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CD in hand, UW System President Ray Cross visits UW-Eau Claire jazz professor Bob Baca with campus provost Patricia Kleine.

# Cross purposes

Under fire as he looks to further campus innovation, the UW's new leader talks of his challenges

By Mike Flaherty

**G**ov. Scott Walker proposed a \$150-million-a-year budget cut and sweeping management changes at the University of Wisconsin System in February — an additional challenge for what had already been a challenging year for the system's president, Ray Cross.

The former UW-Extension chancellor was appointed a year ago to lead the system's 26 UW campuses, which came under fire from the Legislature for harboring large cash reserves while increasing tuition. Critics have also suggested that UW

System faculty could be doing more to help bolster Wisconsin's economic engine, especially at the 11 four-year statewide campuses, whose employees hold more doctorates than UW-Madison and UW-Milwaukee combined.

With Wisconsin lagging well behind similar-sized states in new patents issued, new business startups and job growth, the UW Board of Regents and Cross had already been exploring ways to further engage those faculty in job creation and economic development. In a recent interview with WPRI, Cross talked about his vision to improve the UW System's economic performance.

**Q Gov. Walker has proposed a fairly steep cut in state funding along with creating a “public authority” to independently manage the UW System. The budget cut is being hotly debated. But what does the public-authority proposal mean for the system and for Wisconsin?**

**Cross:** *The authority [which would separate the system from state agency management by the Department of Administration] would allow us to manage operations more efficiently and with greater long-term certainty. It would offer an entire package of new flexibilities, including more efficient management of building projects, procurement and pay plans, which would provide long-term cost savings — let me repeat: long-term — and provide greater stability, predictability and, ultimately, certainty for our students as well as taxpayers. More and more states, by the way, have moved or are moving in this direction.*

*In my opinion, a public authority is the best model to govern and deliver a public university that is committed to the core principles of academic excellence, access, responsiveness and affordability for our students, parents and taxpayers.*

**Q Why is this needed?**

**Cross:** *[The current method of management] restrains our ability to be flexible partners. Say we had a company that came to us and wanted to put in a complete carbon fiber research facility that we would build out. I would have to go through the state Department of Administration and pay the state a portion of that money even though it's all private money.*

*Most donors would say, “Forget it. We’re not going to make that happen.”*

*Or let’s say we wanted to create a lab to research new types of polymers. I don’t want a new building, but I want a new lab and I want industry to participate. Because it would be built within a state facility, it would be really hard to do. A public authority would make it easier to partner with business on research and the application of that research to industries that want to partner with us. We have a lot of that sort of interest right now that could be very exciting.*



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*“It is fundamental for us to build closer relationships to business.”*

**Q The budget cut is controversial. How would a lower, “fixed level” of taxpayer support work?**

**Cross:** *Once our base is established, we would receive Consumer Price Index adjustments beginning in 2018-'19. This dedicated funding stream provides predictability, stability and consistency. We could look ahead and plan ahead for five to six years. Under this concept, we also could plan out tuition into the future, so students and families won't have to guess as they prepare to invest in their education.*

**Q You had already announced that you would propose major reforms at the UW System this spring, but you offered few details. What are you planning?**

**Cross:** *At this time, I am focusing on three main areas where I believe we can find savings without jeopardizing our mission. They include reforming business practices, refocusing academic priorities, and redesigning the approval process for facility requests and segregated fees. Most important is improving our back-office efficiency... doing things more efficiently, such as streamlining our services. We have engaged an outside consultant to help us with this, and that analysis process has already started.*

*Another focus is to look at how efficiently we deliver our academic activities for our students. Are we making sure our low-enrollment courses are appropriate? Are there too many of them? Are the programs requiring more than 120 credits appropriate? We are taking these actions in collaboration with our faculty and*

*staff and colleagues on every campus so we can assure that these reforms are done appropriately, effectively and responsibly.*

**Q You and the regents have been discussing ways to free up faculty — especially at the 11 nonresearch campuses — to allow university experts to become more involved in regional economic development and private-sector relationship building. Progress?**

## Ray Cross Q&A

**Cross:** We are assessing what faculty do outside of the classroom. We spend a lot of time focusing on 12 credits or six credits [teaching loads]. But are we focusing on what they do outside the classroom? That's the part that is connected to economic development. We have faculty doing a lot already. But are they rewarded for it? Is it perceived as part of their responsibility, or even appropriate? In many cases, when a faculty member works with businesses or in economic development, it is considered service, not research. So their work is not considered scholarly activity and it doesn't help them in the promotion or tenure process.

### Q Can that be changed?

**Cross:** It can be changed. But it's something faculty has to lead and it must be student-focused. I'll defend that part [of tenure] because we need input from colleagues who know their field. If you hire an engineering professor, you want engineering faculty input to determine whether that person is qualified. The other piece of that, however, is how you reward [nonresearch and nonteaching activity]. Does that get the same recognition as research? We need to press the issue [as a system]. But it has to be faculty driven.

### Q A founding principle of the University of Wisconsin is the "Wisconsin Idea" — that the university was created for research, instruction and to help improve Wisconsin's society and its economy. But from an outsider's perspective, it would seem that many faculty members, especially at the 11 comprehensive universities, aren't as vested in that "Idea." Do you agree?

**Cross:** I think you would be surprised and impressed with the research and community outreach occurring at the comprehensive campuses. However, I think we could all be doing a lot more. The history and heritage of the 11 four-year colleges are drawn from the "normal school" foundation [as teacher-training colleges].

Historically they have not had to develop relationships with business, which is fundamental to helping a university understand economic development. Once institutions and their faculty have a relationship with businesses, they are exposed to economic development opportunities. Businesses are constantly trying to find ways to do things and meet new challenges — and they challenge us. It is fundamental for us to build closer relationships to business. That, in my mind, is Step 1.



### Q System leaders are aware of this — and there's a lot going on. Where does all this sit in terms of developing a fresh way to think about this concept?

**Cross:** We are all going to struggle with what exactly we need to do. There will be some starts and stops, redirections, constant evaluating, and assessing whether our efforts are appropriate. I would argue that a niche the university should be involved in — which it is not very involved in right now — is what I call Stage 2 economic development, that is, small companies with eight to 10 employees [and] up to as many as 100 to 150. Our university and government are infatuated with startups, and most states make an effort to help entrepreneurs create startups.

But what we do for startups isn't very beneficial to Stage 2 companies, where the real job growth is. It's sexy to do startups. It's not sexy to do Stage 2 expansion. It's also difficult for the state to figure out how to help Stage 2 companies because they don't need tax breaks or tax incentives — things a startup would need. They need the equivalent of a consulting team: marketing and outsourcing advice, exploring new production efficiencies, managing debt ratios and growth. That's economic development at its core.

Government has trouble with this because it's difficult to do without looking like it's giving an inappropriate advantage to a single company. We can, however, convene

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consulting teams from the university and retired corporate community to help these companies.

**Q What are the obstacles to success? Does the culture at the 11 comprehensive universities need changing?**

**Cross:** You have to preserve the culture of teaching and research. Universities are typically not very good at developing new products for commercialization, and there is good reason for that. If you're doing basic research in a unique field of physics or medicine, you're focused on that. You're not focused on how to turn your findings into a commercial product.

At the same time, there is an increased effort at commercialization — to work with businesses to help take those ideas and develop them into commercial products. We have done a lot here in Madison and around the state. But we have to do a lot more.

**Q So what does that look like?**

**Cross:** In many cases, startups don't want our help. We have to be respectful of that. But that doesn't mean we don't need to reach out. With bigger companies, I'm attempting to reach out to business leaders throughout this state to demonstrate our interest in serving their needs, as well as helping us understand where their future needs are going to be. Too often they tell us what they need tomorrow in terms of talent, research and defining problems they face. We need to understand what they think they're going to need in 10 years.

Where do they think their business is going to be in 10 years? What scares them? What excites them? What interests them? The university needs to prepare for these questions in order to be helpful.

**Q What's the role of Extension? Its core mission is to extend university expertise into society and the economy. Yet today, Extension doesn't seem all that visible in economic development.**

**Cross:** One of the challenges is that Extension is perceived as tightly connected with agriculture, not economic development. Yet each county has an agent who works

on economic development. We're also working with economic development specialists in Waukesha County and in the Fox Valley to get Extension more involved in working with Stage 2 companies. One of Extension's strengths is that it is in all 72 counties. How do we leverage that to help connect with local folks?

In manufacturing, we pulled Extension away and created a separate entity to help manufacturers. I'm not sure that was the right approach. The role of the university in manufacturing almost disappeared. In health care, for example, many states have expanded the role of Extension.

**Q What about the role of the chancellors? They know their faculties, their communities and their regions' needs. They say they could do more for regional economic development if they had more flexibility. Will you be looking at this?**

**Cross:** Yes. We have heard chancellors say that they are constrained in their ability to create new courses and programs. But that's one of the challenges of the UW System. How does it balance the desires of one campus with the resources of the state or the needs of the whole state? One of the reasons the system was created was to prevent the proliferation of programs and schools all over the place.

At the same time, the system is a state agency confined by the laws and state regulations. To me, that is an issue because it does create barriers to being flexible.

**Q Final thoughts?**

**Cross:** The Legislature needs to understand that the university — at least a large portion of it — is an investment in the future, not an expense on the ledger. There is a hesitancy to give us funding to do some of the things we need to do because we're a longer-term investment. If we don't invest, revenues will go down, not up. We are a part of the solution, and we want to be a partner in moving forward to build a brighter future for Wisconsin.

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