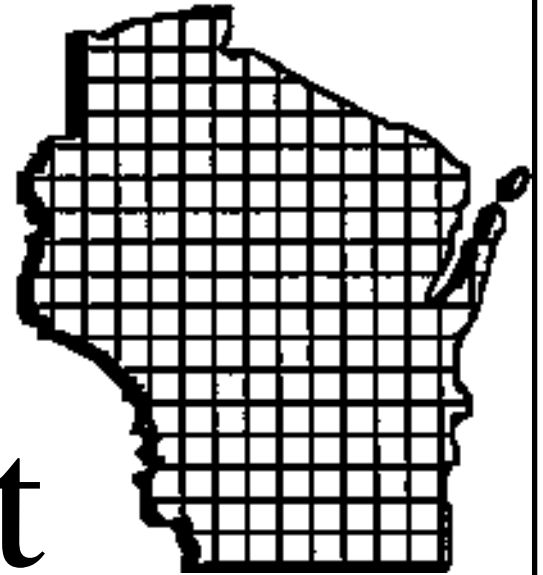


Wisconsin

Policy
Research
Institute

Report



July 2007

Volume 20, Number 7

**Renewing the
University of
Wisconsin
System**

*Creating the Capacity to
Manage and Compete*

REPORT FROM THE SENIOR FELLOW:

The valuable role played by the University of Wisconsin is widely accepted: It enriches the lives of its alumni, it feeds the state's economy and it is the wellspring of ideas that enhance Wisconsin. But recent years have presented the UW with some of its stiffest challenges. State funding has been cut while stories abound about embarrassing personnel maneuvers and administrative indiscretions.

We thought it an opportune time to review the basic management structure of the UW system. For the task we turned to Tom Fletemeyer for an assessment. Mr. Fletemeyer is a long-time observer of higher education, first from his senior position with the Legislative Fiscal Bureau and later as Executive Director of the Educational Communications Board.

It is evident that Fletemeyer has both a high regard for the UW as well as concern that, without change, the institution cannot maximize its future potential. The good news is that the remedies suggested by Fletemeyer are not of the sort that requires the infusion of cash. However, the steps outlined in his report will require overturning some of the fundamental precepts in public higher education today.

It has been thirty-five years since legislation was enacted that merged the campuses into a single "system." Today's UW "system" is a peculiar amalgamation of autonomous academic departments on semi-autonomous campuses operating under a centralized governance structure. Fletemeyer notes that it is "a governance more oriented to providing reassurance to university constituencies than to providing a coherent management structure."

The efficacy of the top layer of UW management comes under particular scrutiny in this report. In particular, long-range planning is lacking and relations with state government are strained. These are basic functions that System administration has traditionally provided. From top to bottom, the UW is operating under a system designed for a different time.

Fletemeyer is particularly troubled by what these shortcomings will mean for the flagship campus at Madison. UW-Madison, one of the top research universities in the world, produces the tenth highest charitable contributions and the fifth highest patent and license revenue among American universities. It is the Madison campus that generates the external funding that will be the driving force behind Wisconsin's economic future. This report echoes an earlier Wisconsin Policy Research Institute report that called for separate charter status for the Madison campus. Only by separating it from the system will UW-Madison be able to realize its full potential to transform the Wisconsin economy.

This report might make some readers a bit uncomfortable because it challenges us to rethink many of the concepts underpinning higher education management. Fletemeyer's to-do list includes: changing state law to create clearer lines of management authority within the UW, reviewing faculty workload and productivity throughout the UW system, granting autonomy from state government oversight and creating a separate charter for UW-Madison. Yet if there is an unwillingness to consider these fundamental management issues, we should be prepared to accept less than optimal results from this key economic engine.



George Lightbourn

WISCONSIN POLICY

RESEARCH INSTITUTE, INC.

P.O. Box 487 • Thiensville, WI 53092

(262) 242-6409 • Fax: (262) 242-6459

E-mail: wpri@wpri.org • Internet: www.wpri.org

RENEWING THE UNIVERSITY OF WISCONSIN SYSTEM

Creating the Capacity to Manage and Compete

THOMAS L. FLETEMEYER

	PAGE
EXECUTIVE SUMMARY	1
I. INTRODUCTION	2
II. UW GOVERNANCE	4
III. ENROLLMENTS AND STUDENT PROFILE	5
IV. UWS BUDGETS	7
V. UWS PLANNING	8
VI. OBSTACLES TO UNIVERSITY MANAGEMENT	9
VII. SUMMARY AND CONCLUSIONS	13
ATTACHMENT 1 - PRESS ITEMS	15
ATTACHMENT 2 - CHARTING A NEW COURSE FOR THE UW SYSTEM — RECOMMENDATIONS	20
ATTACHMENT 3 - A GROWTH AGENDA FOR THE STATE OF WISCONSIN	21
ENDNOTES	24

BOARD OF DIRECTORS

James Klauser, Chairman

David Baumgarten

Robert Buchanan

Catherine C. Dellin

Thomas J. Howatt

David J. Lubar

Maureen Oster

Timothy Sheehy

Edward Zore

James Miller, *President*

EXECUTIVE SUMMARY

The University of Wisconsin System (UWS) is one of the most important institutions in the state. This status stems not only from its primary missions of instruction, research, and public service, but also from its sheer size, economic impact, and effects on the lives of Wisconsin's citizens. Because of this, the citizens of Wisconsin have a vital interest in the continued success of the UWS as it attempts to adapt to a changing fiscal environment.

The results of a survey by the Wood Communications Group indicate a deep ambivalence regarding the UWS on the part of Wisconsin's citizens. They admire its programs, but believe the System could be better managed and more efficient. Press accounts of UW management problems have contributed to this ambivalence. These perceptions of management issues in the UWS must be addressed if there is to be a rapprochement between the citizens of Wisconsin, their representatives, and their university system.

Management issues arise within the context of the governance structure of the UWS, its enrollment history, budgets, and planning processes. The UWS governance structure has resulted in a highly decentralized system in which there is a diffuse sharing of authority among the Regents, System President, Chancellors, Faculty, Academic Staff, and Students.

The UWS budget has undergone a number of significant reductions over the last ten years, although the overall budget has actually increased mostly due to funding for cost-to-continue items such as debt service on facilities, utilities, and staff compensation. It has accommodated these reductions through enrollment limits and tuition increases. This limited availability of new funds is particularly difficult for a decentralized institution like the UWS to manage.

The UWS does not have a comprehensive, systematic, long-term planning process but, rather, it accomplishes planning functions through Regent policies, the planning activities of the individual campuses, Regent approval processes, and planning that takes place in separate programmatic areas such as promotion of diversity and other areas.

A number of obstacles to University management are identified including:

1. the University's governance structure, characterized by overlapping authorities and extreme decentralization;
2. a management culture, characteristic of universities generally, which does not value efficiency;
3. external constraints imposed by state government;
4. internal university management practices;
5. conflict over the role of UW System administration which raises concerns as to whether state-wide educational needs are being served as opposed, or in addition, to the interests of individual campuses and their constituencies; and
6. the structure of the UWS which combines radically different types of institutions under one board.

The cumulative result of these obstacles is an impaired ability to accommodate change and to generate the internal resources necessary to maintain the quality, competitiveness, relevance, and vitality of the UWS.

Although the UWS is clearly successful in many areas, it is also clear that it would be in a better position to adapt to its current and likely future fiscal environment were it, and state government, to act to eliminate or minimize obstacles to management that have been identified in this paper.

The following actions would move in that direction:

1. address the UWS's plea for greater management flexibility and autonomy from the rest of state government;
2. review the governing statutes of the UWS to eliminate obsolete language, to provide clearer lines of authority, and to modify fiscal emergency provisions to allow staffing adjustments due to reorganizations, changing academic needs, and elimination of duplication;
3. examine faculty workload and productivity; and
4. create a separate governing board for the UW-Madison.

I. INTRODUCTION

The University of Wisconsin System (UWS) is one of the most important institutions in the state. It is, in fact, the eighth-largest university system in the country with twenty-six campuses. The University of Wisconsin-Madison has national and international stature and is one of the foremost research institutions in the world. The University of Wisconsin is one of the state's premier successes. This status stems not only from its primary missions of instruction, research, and public service, but also from its sheer size, economic impact, and effects on the lives of Wisconsin's citizens. The UW represents one third of state government in terms of expenditures (that part of state expenditures going to government operations) and has over half of the state's employees. In a sense, state government consists largely of the UW and prisons. Together they represent 80% of all state employees funded from state taxes.

Educating the State's Citizens. In the fall of 2004, 33% of Wisconsin high school graduates enrolled at a UW institution immediately following high school graduation. Historically, the access rate for Wisconsin high school graduates has been well above the national rate.

Critical Missions. The UWS's missions of instruction, research, and public service are not only ends in themselves, but they also are important drivers of economic development in the state. Reduced capacity to deliver these primary missions is of fundamental concern to the citizens of Wisconsin. A healthy UWS is critical to the future of the citizens of Wisconsin.

Economic Impact. A 2002 report by NorthStar Economics, Inc. detailed the UWS's contributions to the state's economy.¹ Highlights of the report were:

- The UWS contributes \$9.5 billion dollars to Wisconsin's economy annually, over 5% of the state's gross state product.
- UWS activities are responsible for over 150,000 in-state jobs, almost 6% of Wisconsin's employed workforce.²
- The UWS presence in the state generates almost \$408 million dollars in state income and sales tax revenue annually; about 40% of the UWS state \$982 million budget allocation for fiscal 2001-2002.
- Almost 70% of the \$3.6 billion UWS revenue comes from sources other than state taxes.
- UWS employees spend over \$1.0 billion in Wisconsin annually.
- UWS students spend over \$1.3 billion annually in Wisconsin over and above tuition, fees, and university-supplied room and board.
- Visitors to UWS-related events spend over \$726 million dollars in the state.
- Wisconsin realizes a 9% return on its investment in a UWS baccalaureate degree through higher taxes paid by UWS graduates.
- The state's payback for educating a UWS baccalaureate student is less than ten years.
- UWS baccalaureate degree holders reap a 30% return on their education investment beyond high school.
- A UWS student's payback period (the time after graduation that it takes for increased income resulting from a college degree to recoup lost income during college attendance) is less than three years.
- A UWS graduate will earn almost one million dollars more than a high school graduate, twice that amount for a doctoral or professional degree.
- The positive cultural and social impacts of an educated populace immeasurably enhances Wisconsin's quality of life.

Perceptions of the UWS. A report by the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools concluded that, "It is remarkable — and a bit of a puzzle, actually — that a state of such modest size and wealth has managed to build and to maintain for so long such a truly world-class institution."³

The Wood Communications Group, a public relations firm based in Madison, Wisconsin, recently conducted a poll on public perceptions of the University. Findings quoted in the press were that:⁴

- 60%: Agreed the value of a System education compared to the cost is good or excellent.
- 79%: Agreed the System is doing an excellent job of providing a good education.
- 69% of Wisconsin residents: Agreed that System "campuses have more administrators than they need."

- 50%: Agreed that system “campuses pay their faculty too much.”
- 62%: Agreed that System campuses provide health benefits to faculty and academic staff that are “more expensive and generous than the rest of us get.”
- 59%: Agreed that System “campuses don’t think they have to watch their dollars like the rest of us.”
- 72%: Agreed that System “campuses spend too much money on things they don’t need instead of concentrating on educating students.”
- 74%: Agreed they couldn’t afford to send their child to a System campus without financial aid.
- 19%: Agreed they cannot afford to give their children a System education at all.
- 65%: Agreed the System could manage itself more effectively to overcome budget cuts.
- 80% of System graduates: Believe they received a good or excellent education.

The poll reflects the ambivalence of many of the state’s citizens toward the UWS: appreciation for, admiration, and pride in the achievements of the University coupled with perception that it is not run as efficiently as it could be.

In recent years, the state of Wisconsin, along with many other states and the nation as a whole, has come up against fiscal limitations forcing a reduction in the rate of increase in state spending, or actual budget reductions. This fiscal reality, combined with competition from other budget areas such as corrections, K-12 education, and Medicaid have resulted in a decade or more of slowed budget growth for the UWS in absolute dollars and a reduced budget when inflation is considered.

Table 1 indicates the history of the UWS’s share of General Purpose Revenue (GPR) expenditures compared to other major areas of the state budget. These five areas comprised 76% of the state budget in 1975 and 80% in 2005. Since 1975, the UW’s share of the state budget has declined by 39%. Shares have increased for School Aid (81.2%), Corrections (280.7%), and Medical Assistance (97.1%). The proportion of the state budget for Shared Revenues and Property Tax Credits has declined by 68.2%. No state agency has a permanent claim on any proportion of the state budget. However, the changes indicated reflect shifts in priorities: the School Aid share, a decision to increase property tax relief; Corrections, emphasis on truth in sentencing and law enforcement; Medical Assistance, increased costs; Shared Revenues and Property Tax Credits, changes in funding of local government and property tax relief.

**TABLE 1 MAJOR STATE PROGRAMS
GENERAL PURPOSE REVENUE (GPR) EXPENDITURES, 1975-2005
(DOLLARS IN MILLIONS)**

Year	UW System		School Aid		Corrections		Medical Assistance		Shared Revenues and Property Tax Credits	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
1975	\$298.8	13.7	\$485.8	22.3	\$43.7	2.0	\$151.2	6.9	\$677.7	31.1
1980	420.7	12.8	799.0	24.4	77.9	2.4	295.6	9.0	790.1	24.1
1985	555.6	12.1	1,182.0	25.8	119.3	2.6	431.9	9.4	1,004.2	21.9
1990	698.2	12.0	1,619.1	27.9	104.0	1.8	586.6	10.1	1,126.7	19.4
1995	849.8	10.9	2,450.8	31.5	336.9	4.3	843.3	10.8	1,291.6	16.6
2000	953.8	8.4	4,173.3	37.0	710.3	6.3	971.0	8.6	1,477.9	13.1
2005	996.9	8.4	4,789.0	40.4	905.3	7.6	1,608.8	13.6	1,221.0	9.9
% CHANGE										
1975-2005			-39%		81%		281%		97%	-68%

Press accounts have created the perception that there are serious management problems in the UWS that have undermined its support among the general public, the legislature, and the business community. Examples range from personnel management issues involving top-level managers at Madison and Whitewater, multi-million dollar personnel information technology system failures, monitoring of felons, abuses of vacation and sick leave policies, and questionable faculty hires. Press accounts of these and other instances are provided in Attachment 1 to this paper. If the University is to realize its potential to fulfill its traditional missions and its role in the economic growth of the state, it needs to continue to address issues of efficiency and management. A more fundamental issue is whether the UWS is structured in a way that impedes management in a time of limited resources. Unless these issues are addressed, it will be difficult for the University's supporters to convince the legislature that it is time to reinvest in the University.

The sections that follow provide background on major areas of UWS management including: governance (Section II), enrollments and student profile (Section III), budgets (Section IV), planning (Section V), obstacles to university management (Section VI), and summary and conclusions (Section VII).

II. UW GOVERNANCE

It has been thirty-five years since the former University of Wisconsin and Wisconsin State University systems were merged creating today's system of two doctoral campuses, eleven university campuses, thirteen freshman-sophomore colleges, and UW-Extension.⁵ The governing statutes of the University of Wisconsin, created at the time of merger, reflect an intention to create a decentralized governance system in which the various internal constituencies, the chancellors, the faculty, the students, and the academic staff, were each assigned primary responsibility for the aspects of the University most directly affecting them. This governance structure was an outgrowth of a need to gain political support for merger which was only narrowly approved by the legislature. The sections that follow paraphrase the statutory language defining the roles of the University's various elements.

The Board of Regents has primary responsibility for governance of the system including: enacting policies and promulgating rules for governing the system, planning for the future needs of the state for university education, ensuring the diversity of quality undergraduate programs while preserving the strength of the state's graduate training and research centers, and promoting the widest degree of institutional autonomy within the controlling limits of system-wide policies and priorities established by the Board.

Other extensive Board of Regents powers are enumerated including: (1) ensuring that educational programs in the system are compatible with the missions of the institutions; (2) appointing a President, chancellors and other UWS executives; (3) the allocation of funds among the institutions; and (4) setting salaries for non-classified staff — faculty and academic staff. In addition to specific powers and responsibilities, the Board is also given "all powers necessary or convenient for the operation of the system" except as limited by statute.

The President has the responsibility of administering the system under Board policies and directing a central administration which assists the Board and the President in: establishing systemwide policies, monitoring, reviewing and evaluating those policies; coordinating program development and operation among institutions; planning the programmatic, financial and physical development of the system; maintaining fiscal control; compiling and recommending educational programs, operating budgets, and building programs for the Board.

Chancellors are the executive heads of their respective faculties and institutions and have the responsibility of administering Board policies under the coordinating direction of the President. They are accountable to and report to the President and the Board on the operation and administration of their institutions. Subject to Board policy, the chancellors of the institutions, in consultation with their faculties, are responsible: for designing curricula and setting degree requirements; determining academic standards and establishing grading systems; defining and administering institutional standards for faculty peer evaluation and screening candidates for appointment, promotion and tenure; recommending individual merit increases; administering associated auxiliary services; administering all funds, allocated, generated, or intended for use of their institutions.

Faculty, subject to the responsibilities and powers of the Board, the President and the chancellor of their institution, have the responsibility for the immediate governance of the institution and have the right to actively participate in institutional policy development. The faculty have the primary responsibility for academic and educational

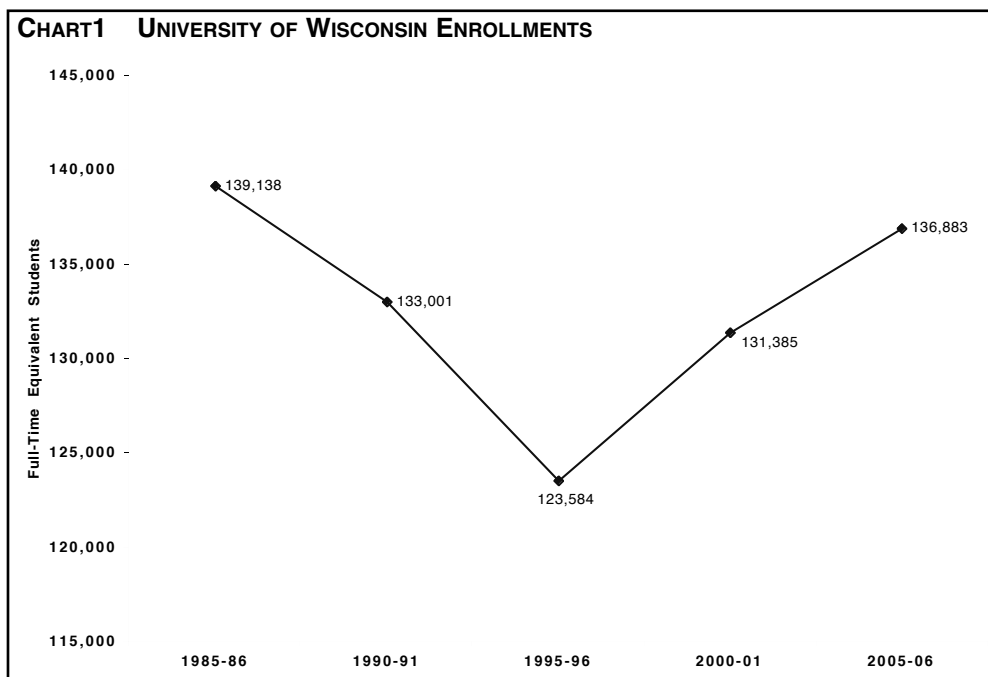
activities and faculty personnel matters. The faculty of each institution have the right to determine their own faculty organizational structure and to select representatives to participate in institutional governance.

Academic staff, subject to the responsibilities and powers of the Board, the President, and the chancellor and faculty of the institution, have the right to be active participants in the immediate governance of and policy development for their institution. They have primary responsibility for the formulation and review of, and to be represented in, the development of all policies and procedures concerning academic staff members, including academic staff personnel matters. The academic staff have the right to organize themselves in a manner they determine and to select their representatives to participate in institutional governance.

Students, subject to the responsibilities and powers of the Board, the President, the chancellor and the faculty, have the right to be active participants in the immediate governance of the policy development for their institutions. Students have primary responsibility for the formulation and review of policies concerning student life, services, and interest. Students, in consultation with the chancellor, and subject to the final confirmation of the Board, have the responsibility for the disposition of the student fees which constitute substantial support for campus student activities. The students of each institution or campus have the right to organize themselves in a manner they determine and to select their representatives to participate in institutional governance.

III. ENROLLMENTS AND STUDENT PROFILE

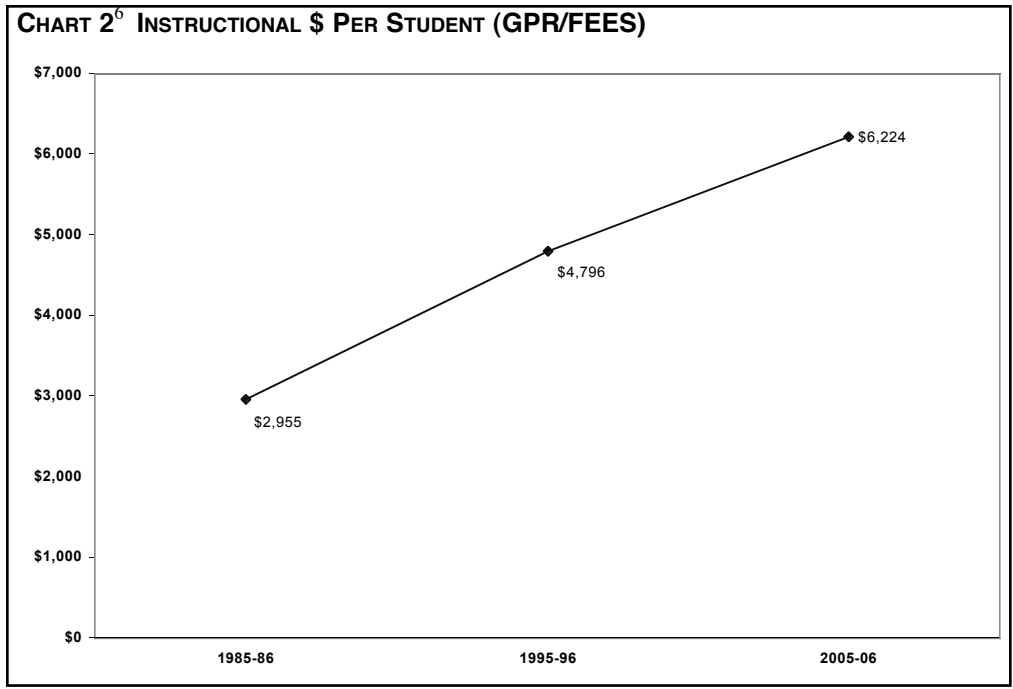
Beginning in 1987, the Board of Regents initiated systemwide enrollment management plans. Plans were in effect from 1987 through 2006. The overall goal of the plans was to decrease enrollments so as to increase funding available per student and to lower faculty workload (student/faculty ratios). Enrollments were dramatically reduced as indicated in the chart below.



Under Board of Regent enrollment management policies, enrollments were reduced by 15,554 students between 1986 and 1996. This represented 11% of the System's total enrollment or the equivalent of closing four campuses: Green Bay - 3,814 students, Parkside - 3,473; Platteville - 5,281; and Superior - 1,823.

The combined GPR/Student Fee (GPR refers to General Purpose Revenues — state funds — while

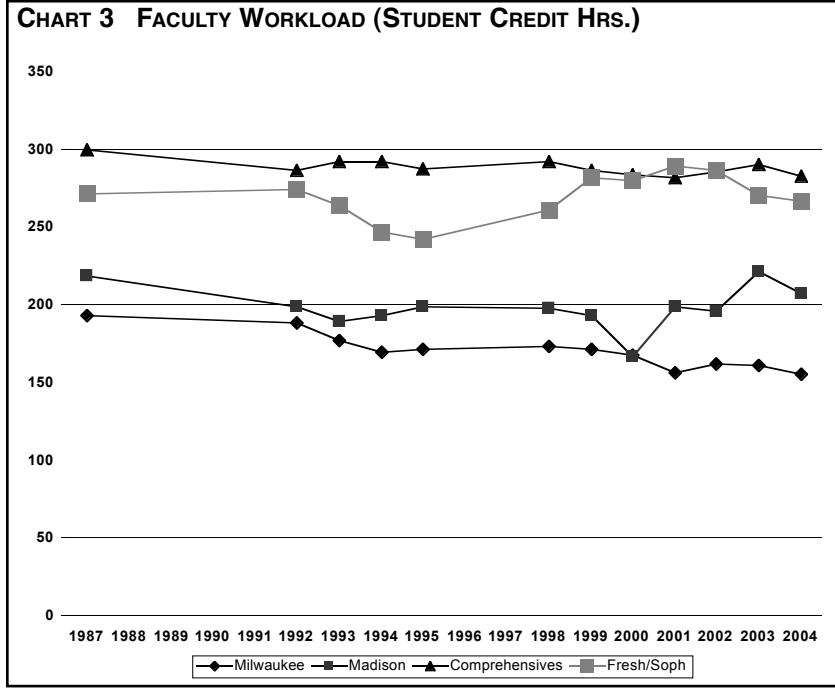
Student Fee refers to revenues generated through student tuition) budgets of these campuses totaled \$67 million, not including debt service. Because state funding does not change with enrollments, funding was not reduced. However, reductions for other reasons did occur in recent years. The effect of lowering enrollments was to increase spending per student as shown in Chart 2. An additional major effect was to increase tuition as fewer students were charged more to generate the same level of revenues as before the enrollment reduction.



The financing system of undergraduate education has undergone a transformation in the last ten years. There has been a dramatic shift in the allocation of educational costs between students and the state. From 1996-97 to 2006-07, state support per student has actually decreased going from \$4,353 per student to \$4,001 per student. In 1996-97, the state supported 66% of educational costs

(down from the traditional 75% in earlier decades). By 2006-07, that support had decreased to 44.1%. Students are paying a correspondingly higher portion of their costs of education increasing from \$2,291 in 1996-97 to \$5,076 in 2006-07. State funds as a proportion of the total UWS budget has declined from 40% in 1985-86 to 24% in 2005-06.

During the period of enrollment management, the make up of the student body changed, for example, in the class rankings of new freshmen as some campuses increased admission standards to lower enrollments and other campuses lowered standards, perhaps to meet enrollment targets. In 1970, 37.7% of incoming freshmen at UW-Madison graduated in the top 10 percent of their high school class, whereas, 62.2% did in 2006.⁷ At Madison, the average class rank increased 9.0% from 1976 to 2005. Class rankings also increased substantially at Eau Claire (+7.5%), LaCrosse (+24.62%), Oshkosh (+17.9%), River Falls (+8.1%), and Stevens Point (+15.22%). On the other hand, class rankings decreased substantially at Milwaukee (-13.2%), Parkside (-12.3%), and the UW-Centers (-20.4%).



A 2004 report to the Board of Regents indicated that over the last decade, the percentage of student credit hours taught by regular faculty declined from nearly 70% in 1995 to 60% in 2004 because of budget cuts.⁸ It was also reported that 40% of student credit hours are taught (in 2004) by non-faculty, instructional staff compared to 25% a decade ago. These declines in student contact with faculty may also have been the result of declining faculty workload at some UW institutions.

Chart 3 indicates workload (as measured by Student Credit Hours per faculty member) declines at all campuses between 1987 and 2000 with the largest decline being at

UW-Madison (-23.7%). By 2004, workloads had recovered substantially, but remained below 1987 levels with the highest remaining workload decline being at Milwaukee (-19.2%). Milwaukee's workload is 25% below Madison, 45% below the Comprehensive institutions, and 42% below the Centers. There are several major implications of these Milwaukee statistics. If Milwaukee had faculty workloads more comparable to those at other campuses: (1) significantly more students could be taught, (2) students could receive more of their instruction from faculty as opposed to non-faculty, and (3) resources could be freed for other purposes such as research.

IV. UWS BUDGETS

The GPR budget of the UWS has increased over recent years primarily due to funding provided for debt service, faculty salaries, fringe benefits, and utilities. Increases to support programs have been modest and often offset by budget reductions. In the 2005-06 budget, for example, the GPR/Fee budget increased by \$51.3 million. However, there was effectively a reduction in the University's operating budget as demonstrated in Table 2, below.

TABLE 2 2005-06 GPR/FEE BUDGET CHANGES

Budget Change	\$51.3 million
Debt Service	-20.2
Utilities	-41.8
Compensation	-37.8
Dedicated Funds	-5.0
Self-Supporting Programs	-14.9
Net Program Funds	-\$68.4 million

When cost increases for debt service, utilities, staff compensation, funding dedicated to particular purposes, and revenues from self-supporting programs are subtracted, there was an actual decrease of \$68.4 in funding available to support the University's primary programs. To the state taxpayer, the University's budget increased. To the University, it had fewer resources to accomplish its missions.

In every state budget, the UW's cost of simply continuing its existing programs plus staff compensation is among the largest items in the budget. For the 2007-09 biennial budget, the cost of these items is \$295.8 million including the Regents' recommendation for faculty and

academic staff pay increases, but not including pay increases for other staff which are approved in a separate process. This amount, which would fund no new programs, is the 2nd largest increase in the state budget after School Aids. This increase represents half the entire increase in state operations spending for the 2007-09 biennium.

Table 3 indicates base budget reductions included in state budgets 1997 and 2007. Over that period, GPR budget reductions totaled \$280.4 million. These reductions were offset by tuition increases of \$100.0 million leaving a cumulative reduction of \$180.4 million, representing a 14.6% overall reduction from the 1996-97 budget of \$1.24 billion, or an average of 1.6% a year.

The budget reductions charted in Table 3 have resulted in a budget that is \$180.4 million below what the budget

would otherwise have been. However, due to budget increases that occurred at the same time as base budget reductions, largely for cost-to-continue items and staff compensation, the overall UWS budget has increased by an aver-

TABLE 3 UNIVERSITY OF WISCONSIN BUDGET REDUCTIONS

	GPR Reductions	Tuition Increase	Net Reductions
1996-97	-\$25,231,500		-\$25,231,500
1997-98	-3,011,400		-3,011,400
1998-99	620,800		620,800
2000-01	-1,091,800		-1,091,800
2001-02	-28,015,600		-28,015,600
2002-03	-28,039,400		-28,039,400
2003-04	-110,000,000	50,000,000	-60,000,000
2004-05	-30,000,000	50,000,000	20,000,000
2005-06	-70,634,400		-70,634,400
2006-07	15,000,000		15,000,000
Total	-\$280,403,300	\$100,000,000	-\$180,403,300

TABLE 4 UNIVERSITY OF WISCONSIN SYSTEM BUDGET

	GPR/FEE Budget	Amount of Increase	Percent Increase
1996-97	1,244,341,881		
1997-98	1,310,083,241	65,741,360	5.3
1998-99	1,361,994,343	51,911,102	4.0
1999-00	1,454,758,176	92,763,833	6.8
2000-01	1,557,074,519	102,316,343	7.0
2001-02	1,637,545,235	80,470,716	5.2
2002-03	1,705,550,374	68,005,139	4.2
2003-04	1,716,891,254	11,340,880	0.7
2004-05	1,800,046,194	83,154,940	4.8
2005-06	1,851,396,140	51,349,946	2.9
2006-07	1,954,123,455	102,727,315	5.5

age of 4.6% as shown in Table 4. You have, therefore, the paradox of significant programmatic budget reductions occurring within overall budget increases.

Budget reductions are particularly difficult to manage within the University context where 78% of the budget is salaries and fringe benefits, and there are restrictions on laying off tenured faculty and academic staff. In the case of faculty, tenured faculty cannot be laid off unless an entire institution is declared to be in a state of fiscal emergency, a

process which takes considerable time. Non-tenured faculty and certain academic staff are entitled to multi-year notices before layoffs can occur. Sixty-five percent of the UWS budget is for faculty and academic staff.

V. UWS PLANNING

There is no single long-range strategic planning document or process for the UWS, rather, the planning function is reflected in a number of documents and UWS processes. Most recently, the UWS regards its document, “Charting a New Course for the UW System,” and its 2007-09 biennial budget request (“A Growth Agenda for the State of Wisconsin”) as planning documents.

The recommendations of the “Charting” document are divided into “self-help,” “state help,” and “joint (UW/state) efforts.” For a summary of these items, see Attachment 2. There are nine self-help items under which the UW System would undertake certain actions: (1) establish a pilot program at Platteville to attract out-of-state students; (2) lower nonresident tuition; (3) evaluate tuition models to influence student behavior; (4) help students more efficiently earn college credits and degrees; (5) streamline administrative services; (6) promote collaboration among UW institutions to attract federal funding and assist businesses and local governments; (7) adopt a systematic planning process; (8) support continued participation in the Wisconsin Campus Compact; and, (9) examine alternatives for increasing the number of nursing students.

These recommendations more resemble statements of short-range intentions than outcomes of a comprehensive long-range planning process. Likewise, the “Growth” document is more of a traditional biennial budget request document than a long-range planning document, although it may reflect long-range intentions. The “Growth” document, being essentially a request for funding for selected items, makes planning largely contingent on new appropriations every two years. It does not provide a basis for understanding the overall direction of the UWS or planning for the largest source of funding for new directions — the UWS base budget.

In the area of academic programs, planning is primarily an institution-based function operating within the framework of a Regent academic program approval process. While some planning functions are implicit in the Regent-approved missions of the individual institutions, and the process for Regent approval of new programs which considers whether program proposals are consistent with missions, there is essentially no state-level, long-term planning for the development, modification, or phasing-out, of academic program offerings.

Changes in academic programs are virtually all initiated at the institution level. In fact, the decentralization of academic planning extends down to academic departments. In the absence of system level academic planning, and given the decentralization of academic planning at the campus level, there appears to be no process which takes into account statewide academic program needs. Such needs are met to the extent that they coincide with the interests of faculty.

A recent article contrasted the approach of Harvard University and the University of Wisconsin-Madison⁹ describing a Harvard process that takes place at the institution level to a much greater extent than is the case at Madison.

Individual institutions typically have comprehensive strategic plans. These, however, are not reviewed by the Regents. Neither is there a process for coordinating them with each other or with a state-level planning process.

VI. OBSTACLES TO UNIVERSITY MANAGEMENT

When viewing the University of Wisconsin, a superficial first impression is that the term “university management” is an oxymoron when compared to management concepts in most enterprises; that is, management being the process by which resources are organized to produce a product in the most efficient manner. However, this view is based on a narrow concept of management most often applied to industrial or manufacturing environments. In contrast, there is a body of management theory dealing with organizations whose success depends on the fostering and application of creativity. Management in these organizations tends to be more decentralized with greater employee and operating unit autonomy. While attention is given to the overall productivity of the enterprise in order to ensure financial survival, there is less emphasis on the efficiency of operations per se. It is also often the case that revenues in this form of enterprise are less dependent on price competition than on unique product or semi-monopoly status.

By history, and nature of the institution, university management is decentralized: more at some universities, less at others. Clark Kerr, former chancellor of the University of California, gave this description of universities.

(Robert M.) Hutchins once described the modern university as a series of separate schools and departments held together by a central heating system. In an area where heating is less important and the automobile more, I have sometimes¹⁰ thought of it as a series of individual faculty entrepreneurs held together by a common grievance over parking.

In the same work, Kerr also describes the university as an organization in which students, faculty, and public authority compete for power to govern it.

A recent *Wall Street Journal* article speaks of the tension between individual and collective performance in business organizations. The conflict is stated as:

Should you create more autonomy for the individual parts of a company in order to create more initiative, more motivation, more accountability and, ultimately, more individual performance, or centralize activity into common functions. . .

A company to some extent is only as good as its individual parts. But the individual parts can be good or bad depending on what they are gaining from being part of the whole.¹¹

The parts of the university, particularly the faculty, are autonomous to a degree that their contribution to the good of the institution as a whole is determined by the culture of the faculty and the processes by which faculty are recruited and granted tenure rather than by active management on the part of the institution.

Governance. University Governance provisions are more oriented to providing reassurance to University constituencies than to providing a coherent management structure. While the Regents have primary responsibility for the governance of the system and clearly have the authority to govern the System, each constituency is said to have “primary” responsibility for some things. The statutes create a powerful Board of Regents but, at the same time, seem to intend a highly diffuse system of governance.

The primary responsibilities of faculty and staff are subject to the responsibilities and powers of the Board, the President and the chancellors. However, the Regents are also directed to promote the widest degree of institutional autonomy within systemwide policies. The role of System President is ambiguous and ill-defined. It has no defined role in the appointment of chancellors. Chancellors are said to be “under the coordinating direction of the President.”

While chancellors are designated as the executive heads of their faculties and institutions with broad responsibilities, students, faculty, and academic staff are given “primary” responsibility over matters related to them, although limited as indicated above.

A report by the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools voiced concerns regarding the University of Wisconsin-Madison that are probably relevant to the UWS as a whole.

The Team detected repeatedly with a variety of University of Wisconsin-Madison groups and individuals what might be characterized as a muted but widespread angst and uncertainty about whether the principles and practices that have made the University great can continue to keep it great in a changing local, state and global competitive environment. The Team sees three major factors contributing to this concern. They are the continuing constriction of state funding, the high level of internal administrative inflexibility induced by both internal and external bureaucratic regulation and control, and some negative aspects of the University’s powerful (and often beneficial) tradition of reliance on individual and small-unit autonomy and initiative.¹²

The report elaborated on the last point saying:

The University of Wisconsin-Madison is an extraordinarily decentralized institution. As one Team member put it, “Here the academic bottom line is decided at the bottom.” . . . While the Team acknowledges and agrees that this institutional style has been a major factor in establishing the University’s preeminence, the Team joins with many members of the UWM community in wondering whether maintaining this style might not come at the price of greater institutional risk in today’s climate of fast-paced change in higher education.

. . . [I]t may be helpful to observe that the University’s challenge in balancing the contending forces of individual faculty autonomy (academic freedom) and collective needs and goals at many levels from the departmental to the University level is similar to the challenges our society often faces in balancing individual rights with collective needs and authorities at all governmental levels from local to federal. In the Team’s opinion, this University would benefit from shifting that balance a bit toward the collective.

Under usual interpretations of labor law, the faculty, and perhaps also the academic staff, perform management functions because of their role in governance. Under provisions of 2007 Senate Bill 40, the 2007-09 biennial budget, proposed by Governor Doyle, collective bargaining rights would be extended to faculty and academic staff. However, the bill would maintain the rights of faculty and academic staff to continue to exercise management rights under existing governance provisions. The already confused and overlapping governance provisions of the UWS would be exacerbated with employees being both management and employees.

The net effect of the fragmented nature of UW governance is that leadership faces overwhelming obstacles to change and innovation. The sheer effort required to deal with the governance structure is often sufficient to stifle any impulse to change and the exercise of leadership. This environment makes it difficult to recruit top management staff.

Management Culture. Efficiency, as measured in business, is not a predominant value in higher education. Success in higher education could even be said to be measured by how high a level of inefficiency can be achieved: that is, lower student/faculty ratios, higher expenditures/student. University managers are reluctant to reallocate funding with the result that new infusions of funding are viewed as the primary means to deal with change or to implement decisions.

A well-known observer of higher education, Howard R. Bowen, has suggested a “revenue theory of cost” in higher education from which he derived several “laws” of higher educational costs including:¹³

1. The dominant goals of institutions are educational excellence, prestige, and influence.
2. In quest of excellence, prestige, and influence, there is virtually no limit to the amount of money an institution could spend for seemingly fruitful educational ends.
3. Each institution raises all the money it can.
4. Each institution spends all it raises.
5. The cumulative effect of the preceding four laws is toward every-increasing expenditure.

Bowen elaborates on the last point saying,

The incentives inherent in the goals of excellence, prestige, and influence are not counteracted within the higher education system by incentives leading to parsimony or efficiency. The question of what ought higher education to cost — what is the minimal amount needed to provide services of acceptable quality — does not enter the process except as it is imposed from the outside. The higher education system itself provides no guidance of a kind that weighs costs and benefits in terms of the public interest. The duty of setting limits thus falls, by default, upon those who provide the money, mostly, legislators and students and their families.¹⁴

The above perspective is probably more applicable in times of public sector stability or growth when there is more capacity for governments to allocate increasing resources to higher education. The challenge for public higher education institutions today is how to fulfill their missions in the face of constant or declining resources in organizations that are highly decentralized and that have depended on ever-increasing resources to overcome barriers to change and innovation.

University responses to what appears to be its long-term funding environment, characterized by limited new funding and the need to reallocate resources, have been limited due to internal and external constraints on managers in the UWS as well as a reluctance to acknowledge the reality and long-term nature of the University's funding environment.

External Factors. The University has, on a number of occasions, identified state controls that it believes are either unduly restrictive or which result in additional costs to the UWS. Among the changes suggested by the University are:

1. Modify the state's capital building program process to: expedite projects, allow the UWS to decline Department of Administration project management and construction supervision services; permit flexible bidding processes; require the government and the Department of Administration to sign documents more quickly; and allow the UWS to issue program revenue-supported bonds.
2. Modify state procurement processes to permit the UW to purchase goods and services outside of the state's purchasing contracts and allow the UW to engage in sole-purchasing without approval by the Department of Administration.
3. Allow the UWS to withdraw certain funds now managed by the State of Wisconsin Investment Board and allow the UWS to invest them and retain earnings now credited to the state General Fund.
4. Allow the UWS to select banking contracts apart from the state.
5. Allow the UWS to retain proceeds, now credited to the state's budget stabilization fund, from the sale of buildings or land acquired or built with non-state funds.
6. Allow the UWS to create employee positions funded from certain non-state sources.

The items listed above are generally related to achieving greater efficiencies, shifting revenues from the state General Fund to the UWS, or shifting the locus of control from the Department of Administration to the UWS, or all of these goals. Similar UWS proposals in the past have not been viewed favorably by the executive branch due to skepticism regarding potential savings, a desire to maintain control, and opposition to shifting revenues from the state General Fund to the University.

The potential benefits of making the changes are whatever hoped-for efficiencies and cost savings are actually realized. Depending upon one's viewpoint, the shift of control from the Department of Administration to the UWS is either positive or negative. In the final analysis, however, if control were shifted to the UWS, with appropriate safeguards to protect the state's interests in the event of failure, the UWS would be both responsible for its successes or failures and the institution and its students would have to live with the consequences.

Internal Management Practices. Many of the criticisms of the inappropriate nature, slowness, and inefficiency of state government procedures pertain also to internal UWS practices and procedures. Examples subject to press attention are contained in Attachment 1 to this paper. The more salient of these were: the failure of a \$28.4 million payroll information system project; the controversial appointment of a temporary faculty member who publicly claimed that the 9/11 attack was conducted by the U.S. government; the threatened closure of Madison's only fertility clinic because of the failure to resolve a personnel dispute; a slow response to the issue of the employment of felons in sensitive positions at the Madison campus; inappropriate handling of a personnel issue with a UW-Madison Vice Chancellor which involved back-up appointments for administrators; research fraud by a UW-Madison Assistant Professor of Genetics; and, controversies regarding expenditures by several deans at UW-Whitewater.

Too much can be made of these isolated problems that have been identified at the Madison and Whitewater campuses as they do not seem to be widespread. A few cases among tens of thousands of employees are to be expected in any organization. When the Regents became aware of them, they responded to address the underlying concerns. However, the autonomy of campuses and chancellors, and the faculty governance structure have not proven to be well-suited to addressing the types of issues raised by these cases.

Another example of UWS policies that make it difficult to manage in times of fiscal constraints are those regarding protections against layoffs for faculty. The University of Wisconsin System Administrative Code allows for the dismissal of faculty for cause and under fiscal emergency. However, fiscal emergency must be on an institution-wide basis. There is no provision to reduce faculty due to lack of enrollments in specific programs or elimination of duplicative programs.

The Role of UW System Administration. There are differing visions of the role that the UW System administration should play. One view, common on the campuses, would maximize decentralization to the point where the System administration would be essentially responsible only for some external relations and certain housekeeping activities. In this view, campuses would act as semi-autonomous entities operating within broad Regent policies. All program initiatives would come from the campuses. Planning would be completely a campus function, rather than one primarily done at the campus but also encompassing statewide concerns. Apart from monitoring compliance with Regent policies, System administration would have no role in campus management. Arguably, we are closer to this view than at any other time in the history of System administration.

An alternative view, would assign vital, statewide functions to System administration. In a way, it is the classic view that the whole should be greater than the sum of its parts. In the absence of statewide academic and fiscal planning, promotion of best practices, funding allocations based on policy directions and equity considerations, statewide concerns will be neglected because they may not be the concerns of any individual campus. Likewise, without a significant System administration, every campus is on its own. There is no capacity to manage within fiscal limitations or to direct resources to meet statewide education needs.

There is a real danger that a radically decentralized system within a diffuse governing system will offer no incentives for managers at any level to make difficult decisions to establish funding priorities and to promote efficiency. Decisions will not be made at the System level because decentralization moves decision making to the campuses. Decisions may not be made at the campus level to avoid the conflict that would ensue from efforts to do so, and because it is thought that faculty, academic staff, and student governance rights preclude this. Ultimately, in this environment, decision making is driven to the lowest organizational levels of the institution where there is no assurance that decisions will be made that are in the best interests of the campuses, the UWS as a whole, or the state. The only decision that everyone can agree on is to seek more taxpayer funding.

UWS System Structure. The UWS encompasses widely divergent institutions that differ profoundly in terms of mission, scale, funding, staff recruitment markets, and student profiles. A 2001 report from the Wisconsin Policy Research Institute authored by James H. Miller and Frank Cipriani, in the context of an analysis of the benefits of making UW-Madison a charter university, persuasively argued the unique nature and critical importance of UW-Madison to the state of Wisconsin.¹⁵ For a comprehensive discussion of the factors that set Madison apart from the other UW institutions, see their article.

Only the Madison campus has a national stature both in terms of undergraduate and graduate education. On measures of educational quality, it is ranked 34th among all universities and 7th among public universities. The UW-Madison, with its 36,100 full-time equivalent students represents 26% of the entire UWS and has almost twice as many students as the next largest campus. Madison confers almost half of the graduate and advanced degrees in the System and 90% of the doctoral degrees (UW-Milwaukee is the only other campus offering doctoral degrees). Madison attracts 65% of all nonresident undergraduates in the UWS. The campus with the next largest nonresident enrollment, UW-Milwaukee, has 5%. Madison accounts for 83% of all nonresident graduate students compared with 7.8% for Milwaukee.

On a number of indicators, the Madison campus is among the top research universities in the world. Madison's \$49.9 million in revenues from licensing and patent activity ranked 5th in the nation in Fiscal Year 2005. Its \$325.9 million in charitable contributions received in 2006 ranked 10th in the nation. No other campus generates any amounts that are significant in comparison. Its projected 2006 federal grants and contracts of \$527.3 million are almost four times as much as the next highest amount for a UW campus. Madison ranks among the top six public research universities in the United States. Madison is 7th nationally among all institutions in the number of doctorates granted. UW-Milwaukee ranks 163rd.

The Madison campus accounts for 93% of research funding in the UWS and generates more than two-thirds of outside funding. Over 90% of Madison's research funding of \$857.2 million is generated from outside sources. The research budget is nineteen times larger than the next largest research budget in the UW System. From these data, it is clear that the Madison campus is the primary focus for generating the external funding and conducting the research that can be driving forces behind Wisconsin's economic future.

The Madison campus competes with the other top national universities for faculty and leadership. Its peer group for faculty compensation includes top national universities: the other Big Ten universities, UC-Berkeley, UC-Los Angeles, and the University of Washington. Milwaukee's peer group includes a number of urban-based institutions. The other UW campuses have state regional peers.

The issue then, is whether the performance of the Madison campus is enhanced in the current UW System. While a single UW System serves other purposes, it does not appear to be the best structure within which to advance the missions of the UW-Madison. Further, the presence of UW-Madison within a single system could be said to "overwhelm" the other institutions so that their missions and interests are also not well-served.

The Miller and Cipriani argument for charter status for UW-Madison continues to be a valid approach to address the situation in which the UW System governance structure is not well-suited for an institution with the distinct nature of the Madison campus and is a hindrance to maintaining the national and international stature of the institution. This would be even more the case were collective bargaining to be authorized for the UWS as proposed in Governor Doyle's biennial budget. It is unlikely that UW-Madison faculty would opt for collective bargaining. It is likely that the faculty at most, if not all of the other institutions, would choose collective bargaining. The result would be a situation where the non-unionized faculty at Madison would be included within a system where most of the other faculty would be unionized.

There are compelling potential benefits from establishing a separate governing board for UW-Madison.

- A separate UW-Madison governing board could more effectively promote the distinct mission of the Madison campus and better position it to compete in its national market..
- The Board, without the distraction of governing fourteen other completely different institutions, would exercise more informed oversight of the Madison campus.
- The UW-Madison chancellor would be much more accountable in that his/her relationship to the Board would be more direct.
- A separate board would greatly enhance the attractiveness of the campus for potential chancellors recruited entirely on the basis of their ability to provide leadership for an institution with Madison's stature.
- The campus would be more able to respond quickly to the changing needs of the Wisconsin economy and to funding opportunities as they arise.
- The resulting more flexible administrative structure would enhance faculty recruitment and retention by allowing the campus to directly administer its affairs.
- It would not be necessary to duplicate "back room" operations such as accounting and information technology systems which could be shared between UW-Madison and the UW-System.

It is important to note that these benefits would be jeopardized to the extent that the current overlapping governance rights of the UW-System's internal constituencies were continued for the Madison campus. Continuation of a governance system characterized by overlapping authorities, where leadership is discouraged and focused action virtually precluded, would not be consistent with the purpose of providing a separate board for Madison: to allow the campus the flexibility to more effectively compete among the other national research universities. Clearly faculty governance should continue in the areas where it is customary in institutions of higher education and where it is a necessity for academic freedom and creativity.

VII. SUMMARY AND CONCLUSIONS

Commentators have often remarked on the unchanging nature of the fundamentals of university operation.

About seventy-five institutions in the Western world established by 1520 still exist in recognizable forms, with similar functions and unbroken histories, including the Catholic church; the Parliaments of the Isle of Man, of Iceland, and of Great Britain; the governance structures of several Swiss cantons; the Bank of Sienna; and some sixty-one universities.

. . . [T]he sixty-one universities, however, are mostly still in the same locations with some of the same buildings, with professors and students doing much the same things, and with governance carried on in much the same ways. . . . [T]he eternal themes of teaching, scholarship and service, in one combination or another, continue.¹⁶

The UWS is quite successful. Two common sayings come to mind: “How can one argue with success?” “If it’s not broke, don’t try to fix it.” These slogans for complacency may well pertain to critical areas of the UWS. For example, research is largely funded by non-state sources. By all indicators, UW-Madison is managing the research area quite well. Another area concerns that aspect of faculty governance related to the content of academic programs. No one would argue that role of the faculty in determining course content or the content of programs of study should be compromised. There are many other such areas where the benefits of seeking change are clearly limited. Other areas remain, however.

The primary source of funding to maintain the relevancy of UWS programs and to meet changing needs will be reallocations of funding within the UWS budget. This is actually the case today where most curriculum changes initiated at the academic department level are funded in this way. Generating funding for institutional and state-level needs will require greater attention to: systematic, comprehensive planning; fostering efficiency; monitoring faculty workloads; and potentially reallocating funding among institutions.

The current system was created out of the former University of Wisconsin System which consisted of the Madison, Milwaukee, Green Bay, and Parkside campuses together with ten freshman-sophomore centers; and, the Wisconsin State University System which included nine universities and four freshman-sophomore campuses. Many of the goals which led to merger have been realized, in part or in full, and, in some periods of time: program duplication and proliferation have been reduced; common management systems are in place; a degree of specialization among campuses has been achieved; salary disparities have been addressed; budget challenges have been met through System actions.

Major questions that can be raised today are:

1. Has the merged UWS gone as far as it can under its current practices and philosophy?
2. Has the time come to reconsider the functions of the merged system?
3. Can the System operate more effectively and efficiently?
4. Does the UWS, as it currently operates, ensure that state needs for higher education are met, as opposed to, or in addition to, the goals of the faculty and the individual campuses?
5. Can a single governing Board adequately manage such a diverse system and provide the level of accountability that the taxpayers of the state have a right to expect?

The state and the UWS are living in an environment that is very different from that of the 1970s when the current governing structures of the UWS were established. The world has moved on, but the state and the UWS have not fully adapted to what is likely to be the reality of at least the immediate future.

In 2005, the Board of Regents passed a resolution supporting UW System President Kevin Reilly’s call for a bipartisan state commission to address fundamental questions about what the people of Wisconsin want their public university to be, and to do. The University itself, in President Reilly’s call for a commission and in its “Charting” paper acknowledging the interaction between self-help, state-help, and joint efforts, has identified the major elements necessary to move forward: internal reform plus greater management flexibility for the UWS.

What is called for is nothing less than a renewal of the “social contract” between the University of Wisconsin and the state’s citizens. To achieve this, it is necessary to conduct a comprehensive review of the structure and internal operations of the UW System and its relationship to state government such as has not occurred since merger. The review should:

1. address the UWS’s plea for greater management flexibility and autonomy from the rest of state government;
2. review the governing statutes of the UWS to eliminate obsolete language, to provide clearer lines of authority, and to modify fiscal emergency provisions to allow staffing adjustments due to reorganizations, changing academic needs, and elimination of duplication;
3. examine faculty workload and productivity; and
4. create statutory language establishing a separate governing board for the UW-Madison.

ATTACHEMENT 1 - PRESS ITEMS¹⁷

- **Legislature, UW System Not On Same Page; Working Relationships Are At A Low Point As Sides Tug Over Purse Strings and Principles.** Megan Twohey, *Milwaukee Journal Sentinel*, September 25, 2005.

. . . [T]o get a taste of how bad the relationship is between the Legislature and the University of Wisconsin System, Listen to Dale Schultz, Jim Doyle and John Wiley:

“There is a lot of tension,” acknowledged Schultz (R-Richland Center), majority leader of the Senate.

“The relationship is very poor,” conceded Doyle, the state’s Democratic Governor.

“I’ve been on the faculty for 30 years and in administration for 20 of those, and I don’t remember a time when it was worse than it is now” said Wiley, Chancellor of UW-Madison.

Legislators have pounded the University of Wisconsin this summer for one example after another of what they consider reckless spending: \$700 car stipends given to administrators, paid leaves guaranteed to those who relinquish management positions, backup jobs handed out to seemingly everyone. University leaders have lashed out at legislators for not giving them as much money as they want, saying the cuts jeopardize the system of higher education in Wisconsin and slam the door on students from low income families.

- **UW-Whitewater Is Faulted in Audit: It Says The University Failed To Notice A Dean Was Breaking Its Rules.** Ryan J. Foley, Associated Press, *Wisconsin State Journal*, December 6, 2005.

UW-Whitewater failed to monitor the spending of a dean who improperly used \$50,000 on a academic group he founded and took trips that may not have been in the university’s interested, according to an audit released Monday.

- **UW-Whitewater Wants Credit Charges Back: The Demoted Dean Says Audit Is A “Witch Hunt.”** Dee J. Hall, *Wisconsin State Journal*, October 11, 2006.

A demoted UW-Whitewater dean is being asked to reimburse the university \$113,600 for questionable charges on his state procurement credit card, according to a letter released Tuesday.

- **Lawsuit Details Allegations Against Ex-Whitewater Dean.** Ryan J. Foley, Associated Press, January 27, 2007.

Escalating a legal battle between University of Wisconsin-Whitewater and a former dean, state lawyers have filed a lawsuit to try to recapture money they say the dean spent for personal uses.

The countersuit against Lee Jones seeks to recoup at least \$10,000 he spent during his one year as dean of graduate studies and continuing education. It comes in response to a federal lawsuit Jones filed last month alleging he was driven from campus because he is black.

The university removed Jones as dean in 2005 after an audit accused him of financial mismanagement. He left his position as a professor at the university last year.

As part of their suit, state lawyers representing the university made public its previously secret investigation that alleged Jones improperly spent school money on computers, furniture, travel and his personal consulting business.

Jones' lawyer denied the allegations and said that if his client had stolen the money, the university was irresponsible for waiting so long to try to get it back.

"If they sincerely believed that he did the things they are now alleging, why in the world would they wait until he filed suit to take action?" asked Jones' lawyer, Robert Kasieta.

The school's legal troubles may continue to grow. Kasieta said a second black UW-Whitewater dean, also demoted after an audit found he broke spending rules, is preparing to file a similar racial discrimination complaint.

Kasieta said he also would represent Howard Ross, who still works as a professor at UW-Whitewater, a school of 10,500 students 45 miles southeast of Madison.

[M]eanwhile, Kasieta said Ross would file a complaint with the Equal Employment Opportunity Commission in the coming days. Ross was fired as dean after an audit said he broke spending rules over a six-year period in which he racked up \$310,000 on credit cards. He has denied wrongdoing.

- **UW Urged To Dump Payroll System: After 5 Years, Program Still Unusable.** Aaron Nathans, *The Capital Times*, November 4, 2005.

University of Wisconsin information technology managers are urging the UW System to dump a payroll software system that already has cost the university \$25 million.

- **UW System Halts New Payroll System.** *Wisconsin State Journal*, May 4, 2006.

The University of Wisconsin System has stopped implementing new payroll software that cost \$26 million in tax and tuition funds, the system's executive vice President says.

- **Assessments Show UW Payroll Woes.** Associated Press, *The Capital Times*, July 29, 2006.

Poor leadership, a lack of planning and bureaucratic infighting plagued University of Wisconsin System's failed project to install a new payroll management system, according to critiques by private consultants.

- **UW Keeps Regents In Dark About Snafu.** Ryan J. Foley, Associated Press, *The Capital Times*, March 3, 2007.

University of Wisconsin System leaders never informed the Board of Regents about a troubled \$28.4 million software project until they canceled it last year, a report released Friday shows.

The regents did not receive a single update on problems with the system to track payroll and benefits information, the report said, despite warnings the project was in danger as far back as 2004. Some campus officials doubted it would ever work even earlier. . . .

The report said the actual cost of the project was \$28.4 million, or \$2.1 million higher than officials have stated previously. The previous figure did not include salaries and benefits of UW employees transferred to work on the project, it said. . . .

- **UW Reacts To Stiff Dose Of Discontent in Survey.** Karen Rivedal, *Wisconsin State Journal*, February 25, 2006.

. . . [H]oward Cosgrove of Wood Communications on Friday said his company decided to do the poll because business interests believe that the System is one of the state's most important economic engines. But it also needs more support from the public, Cosgrove said, to be as successful as it could be. . . .

69 percent of Wisconsin residents: Agreed that System "campuses have more administrators than they need."
 50 percent: Agreed that system "campuses pay their faculty too much."
 62 percent: Agreed that System campuses provide health benefits to faculty and academic staff that are "more expensive and generous than the rest of us get."
 59 percent: Agreed that System "campuses don't think they have to watch their dollars like the rest of us."
 72 percent: Agreed that System "campuses spend too much money on things they don't need instead of concentrating on educating students."
 74 percent: Agreed they couldn't afford to send their child to a System campus without financial aid.
 60 percent: Agreed the value of a System education compared to the cost is good or excellent.
 79 percent: Agreed the System is doing an excellent job of providing a good education.
 19 percent: Agreed they cannot afford to give their children a System education at all.
 65 percent: Agreed the System could manage itself more effectively to overcome budget cuts.
 80 percent of System graduates: Believe they received a good or excellent education.

- **Audit Finds 40 Felons In UW Employ: The Audit Reported The System Was Unaware Of Many Of The Felons, 27 Of Whom Were at UW-Madison.** Ryan J. Foley, Associated Press, *Wisconsin State Journal*, March 1, 2006.

The University of Wisconsin System employed 40 felons this fall, including two who committed homicides in the 1970s and four child sex offenders, according to an audit released Tuesday.

- **New UW Rules Would Speed Up Firing of Felons.** Ryan J. Foley, Associated Press, *The Capital Times*, February 9, 2006.

University of Wisconsin System Professors convicted of felonies could be immediately suspended without pay under proposed rules meant to quickly remove criminals from the system's payroll.

. . . Under current policy, UW schools do not fire professors based on felony convictions alone and instead conduct separate investigations to determine whether the offenses were employment-related. The employees then can appeal all the way to the regents and collect pay in the meantime.

- **UW Felon Still Working On Campus.** Madison Channel 27 News, September 19, 2005.
27 News has uncovered UW-Madison literature professor Lewis Cohen, a convicted sex offender, works on campus as part of a state work release program and has access to student records.
"To give this person, who's been convicted of a serious crime against children, access to student records, simply doesn't make sense," Rep. Scott Suder (R-Abbotsford) told 27 News.
"This offender should not be on campus," said Rep. Samantha Kerkman (R-Burlington).

- **UW Staffer Has Theft Conviction: List Shows 40 Felons On System Payroll As Of Last Fall.** Ryan J. Foley, Associated Press, *Wisconsin State Journal*, March 6, 2006.
A UW-Madison employee who has handled donations, grants and credit card transactions was convicted last year on charges she embezzled more than \$30,000 from a previous employer, court records show.
The Legislative Audit Bureau identified Jennifer K. Joas, a financial specialist in the university's agronomy department, as one of 40 felons on the UW System payroll as of last fall in a list obtained by The Associated Press.
. . . The audit recommended that the UW System conduct background checks on candidates for positions in which employees have access to financial information or cash. UW-Madison told auditors they conduct checks on some employees with financial responsibilities.

- **A Faculty Committee Has Been Swamped After Three Professors Were Fired After Committing Felonies.** Karen Rivedal, *Wisconsin State Journal*, December 11, 2005.
Internal appeals of firing decisions are nearly finished for two of the three UW-Madison professors convicted of felonies in recent months, while the process for the third — jailed stalker Steven Clark — is just getting under way, university officials confirmed last week.
UW-Madison's administration had moved to fire all three by mid-September, but they remain officially employed pending internal appeals, an option they are entitled to under state and university rules.
One of the three, registered sex offender Lewis K. Cohen, is still drawing his \$73,000 salary; the committee expects to make a decision in his case by early January.
"We made a very serious effort to try to do all three cases in this semester," said professor James Donnelly, who leads the nine-member appeals committee that hears faculty disciplinary cases. "But we just couldn't find enough time."
In Clark's case, an appeal request has been made to the committee, Donnelly said, but no hearings have yet been set.

- **UW Probe Uncovers Fraudulent Research. Professor Resigned in March After Questions Were Raised.** David Wahlberg, *Wisconsin State Journal*, June 1, 2006.
A UW-Madison genetics professor who resigned this year fabricated data in three grant applications — misconduct unearthed by graduate students whose careers suffered in the process — says a university investigative report released Wednesday.

- **UW Fertility Clinic Doctors Can't Get Along.** David Wahlberg, *Wisconsin State Journal*, March 31, 2006.
Escalating tensions among the three doctors at the UW fertility clinics, including charges of sexual harassment and poor care, led to the announcement last week that the clinic will close by June a university official said Thursday.
. . . The university can't simply dismiss one or more of the doctors because a full investigation is required before such disciplinary action, he said. So the Medical Foundation Board voted late last month to stop pursuing the new clinic.

- **Fertility Clinic Closing Stirs Furor: Patients Worry About Break in Care; UW Decision Firm.** Anita Weier, *The Capital Times*, March 17, 2006.
University Hospital's decision to close its fertility clinic on June 30 has produced a furor among the clinic's current and former patients.

The hospital has received about 100 phone calls and e-mails in response to its announcement last week. Many opposed and some supported the decision, but most were worried about what to do since their care would be interrupted.

- **Lawton, Falk Pushed Shift On Fertility Clinic.** David Callendar, *The Capital Times*, April 7, 2006.
 In a little more than a week, a hastily assembled coalition of state and local officials, women's health advocates and consumers convinced UW Hospital officials to reverse their decision to close the hospital's fertility clinic. The players included Dane County Executive Kathleen Falk, Lt. Gov. Barbara Lawton, Dane County's legislative delegation, Planned Parenthood of Wisconsin, The Wisconsin Alliance for Women's Health and numerous current and former patients of the facility.

- **UW Student Affairs Chief Is Stepping Down.** Karen Rivedal, *Wisconsin State Journal*, November 5, 2004.
 A top leader at UW-Madison is stepping down to deal with personal issues, university officials said Thursday. Paul Barrows, vice chancellor for students affairs since 1999 and a university employee for the past 15 years, will take a leave for an undetermined amount of time, Chancellor John Wiley said. It will be a paid leave covered by accrued sick time and vacation.

- **Barrows Tries to Rebut Allegations.** Aaron Nathans, *The Capital Times*, April 11, 2006.
 Former top University of Wisconsin-Madison Administrator Paul Barrows today sought to rebut allegations that he was a womanizer, calling witnesses as part of an appeals process.
 Former Provost Peter Spear, who was at the hearing, last year decided to keep Barrows in a lower-paying backup position after affirming an investigators' conclusion that he had sexually harassed two women. Barrow's attorney, Lester Pines, today called people Barrows had worked with to counter those allegations.

- **Barrows Case Shows UW Flaws: 'System Should be Overhauled.'** Aaron Nathans, *The Capital Times*, May 9, 2006.
 The Paul Barrows case has exposed problems with how the University of Wisconsin handles disciplinary matters, several educators and state leaders say.
 An appeals committee on Monday slammed the UW-Madison for its handling of sexual harassment and sick leave abuse allegations against the former vice chancellor for student affairs.
 James Klauser, who was a member of the Board of Regents, until 2003, said in an interview today that the Barrows case has turned into an "imbroglio" that shows the university has no competent system for handling charges of misconduct.
 Klauser said he has seen numerous personnel matters that end up in an endless spiral of confusion.
 "By handling these issues the way they're handling them, poorly, they're discrediting the university," Klauser said. "There's so much more to the university than these issues. They should be handled promptly and resolved. They drag on forever. The system should be overhauled and defined."

- **Wisconsin Instructor's 9/11 Conspiracy Theories Ill-Serve Students.** The Anti-Defamation League, Press Release, Chicago, IL, October 11, 2006.
 University of Wisconsin instructor Kevin Barrett's use of 9/11 conspiracy theories and choice of a textbook that equates President George W. Bush with Adolf Hitler and bashes Israel raise serious questions about whether he has crossed the line into political advocacy, the Anti-Defamation League (ADL) said today.
 "While we respect academic freedom, ADL is deeply concerned that the students in Barrett's class are receiving a taxpayer-funded indoctrination into the instructor's personal political views that the U.S. government perpetrated the 9/11 attacks, that America is equivalent to Nazi Germany and that Israel is a racist state," said Lonnie Nasatir, Regional Director of ADL's Upper Midwest office and a University of Wisconsin alumnus.
 "Students who have signed up for a class purportedly about Islam are being ill-served by this content, which has little to do with that great religion."

- **Green, Nass Renew Call to UW to Fire 9/11 Conspiracy Professor: Upcoming Talk is Impetus.** *The Capital Times*, September 27, 2006.
 A Republican lawmaker and a gubernatorial candidate renewed their call Tuesday for the University of Wisconsin-Madison to fire a part-time instructor who believes the U.S. Government orchestrated the 9/11 attacks.

- **Lecturer Says Taxes Go to Kill U.S. Troops.** Megan Twohey, *Milwaukee Journal Sentinel*, November 11, 2006.

"Your tax dollars are paying for the killing of American soldiers in Iraq. The CIA is paying for resistance in Iraq."

So closed Kevin Barrett's fourth and final lecture on the Sept. 11, 2001, terrorist attacks on the United States delivered as part of his course on Islam at the University of Wisconsin-Madison.

- **UW Faculty Not Taking Sick Leave.** Ryan J. Foley, Associated Press, *Wisconsin State Journal*, October 14, 2006.

University of Wisconsin Faculty members report far fewer sick days than other state employees and as a result earn hundreds of thousands of dollars more for health insurance when they retire, according to an audit released Friday.

. . . The disparity results in a lucrative retirement benefit: UW faculty who retired last year converted an average of \$222,000 worth of unused sick leave into health insurance credits — three times as much as the average state employee, the audit said.

The audit also raised questions about whether faculty are accurately reporting vacation time, excessive use of high-paid consultants, and backup jobs guaranteed to hundreds of administrators.

- **UW Curriculum Constantly Evolving, Adjusting: No Harvard-like Overhaul Expected.** Anita Weier, *The Capital Times*, December 23, 2006.

Harvard University is considering revising its curriculum to make it "more relevant" to the real world, but University of Wisconsin-Madison Provost Pat Farrell said no major changes are planned for the UW, which evaluates courses all the time.

"The whole notion of assessing everything we do in as many ways as we can, learning from those assessments, and changing curriculum as needed to achieve the goals we seek for ourselves and our students, is ongoing," Farrell said.

But curriculum change usually comes from departments, instead of taking a campus-wide approach.

"We expect departments and programs are always looking at the impact of what they do. We also are looking on a campus-wide level at how what we do impacts what students learn and what they are prepared to do when they leave."

A student survey is done via the Internet every other year, in which students comment on their perception of the quality of the education they are receiving. They are also asked whether needed courses are available, if faculty is accessible, what is the quality level of teaching assistants, is the campus environment safe and welcoming, and whether discrimination is an issue.

Officials also look carefully at grades.

"This is done on a program basis," Farrell said. "To the extent that grades are an accurate indicator of learning, they are going to see whether grades have changed substantially and are there things students seem to be missing."

For instance, he said, if students who are expected to do well in math are not doing so, it would be time to explore whether they are not as qualified as thought, if they are not working hard enough or whether math instruction is not adequate.

"Overall, we look at large-scale things like graduation rates and times until graduation," Farrell said. "That is a good indicator of whether students can get courses they want and the majors they wish to get into. It is also a fairly loose indicator of student success. That is not largely an issue; the quality of students we get is terrific." . . .

Generally, however, individual departments decide their degree requirements and change what is required when needed.

ATTACHMENT 2 - CHARTING A NEW COURSE FOR THE UW SYSTEM — RECOMMENDATIONS

Self-Help Recommendations

- Meet Wisconsin workforce needs by piloting a program at UW-Platteville that targets out-of-state student recruitment;
- Re-examine tuition charged to nonresident undergraduate students to identify more competitive rates, so the subsidy these students provide Wisconsin resident students is increased rather than lost;
- Evaluate alternative tuition models that positively affect student behavior;
- Help students more efficiently earn college credits and degrees;
- Further streamline administrative services;
- Promote collaboration across the System to attract more federal research funding and to assist Wisconsin businesses and local governments;
- Adopt a systematic planning process;
- Continue to participate in the Wisconsin Campus Compact to encourage service-learning and student citizenship through volunteer activities; and
- Examine options for increasing the number of nursing students to address the shortfall in Wisconsin.

State-Help-Needed Recommendations

- Stabilize state GPR support for higher education opportunity;
- Increase student financial aid to ensure access for students of all income levels and create a “hold harmless” program, providing grants to lowest-income students to cover increased costs;
- Streamline the capital building program process by modernizing statutes and procedures to match accepted national practices;
- Provide flexibility in the state procurement process, permitting more efficient purchasing of university goods and services through higher educational discounts;
- Provide UW System authority for university cash management and investment responsibilities currently performed by the Wisconsin Department of Administration;
- Provide UW System authority to retain and reinvest the proceeds from the sale of buildings or lands built or acquired with program revenue or gift funds (not state tax dollars);
- Expand UW System’s ability to create and abolish positions to include remaining program revenue operations;
- Adequately support UW library and technology needs; and
- Address campus infrastructure needs related to research space and funding to retain top researchers.

Joint Efforts Recommendations

- Expand diversity initiatives, with more emphasis on K–12 pre-college programs and a focus on Milwaukee schools and their students;
- Establish a Wisconsin Research Opportunities Fund to increase federal grants by matching funds for federal and/or business partnerships;
- Partner with the Wisconsin Technical College System to expand post-secondary opportunity for adult students and enhance credit transfers;
- Create educational quality grants to promote fundamental changes in teaching, student learning, and organizational systems;
- Continue an extensive examination of the UW Risk Management program;
- Establish a Systemwide incentive fund to encourage faculty and staff collaboration across campuses; and
- Continue UW System commitment to growing the Wisconsin economy.

ATTACHMENT 3 - A GROWTH AGENDA FOR THE STATE OF WISCONSIN

**UNIVERSITY OF WISCONSIN SYSTEM
2007-09 BIENNIAL BUDGET
USING TRADITIONAL GPR/FEE SPLITS**

PROPOSED NEW GPR/FEE FUNDED INITIATIVES

	FY 2007-08 Increase	FY 2008-09 Increase	Ongoing Base Increase
Wisconsin Covenant Staff	110,000	110,000	220,000
Veterans Outreach	110,500	110,500	221,000
Recruitment and Retention of Faculty/Staff	3,333,300	3,333,400	6,666,700
Increased Baccalaureate Degrees:			
Colleges/Extension	800,000	1,820,200	2,620,200
Green Bay	414,900	1,339,500	1,754,400
La Crosse	901,400	2,560,600	3,462,000
Oshkosh	828,300	1,773,300	2,601,600
Parkside	284,700	973,400	1,258,100
Platteville	248,300	320,200	568,500
River Falls	175,000	150,000	325,000
Stevens Point	197,500	69,200	266,700
Superior	88,500	1,042,100	1,130,600
Whitewater	102,600	278,900	381,500
Workforce Development Initiatives			
Milwaukee	1,296,000	8,704,000	10,000,000
Eau Claire and Stout	0	3,062,600	3,062,600
Teacher Education (Multi-Campus)	223,400	2,480,500	2,703,900
Nursing (Multi-Campus)	500,000	2,610,300	3,110,300
Applied Research	250,000	0	250,000
Other Proposed Initiatives			
Early Math Placement	185,000	-55,000	130,000
Transfer Information System Phase Four	495,700	-322,000	173,700
GPR Request	7,085,300	20,218,600	27,303,900
Fee (Tuition) Request	3,459,800	10,143,100	13,602,900
Tuition Excluding La Crosse	2,558,400	7,528,500	10,086,900
GPR/Fee Request	10,545,100	30,361,700	40,906,800

GROWTH AGENDA FOR THE STATE OF WISCONSIN

As noted, the Board of Regents and the Governor have identified access to higher education for all Wisconsin residents as a priority for the 2007-09 biennial budget. The Governor also prioritized the need to attract more federal dollars. The University of Wisconsin System has been, and will continue to be, a key player in meeting these goals. The GPR/Fee operating budget request focuses on Access, Growth and Affordability, with a particular emphasis on helping to grow the Wisconsin economy through expanded research and technology transfer initiatives.

Wisconsin Covenant

One of the cornerstones of the Growth Agenda is improving affordability through the Wisconsin Covenant. The Board is committed to increasing access to the UW System for low income students. The Wisconsin Covenant, while not included in the UW System's biennial budget request, is a top priority for the Board of Regents. The Governor announced the Wisconsin Covenant in his State of the State address in January, 2006. It would provide funding for tuition and fees for Wisconsin students who pledge to maintain good grades and demonstrate good citizenship. The Wisconsin Covenant has been listed as a top state priority for the 2007-09 biennium and is expected to be introduced as a Governor's initiative this Fall.

The Wisconsin Covenant would provide funding for students attending a UW System, Wisconsin Technical College System or Wisconsin Association of Independent Colleges and Universities (WAICU) institution. The UW System Board of Regents passed a resolution in support of the Wisconsin Covenant in June, 2006 and, at its August, 2006 meeting, will consider a resolution in support of a Hold Harmless Tuition Grant proposal that would serve as the foundation for the Wisconsin Covenant. The Hold Harmless Tuition Grant proposal would cover funding for tuition and fees as a last grant during the 2007-09 biennium, and allow the state to begin setting aside resources for the full Wisconsin Covenant program under which the first cohort of students would enter college in the 2011-12 fiscal year.

Tuition and Financial Aid

Affordability for low to middle income families is expected to be maintained through increased funding for the Wisconsin Higher Education Grant for UW Students (WHEG-UW), which is statutorily required to increase by the same percentage as tuition increases for UW institutions and through increased tax credits included in the 2005-07 biennial budget. The Wisconsin Covenant is also expected to include mechanisms to improve affordability for all Wisconsin families with demonstrated financial need.

To further improve affordability, the Governor and the Board of Regents have indicated their commitment to keeping tuition increases as a part of their 2007-09 biennial budget request at rates no higher than the rate of inflation. The Consumer Price Index for 2005 (the last full year recorded) increased 3.1%. In accordance with the Governor's request, and the Board's own concerns about affordability, the recommended request for the UW System includes revenue increases that would raise tuition by 3.0% in 2007-08 and 1.96% in 2008-09, for an average increase of less than 2.5% for the biennium.

Meeting State Needs

The initiatives included in the 2007-09 Biennial Budget request would allow the UW System to grow enrollments by 2,025 full-time equivalent students, to address statewide needs for more teachers in high-demand areas like math and science, and to increase the number of nurse educators in the state to meet Wisconsin's need for nursing professionals. The initiatives target adult non-traditional students, who are more likely to remain in the state following graduation, using directions outlined by the Committee on Baccalaureate Expansion (COBE). The UW Colleges and UW-Extension, in particular, seek to increase adult student participation by developing seven (7) additional accessible degrees a year, including online courses, and working collaboratively with UW System four-year institutions. In addition, UW System institutions have worked, and will continue to work, collaboratively with the Wisconsin Technical College System to improve transfer opportunities. In 2005-06 alone, UW-Madison established three new transfer contracts with WTCS institutions, and UW-Stevens Point created a new collaborative agreement as well.

Veterans

During the 2005-07 and 2007-09 biennia, the UW System plans to increase outreach to veterans and certain dependents of veterans. That outreach will include informing veterans about benefits available to them through the Veterans' Tuition Grants, which allow Wisconsin veterans to attend UW and WTCS institutions while paying only half of the cost of tuition and fees in the 2005-07 biennium, up to 128 credits. In 2007-09, Wisconsin veterans will

not need to pay any tuition or fees for up to 128 credits within either system. Spouses and dependents of veterans who died or suffered a 30% disability are eligible to attend without paying tuition and fees in the current (2005-07) biennium. These benefits were generously provided by the Legislature and the Governor to recognize the sacrifice that Wisconsin veterans and their families have made to ensure the safety of all Wisconsin residents. The Higher Educational Aids Board is expected to request funding to support the Veterans' Tuition Grant for both UW System and WTCS institutions. A resolution in support of the Veterans' Tuition Grant is expected to be acted upon at the August, 2006 Board of Regents meeting.

Student Success

The budget request includes initiatives that would address the need to increase retention and graduation rates at four UW System institutions: UW-Parkside, UW-River Falls, UW-Superior and UW-Whitewater. These initiatives would improve productivity through the use of best practices and increase the number of baccalaureate degrees in the state without increasing the number of students enrolled on the campuses. These productivity increases would build upon previous gains in the UW System. The UW System was recently ranked by the National Center for Higher Education Management (NCHEMS) as fourth most productive nationally in the public research sector (UW-Madison and UW-Milwaukee) and fifth most productive nationally in the public comprehensive sector (the eleven four-year UW Comprehensive Universities) relative to resources.

The UW System has also demonstrated its productivity by increasing student enrollment by 3,182 students over the past 6 years while absorbing base budget reductions of \$225 million and reducing state funded positions by 1,020 full-time equivalent positions. The UW System is committed to searching for ways to improve productivity. However, to maintain the quality of a UW degree, further increases in enrollment need to be matched with increases in state resources.

Building Research Capacity

The final component of the UW System's budget request seeks to increase the university's research capacity. The "Powering Southeastern Wisconsin's Knowledge Economy" initiative addresses business needs in the seven-county area surrounding Milwaukee, and expands the Research Growth Initiative to permit UW-Milwaukee to compete more successfully for federal and other extramural funds. It also enhances the level of graduate and undergraduate education, research support and training at the UW's second largest public research institution. The request also seeks to increase NanoSTEM capacity in the Chippewa Valley (UW-Eau Claire and UW-Stout working in cooperation with the Chippewa Valley Technical College), and to match funding provided by WiSys to increase funding for Applied Research.

Statutory Language Changes

Statutory Language Changes (Section B, Page B-27) include proposals that would enable the UW to use resources more efficiently, streamline procedures, eliminate costly duplication, and make technical corrections. With these increased efficiency measures, the UW System would be better equipped to manage resources effectively in an era of limited state resources.

ENDNOTES

1. "The University of Wisconsin System's Economic Contribution to Wisconsin," Dennis K. Winters, Principal Investigator; William A. Strang, Project Consultant; NorthStar Economics, Inc., September 2002.
2. NorthStar calculated the number of jobs created by the UW by combining the number of UW employees with an estimate of the number of jobs created by UW, student, and visitor spending.
3. "Report of a Visit to The University of Wisconsin-Madison: Madison, Wisconsin, April 12-14, 1999, for the Commission on Institutions of Higher Education of the North Central Association of Colleges and Schools"
4. "UW Reacts To Stiff Dose Of Discontent in Survey." Karen Rivedal, *Wisconsin State Journal*, February 25, 2006.
5. The 13 freshman/sophomore transfer campuses of the UW have been referenced under a number of names: Two-Year Centers, Freshman/Sophomore Centers, and, most recently since they have been combined, UW Colleges and Extension.
6. Table does not take inflation into account. When the effect of inflation is considered, funding per student has probably remained relatively constant over the period after increasing significantly in the 1980s and declining in recent years.
7. "Economic Snapshot: Top students enrolling at UW," Center for Community and Economic Development, University of Wisconsin-Extension, *The Wisconsin State Journal*, January 21, 2007.
8. "Report of the President of the System" *Minutes of the Board of Regents Meeting*, May 7, 2004.
9. "UW Curriculum Constantly Evolving, Adjusting: No Harvard-like Overhaul Expected." Anita Weier, *The Capital Times*, December 23, 2006.
10. Kerr, Clark. *The Uses of the University*. Harvard University Press, 1963, p. 20.
11. Ken Favaro, Co-chairman of management consulting firm Marakon Associates quoted in Carol Hymowitz, "Unnecessary Tension: Profits vs. growth. Short term vs. long term. The parts vs. the whole. Does it really have to be either/or?" *The Wall Street Journal*, January 22, 2007, p. B7.
12. "Report of a Visit..."
13. Bowen, Howard R., *The Costs of Higher Education: How Much Do Colleges and Universities Spend per Student and How Much Should They Spend?* Jossey-Bass Publishers, 1980, pp. 19-20.
14. Bowen, p. 20.
15. Miller, James H. and Cipriani, Frank, "Chartering the University of Wisconsin-Madison," *Wisconsin Policy Research Institute Report*, November 2001, Vol. 14, Number 8.
16. Kerr, Clark, in association with Gade, Marian L., and Kawaoka, Maureen, *Higher Education Cannot Escape History: Issues for the Twenty-First Century*. State University of New York Press, 1994, pp 44-45.
17. Articles are selective and are excerpted and; therefore, may provide only partial information on any particular topic. Readers should refer to the full text and range of stories on any topic.

ABOUT THE INSTITUTE

The **Wisconsin Policy Research Institute** is a not-for-profit institute established to study public-policy issues affecting the state of Wisconsin.

Under the new federalism, government policy increasingly is made at the state and local levels. These public-policy decisions affect the life of every citizen in the state. Our goal is to provide nonpartisan research on key issues affecting Wisconsinites, so that their elected representatives can make informed decisions to improve the quality of life and future of the state.

Our major priority is to increase the accountability of Wisconsin's government. State and local governments must be responsive to the citizenry, both in terms of the programs they devise and the tax money they spend. Accountability should apply in every area to which the state devotes the public's funds.

The Institute's agenda encompasses the following issues: education, welfare and social services, criminal justice, taxes and spending, and economic development.

We believe that the views of the citizens of Wisconsin should guide the decisions of government officials. To help accomplish this, we also conduct regular public-opinion polls that are designed to inform public officials about how the citizenry views major statewide issues. These polls are disseminated through the media and are made available to the general public and the legislative and executive branches of state government. It is essential that elected officials remember that all of the programs they create and all of the money they spend comes from the citizens of Wisconsin and is made available through their taxes. Public policy should reflect the real needs and concerns of all of the citizens of the state and not those of specific special-interest groups.