Relations for approval. The Board of Regents should be authorized to develop and implement university pay plans, living within the GPR budget the State provides.
- Eliminating mandatory reports that are no longer relevant and have outlived their usefulness would help greatly, too. There are at least 14 of these that waste our staff time and resources.

I recognize that, in order for the State to give us these and other flexibilities we have long sought, we have to demonstrate that we already work hard to be good stewards of State tax dollars. For example, State funding per student in the UW System is now about \$2,400 below the average among public universities, with Wisconsin in 41st place among the 50 states.

So, we have held down these costs to taxpayers while driving up output. For instance:

- Access rates remain very high for Wisconsin residents, while the numbers of enrollments and transfers are breaking historic records.
- Our retention and graduation rates consistently top national averages.
- UW students are completing their degrees faster, paying for fewer credits, compared to years past.
- About 8 out of every 10 UW graduates who began as Wisconsin residents remain here after college, putting their degrees to good use, and
- The overwhelming majority of our recent graduates are very pleased with the quality of their education, saying that their UW alma mater “effectively prepared them with the knowledge and skill” they needed to succeed in the workplace.

Three decades ago, more than 13 cents of every Wisconsin tax dollar went to the state’s public university, representing 43% of the university’s annual budget. In the current fiscal year, about 7 cents of every tax dollar are going to UW, and state support constitutes less than 18% of UW System’s total budget. The unfortunate consequence of these trends is upward pressure on tuition, and a rising student and family debt burden.

Do we want to move further down the scale to 5 cents, 3 cents, or zero cents of each tax dollar devoted to the UW?

Without adequate state support, the quality of a UW education will slip. Without sufficient and smart investments in need-based financial aid, affordable access to our campuses will shrink, and our economic engine will stall.

As I mentioned, we have demonstrated that we’re comfortable with accountability and transparency, and we’re glad that the Legislature has told us specifically what it wants us to measure.

But we won’t have much worth measuring if the UW System isn’t able to perform at a high level. Looking at that accountability “dashboard,” where should the needles be on each dial that the State has specified? What do we consider “optimum” output and performance?

That takes us back to the Growth Agenda, and the 80,000 more graduates that we’re working to produce between now and 2025. That’s a real stretch goal for our institutions in light of the current budget disarray.

Nonetheless, we’re willing to commit to increased performance and accountability.

In return, we’re asking for greater flexibility, and at least stability in our funding streams.

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Together, these are the four building blocks of a “new social compact” between Wisconsin and its public universities: Performance, Accountability, Flexibility, and Funding Investment.

Fifty years ago, a similarly bold compact with military veterans – the original G.I. Bill – transformed America’s post-war economy, fueling global economic prominence. A similar effort today could propel us forward toward a new era of prosperity and worldwide leadership.

This Task Force has been asked to consider six important, specific issues. I hope you’ll also think about the bigger underlying question, about the overall future of public higher education in Wisconsin, and what promise we’re willing to make to our children and grandchildren about their future.

The UW has a “Growth Agenda” for those children and grandchildren. How can the State and the University work more fully together, each doing its fair share, to deliver on that promise? I suggest that is a vital question worth this Task Force’s pondering.

Chairman Falbo, I’m happy to respond to members’ questions or reactions. Thank you all for listening.